Our purpose is to SOLVE courageously, exponentially and together

We exist to improve lives through the technologies we create, leaving the world better than we found it.

Integrated Report **2021**

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We welcome your feedback to make sure we are covering the things that matter to you
Go to: www.eoh.co.za or email: ir@eoh.com for the feedback form

www.eoh.co.za

ABOUT THE INTEGRATED REPORT

Introduction and scope of the report

EOH Holdings Limited ('EOH Holdings' or 'the Company') is committed to transparent reporting and aims to provide information to its stakeholders that will allow them to make informed decisions about the Company's ability to create value.

SCOPE OF THE REPORT

In this report, the performance of the Company and its subsidiaries (hereafter referred to as 'EOH' or 'the Group'), as well as its associates and joint ventures, for the year ended 31 July 2021 are reviewed. The report also covers EOH's strategic journey, business model and governance practices, as well as an overview of the risks that EOH encountered over the 2021 financial year.

The full set of audited consolidated annual financial statements are available on the website www.eoh.com.

PREPARATION OF THE INTEGRATED REPORT

The following reporting requirements, guidelines and frameworks were considered when preparing this report:

- The Companies Act of South Africa.
- The Listings Requirements of the JSE Limited ('JSE Listings Requirements').
- The principles of the King IV Report on Corporate Governance™ or King IV™ ('King IV')*.
- The Global Reporting Initiative's Sustainability Reporting Standards.
- The UN SDGs.
- International Financial Reporting Standards ('IFRS').
- International Integrated Reporting Council ('IIRC') integrated reporting (<IR>) Framework.

EOH continues to progress on the journey outlined by King IV, while ensuring increased integration of reported financial, social, governance and environmental information. EOH uses the concepts, guiding principles and content elements contained in the <IR> Framework as a platform for this integrated report.

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MATERIALITY

EOH's integrated report focuses on information that is material to EOH's business. It provides a concise overview of EOH's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account and all material information has been included in this report.

ASSURANCE

A combined assurance model and forum were established to formalise and oversee combined assurance in the Group.

The Board of directors of the Company ('the Board'), assisted by the Audit Committee, is responsible for ensuring the integrity of the integrated report. Accordingly, EOH applies a combined assurance model which incorporates and optimises all assurance services and functions to enable an effective control environment, to support the integrity of information used for internal decision making by management, the governing body and its committees and also supports the integrity of the organisation's external reports.

The Group's financial, operating, compliance and risk management controls are assessed by the Group's internal audit ('GIA') function, which is overseen by the Audit Committee.

The audit opinion expressed by the external auditor is included in its audit report as part of the consolidated annual financial statements.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements which are based on assumptions and management's view of EOH's future performance. Such statements are, by their nature, estimates, subject to risks and uncertainties, which may result in EOH's actual performance being different from that expressed or implied in any forward-looking statements. These statements have not been audited by EOH's external auditor.

BOARD RESPONSIBILITY

The Board acknowledges overall responsibility and accountability for the integrity of this report. The executive management, assisted by a dedicated reporting team under the direction of the Chief Financial Officer, was responsible for the preparation and consolidation of this report. The Board believes that this report is a balanced and appropriate representation of the financial and operational performance of EOH and that this report has been prepared in accordance with the IIRC Integrated Reporting <IR> Framework. The Board approved this report on 26 October 2021.

Stephen van Coller
Chief Executive Officer

Megan Pydigadu
Chief Financial Officer

Andrew Mthembu
Chairman

26 October 2021

ABOUT EOH

EOH is one of Africa's largest technology services providers covering the entire information and communication technology ('ICT') value chain including offerings in: IT-managed services, security, automation, cloud solutions, data and development capabilities, proprietary IT product resales, IT consulting and implementation services. The Group's geographic footprint extends across Africa, UK, Europe and the Middle East.

The Group continues to be a market leader in its core ICT business, which operates under the iOCO brand name and is an integral technology partner to a diversified client base of ~5 000 clients, including a number of leading JSE-listed, blue-chip companies, as well as key metros and government departments.

As a proudly South African business, EOH is committed to sustainable transformation, making a positive, meaningful contribution to society and is a Level 1 Broad-based Black Economic Empowerment ('B-BBEE') contributor.

EOH is also a premier partner to global technology providers – representing over 50 OEMs# with up to 500 partnership certifications. As a primarily services company, the Group's 5 986* employees are intrinsic to its ability to deliver world-class services to customers across all major industries throughout South Africa.

 # Original Equipment Manufacturers
** Excluding ~3 600 contractors*

One of Africa's largest technology services companies

ABOUT EOH continued

THE EOH BUSINESS COMPRISES TWO KEY BUSINESS SEGMENTS OFFERING DIFFERENTIATED VALUE PROPOSITIONS

NEXTEC
THE POWER OF PEOPLE AND TECHNOLOGY REALISED

A diverse set of businesses focused on people outsourcing solutions and intelligent infrastructure at various stages of incubation for growth and scaling.

INFRASTRUCTURE SOLUTIONS

Comprises two services: Digital Infrastructure and Infrastructure Consulting. Both operate across sub-Saharan Africa and leverage off deep domain expertise and the integration of global best practice and technology.

PEOPLE SOLUTIONS

Supplies solutions around recruitment, staffing, training and development

iOCO

ICT business focused on traditional and cutting-edge technology systems integration, with a range of solutions, products and services across the ICT value chain.

SALES & ADVISORY

- Go-To-Market
- Solutioning

iOCO SERVICES

- Network Solutions
- Management & Operate
- Digital Industries
- Knowledge Process Outsourcing

iOCO TECHNOLOGY

- Computer Software Reseller
- Enterprise Applications
- Computer Hardware Reseller

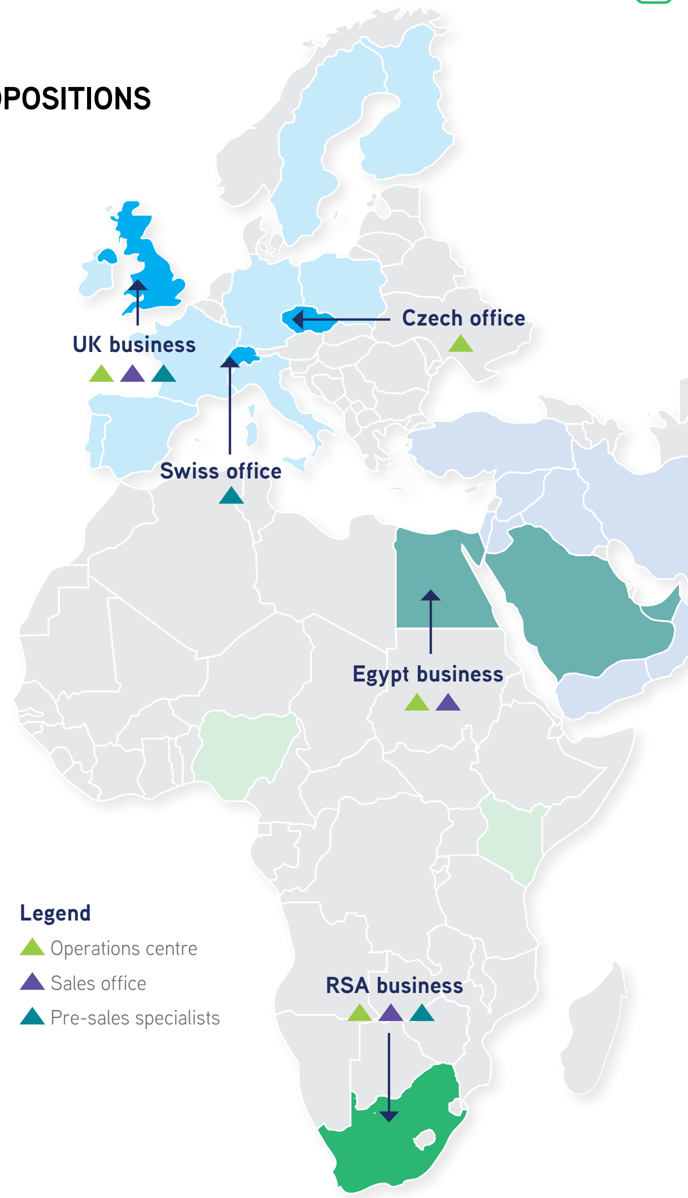
iOCO DIGITAL

- Application Development
- Data Analysis
- Cloud & Security
- International
- Automation

IP

A group of high-potential IP companies with scalable technology. These businesses were identified for disposal as part of EOH's deleveraging strategy which is substantially complete. Syntell was sold in November 2020 while the Sybrin sale was announced in June 2021 but is not yet unconditional.

syntell | sybrin | INFORMATION SERVICES



ABOUT EOH continued

OUR GROUP PURPOSE

In a world where rapidly changing technologies are altering the course of humanity, our purpose is what defines us, reverberating deep within our core. Our purpose evokes pride, integrity and innovation in everything we do and moves us towards a sustainable and transformative future.

SOLVE

Exponentially • Courageously • Together

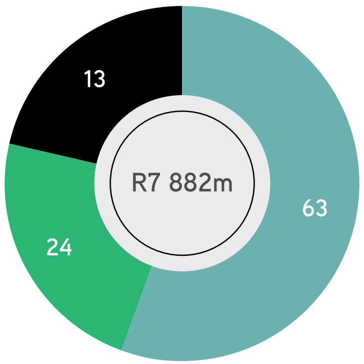
Our purpose is to SOLVE – for our people, our clients and our communities.

OUR VALUES

ABOUT EOH continued

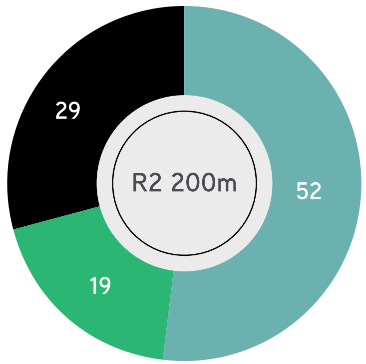
2021 PERFORMANCE REVIEW

Revenue (%)



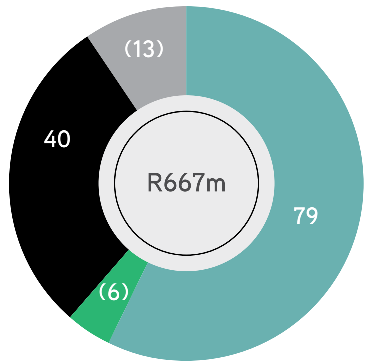
iOCO NEXTEC IP

Gross profit (%)



iOCO NEXTEC IP

Adjusted EBITDA* (%)



iOCO NEXTEC IP Corporate

SALIENT FEATURES FOR THE YEAR

- Generated an operating profit of R147 million for FY2021 before normalisation adjustments following a R1.3 billion loss in FY2020
- An improvement of 96% to the previously reported total headline loss per share from 534 cents (restated) to 22 cents
- Significant improvement in gross profit, adjusted EBITDA and operating profit margins due to rightsizing and focus on quality of earnings
- Significantly reduced one-off costs with meaningful progress made in working through inherited legacy issues
- Net working capital stable at R263 million in spite of a tough economic environment
- Positive momentum in new deals in public and private sector post-remediation

* *Adjusted EBITDA is defined as profit/(loss) before depreciation, amortisation, share-based payment expense, gain/loss on disposal of subsidiaries and equity-accounted investments, impairments of non-financial assets, share of profit/loss of equity-accounted investments, remeasurement gain/losses on vendors for acquisition liability, interest income, interest expense and current and deferred tax.*

ABOUT EOH continued

Our strategic journey is shifting toward growth

Legend

Credibility
Closing out inherited legacy issues

Liquidity
Refining and revising capital and corporate structure

Transparency
Clarify and streamline business portfolio; position for growth

January 2020

New exco members with ICT experience

April 2020

Sale of remaining 30% stake in CCS

May 2020

Deleverage milestone:
R1.8bn paid to lenders since August 2018

June 2020

First growth strategy plan in place

July 2020

R1.4bn total consideration since disposals process started in FY2019

90% improvement in net working capital investment since H2 2018

November 2020

Sale of Syntell

R1.66bn total consideration from disposals process since FY2019

Unqualified PwC audit

June 2021

Sybrin disposal announced (sale not yet unconditional)

NEXTEC turnaround substantially complete with core businesses generating positive EBITDA

Public sector integrated into core business

July 2021

Appointment of a Chief Commercial Officer from a large international OEM with extensive ICT experience

Formation of a robust commercial Go-To-Market function

FY2021+
Executing growth strategy

OUR EXECUTIVE LEADERSHIP TEAM

A highly experienced leadership team with diverse skills ranging from ICT skills to entrepreneurial experience to commercial strategy

Megan Pydigadu
Group Chief Financial Officer

Previously served as Group CFO at MiX Telematics, where she was involved in the successful listing of MiX on the New York Stock Exchange, including a US$100m capital raise.

Stephen van Coller
Chief Executive Officer

Prior to joining the EOH Group, Stephen was with the MTN Group and served as Vice President: Digital Services, Data Analytics and Business Development. Stephen also has over 20 years' banking experience.

Fatima Newman
Group Chief Risk Officer

Vast experience as a strategic leader of risk, compliance, regulatory and governance oversight in banking and financial services, stockbroking, asset management and corporate finance.

Natasha Andrykowsky
Group Executive: Strategy and Change

A seasoned business strategist and strategy execution professional, Natasha's most recent role prior to joining EOH was heading up International Banking in South Africa for the Absa Group.

Ziaad Suleman
Chief Commercial Officer

Ziaad spent 13 years at IBM, initially as the Head of Legal then Chief Operations Officer across southern Africa. He serves as the SA Chair of 4IR on BRICS and is the Chair of the ICT 4IR Public Private Growth Initiative ('PPGI') Business Advisory Group to the President.

Marius de la Rey
Group Executive: iOCO Services

Prior to joining EOH, Marius worked for the Absa Group, where he served as Chief Executive: Customer channels, distribution. In addition, he previously held various senior roles in Standard Bank before running the bank's Global Real Estate.

Tsepa Ramoriting
Group Executive: iOCO Technology

An ICT professional with over 25 years of experience. He previously ran his own business providing Oracle applications management and implementation services to private and public sector clients.

Brian Harding
Group Executive: iOCO Digital

Extensive experience in the ICT industry spanning over 25 years and was co-founder and owner of Airborne Consulting, a software development company, which was acquired by EOH in 2011.

Sean Bennett
Group Executive: NEXTEC

In 2015, Sean was appointed as CEO of Kore Potash, an Australian-listed potash mining company, which he restructured, redomiciled, refinanced and relisted in the UK and South Africa. He also has extensive banking experience.

OUR BUSINESS MODEL AND VALUE CREATION

Over the past three years, EOH has spent a significant amount of time on its turnaround strategy. The turnaround plan was focused on dealing with the legacy issues inherited by the current executive management team and refining and revising its capital and corporate structure to stabilise the business (with an emphasis on quality earnings, cost reduction and solving the substantial legacy debt and inefficient capital structure), and positioning EOH for future growth. The growth stage was kicked off in 2021 as the sound progress in bedding down of the business structure, debt relief and generating profits became evident.

CAPITAL INPUTS

FINANCIAL CAPITAL
- Leverage
- Working capital management
- EBITDA

INTELLECTUAL CAPITAL
- Own IP platforms
- Over 500 partnership certifications
- Specialised and bespoke solutions
- Technological expertise

HUMAN CAPITAL
- ~6 000 employees
- Strong executive team and Board
- Superior market expertise and sales capability
- Level 1 B-BBEE

SOCIAL AND RELATIONSHIP CAPITAL
- Enduring client relationships across private and public sector
- Strategic relationship with key tech partners
- Constructive engagement with public sector
- Preferential procurement
- Long-term socioeconomic development ('SED') partnerships
- Strong governance culture

NATURAL CAPITAL
- Energy and water used

VALUE PROPOSITION AND STRATEGY

A leaner, more client-focused business with:

A presence in strong growth sectors
Technological capabilities in growth categories as companies migrate away from inefficient legacy systems

Capabilities to expand into new markets while leveraging off the South African platforms
Expanding into UK, Europe and Middle East

A full repertoire of services delivered in a holistic fashion
Go-to-Market teams' ability to leverage the Group's holistic service offering to clients

STRATEGIC PILLARS

- International expansion
- OEM partnership strategy
- Tailored Go-To-Market strategy
- Cloud and infrastructure services for mid-size corporates
- Automation across the OT/IT spectrum
- Organic growth through cross-sell potential
- Investment into own IP platforms
- SOLVE for good

CAPITAL OUTPUTS

FINANCIAL CAPITAL
- Revenue R7 882 million
- Net working capital stable at R263 million
- EBITDA R667 million

INTELLECTUAL CAPITAL
- Continued progress in consolidating and aligning business
- Established Rocketlab Ventures to scale early-stage IP companies

HUMAN CAPITAL
- An enhanced employee value proposition ('EVP')
- Launched RiseUp Academy to assist in employee reskilling and upskilling
- Women now account for 46% of workforce, with 38% at management level and 33% at exco level
- Upskilled 455 employees at various business schools and providers in certified skills programmes and 58% were female for a total investment of R3.8 million

SOCIAL AND RELATIONSHIP CAPITAL
- Through partnership with Siyanqoba, 201 disabled learners have been trained in various qualifications over the 2021 financial year
- Provided R2.1 million in support of e-DEAF learnership and AET programmes
- Level 1 B-BBEE status retained

NATURAL CAPITAL
- Lower energy and water use due to the reduction in number of occupied buildings, travel and use of Company vehicles as a result of COVID-19 lockdown
- Carbon footprint reduced by 55%

EOH GOVERNANCE FRAMEWORK

GOVERNANCE STRUCTURE

The EOH governance framework arises from the fiduciary obligations and responsibilities of directors as defined by the Companies Act and King IV best practice principles of oversight and control. It is based on the accountability and line of authority and is applicable to all businesses in the Group to ensure the governance objectives are met. The seven pillars of EOH's governance framework represent the key processes or mechanisms applied to effectively uphold, sustain, defend and enforce the ethical values of good governance throughout the Company.

SEVEN GOVERNANCE PILLARS

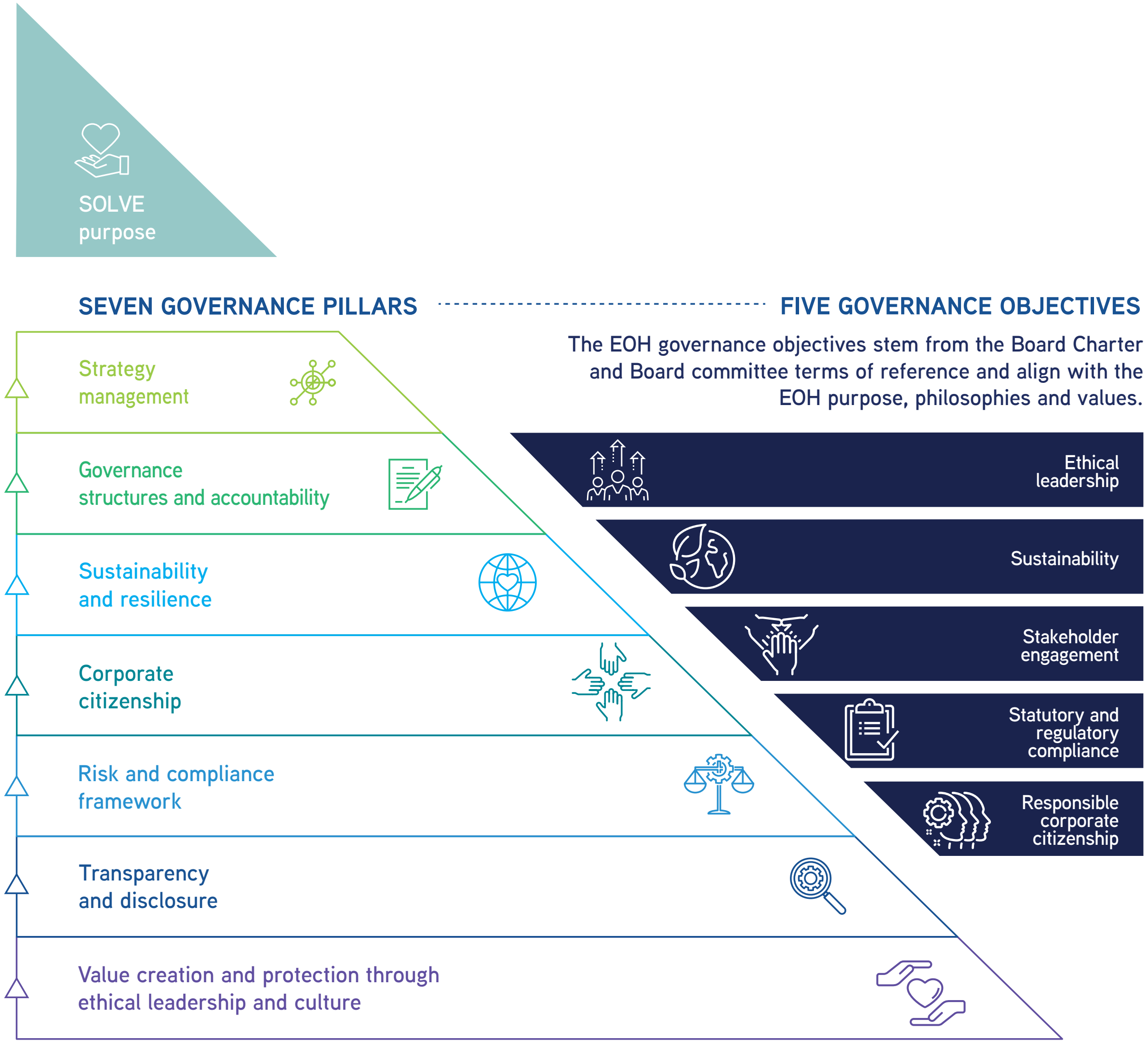
Each of the seven governance pillars has defined critical value elements. These value elements are the key building blocks that ensure that the Group's objectives of good governance are implemented and continuously pursued.

OUR APPROACH TO GOVERNANCE

EOH is committed to the highest standards of business integrity, ethics and professionalism. The Board and executive management, in setting the tone from the top, are committed to the principles of good governance, striving to be an ethical, relevant force for good and to play a positive role in society.

DEFINITION OF GOVERNANCE

We define corporate governance as exercising ethical and effective leadership to direct and manage effective governance and standards of accountability and transparency within the Company. Good governance is implemented through a best practice governance framework that aligns to the principles of King IV as well as the governance requirements of the JSE Listings Requirements and the Companies Act. The governance framework provides an integrated approach to connect critical factors that affect EOH's ability to create and protect value for all stakeholders in a sustainable way.



Code Framework for Governance

We have branded our programme to deliver the governance objectives as CODE. Delivery of this programme to embed governance is a strategic imperative for the organisation as we believe sound governance is an enabler of good business.

EOH'S UNMATCHED CAPABILITIES ACROSS ALL ASPECTS OF THE ECONOMY

South African citizens' lives continue to be influenced and enhanced by EOH through its iOCO and NEXTEC solutions. We deliver services to major telcos, banks, and insurance companies, from various retail giants, logistics firms, mining conglomerates to another 1 000 major brands in South Africa and globally

iOCO
07:00
Sends airtime via cell phone banking

iOCO
07:20
Makes online payments on digital banking platform

NEXTEC
08:00
Makes a purchase at the pharmacy
Logistics and supply chain management systems

impression
08:30
Signs contracts electronically
Secure e-signature solution

iOCO
09:00
Has a Teams meeting
Corporate network solutions and Enterprise applications

NEXTEC
10:30
Takes a coffee break
Water management solutions

iOCO
10:35
Insurance claim updates
Insurance platforms

iOCO
13:35
Tax updates
SARS platforms

NEXTEC
CEREBRO
16:00
Completes online training

CEREBRO
18:30
Buys refreshments on flight to Cape Town
In-flight purchases

NEXTEC
20:00
Watches TV with the family
Managing the electricity grid

OUR SIX SUSTAINABILITY THEMES

As one of South Africa's leading technology players it is essential that EOH plays its role in ensuring that ethical, values-based and sustainable practices are entrenched in our industry and society. We are committed to delivering against the 2030 Agenda of the UN SDGs and operating in a principles-based way to create sustainable value for all of our stakeholders.

1 Solutions that create value for our customers

To lead and grow innovative and sustainable technology solutions

We have developed and implemented solutions that have transformed the experiences of our clients and their customers:

- Assisted National Treasury with building loss registration portal following July unrest
- Implemented budget checking tool for a public sector client
- Developed an integrated NetSuite cloud-based solution for an NPO focused on empowering women

9 INNOVATION AND INFRASTRUCTURE | 16 PEACE AND JUSTICE | 17 PARTNERSHIPS FOR THE GOALS

For more information see page 57

2 A diverse, ethical, and talented workforce

To be a responsible employer, nurturing talent and the best people

We continued to navigate COVID-19 and focused efforts on wellness initiatives, diversity and inclusion, as well as upskilling and reskilling our people:

- Introduced fit for purpose policies on domestic violence and abuse
- Launched the EOH RiseUp Academy which allows our people remote access to online courses
- Rolled out risk-based training for working from home

4 QUALITY EDUCATION | 8 GOOD JOBS AND ECONOMIC GROWTH

For more information see page 60

3 A vibrant and innovative digital ecosystem

To nurture innovation, partnerships and growth in the digital sector

EOH plays a vital role in driving a growing digital sector through collaborative partnerships and stimulating innovation:

- Successfully deployed automated water metering
- Leveraged technology to make customer services more accessible with almost immediate resolution
- Supported and developed small businesses by using them to deliver on various corporate real estate initiatives

8 GOOD JOBS AND ECONOMIC GROWTH | 9 INNOVATION AND INFRASTRUCTURE | 16 PEACE AND JUSTICE | 17 PARTNERSHIPS FOR THE GOALS

For more information see page 63

OUR SIX SUSTAINABILITY THEMES continued

Building technology skills in communities

4

To invest in the digital and maths skills needed by future generations

We are committed to investing in initiatives that improve youth employability through digital skills training:

- Uplifting young people with ICT skills through EOH's support of the Belgium Campus
- Strategically partnering with the Maths Centre to enable delivery of mathematics, physical science and technology to socio-economically deficient schools

4 QUALITY EDUCATION
8 GOOD JOBS AND ECONOMIC GROWTH
11 SUSTAINABLE SITIES AND COMMUNITIES

For more information see page 65

A commitment to ethical business

5

Share the lessons we have learnt and enable high-integrity business

Through our proactive remediation of the inherited legacy issues, we have built an organisation with a deeply rooted ethical culture:

- Robust anti-corruption processes and procedures
- Employee performance management aligned to EOH values
- Enhanced the EOH regulatory landscape with technology solution

16 PLACE AND JUSTICE
17 PARTNERSHIPS FOR THE GOALS

For more information see page 68

Taking action on climate change

6

Protecting our planet through enabling technologies

Effective environmental stewardship is an important aspect of an organisation's licence to operate and we are committed to playing our role:

- Developed a world-class digital signatures platform which can result in significant savings in paper used
- Provided consulting engineering services to clients wishing to install solar PV solutions
- Reduced our carbon footprint by 55% in FY2021

12 RESPONSIBLE CONSUPTION
13 PROTECT THE PLANET

For more information see page 71

CHAIRMAN'S REPORT

"What has changed in the year under review is the amount of energy and time we have been able to devote to proactive, rather than remedial, activities. We are finally able to focus on building an operationally strong and focused business that is aligned with our customers' needs, particularly in respect of digital transformation."

Andrew Mthembu Chairman

Key Board oversight in FY2021:

- Cash preservation
- Improving profitability and reducing debt
- Simplifying the Group's legal structure
- Transparently addressing legacy issues and engaging with government in this regard
- Increased attention on risk management and mitigation
- Employee engagement
- Instituting legal processes against former Company representatives

The South African business sector remains under pressure with low economic growth and high unemployment exacerbated by the ongoing impact of COVID-19 and load shedding. In July, the country was hit by devastating rioting and looting across KwaZulu-Natal and Gauteng.

In addition to the direct human impact on EOH's ~6 000 employees and 5 000+ enterprise customers, COVID-19 resulted in slower sales for most of the year. The pandemic also challenged us to think outside the box to solve the problems our customers faced. EOH's suite of technology solutions position the Group perfectly to support the move to the cloud and facilitate business processes and controls in a remote working environment. iOCO's Impressions solution, for example, enables customers to view, sign, and send sensitive documents on any connected device conveniently, securely and with full legal compliance.

CHAIRMAN'S REPORT continued

IMPROVED FINANCIAL PERFORMANCE AND A ROBUST GO-TO-MARKET STRATEGY

It is gratifying that the financial results are starting to reflect the immense effort the management team put into this business over the past three years, with the Group reporting improved margins and an operating profit while continuing to work the last of the once-off costs out of the system. The finance team made good headway in cleaning up the balance sheet and reducing debt towards our goal of reaching a level where it can be comfortably served through operating cash flow. Management worked very closely with the Group's lenders to ensure transparency regarding the progress we are making and we appreciate the cooperative spirit that characterised these engagements.

The rigorous focus on improving controls and progress in streamlining business processes across the organisation has greatly increased confidence in the reliability of information coming out of the business. The restructuring of the organisation into two key segments following strategies that are clearly understood by the market is progressing well following the sale of non-core and unprofitable businesses.

We are enhancing our ability to sell efficiency-enhancing solutions by pitching our sales efforts to the executive level of potential customers. In this regard, we appointed an experienced and enthusiastic Chief Commercial Officer, Ziaad Suleman, to take the lead with a robust go-to-market strategy. We are exploring opportunities in Southern Africa, Europe and the Middle East, with our operation in Egypt well positioned to develop into a centre of excellence serving the Middle East and Europe.

Cost management remains a key focus and as we have settled into the changed ways of working, we have further reduced office space and associated costs. Our view is that around half of our employees will work from offices at any one time and we are seeing a similar trend with many of our customers. This has required that cybersecurity be top of mind in everything we do, both in our own operations and in ensuring security for our customers.

ENGAGING TO ENHANCE TRANSPARENCY

Since the start of our turnaround, the Group proactively engaged with the relevant authorities to resolve problematic legacy contracts and other issues. The repeated coverage of these issues in the media required a significant investment in time from management and the Board to ensure these are dealt with appropriately. Adverse publicity impacts not only the Group's reputation, but also affects morale. The CEO regularly engages with staff to keep them informed about the Group's progress and latest developments. Our people are our ambassadors and transparent communication not only helps their peace of mind but also gives them the information they need when engaging family, friends and customers.

The Board is grateful to the EOH employees for their commitment and contribution through an uncertain and challenging year. In an industry where skills are in demand and mobility is high, we are pleased that so many staff have chosen to stay the course, particularly in the context of the salary sacrifices and salary freeze implemented last year. We are pleased that this year we are in a position to recommend bonuses and salary increases as a reward for performance. We believe that our ability to retain talent demonstrates that we are on the right track, that employees have bought into the culture we are creating and are proud to be part of a winning team.

CHANGES TO THE BOARD

The Board is functioning well, with a good balance of highly qualified, experienced and ethical directors, with good progress in refreshing the Board subcommittees. We wish to thank Dr Moretlo Molefi and Ismail Mamoojee, who resigned from the Board at the AGM in January 2021, for their contributions and wish them all the best in their future endeavours. We welcomed Jabu Moleketi, Nosipho Molope and Bharti Harie, further broadening and strengthening the skills and experience on the Board, as well as improving race and gender diversity. Thiroshnee Naidoo was appointed as Company Secretary at the beginning of June 2021.

BROADENING OUR POSITIVE IMPACT

The Board is committed to ensuring that environmental, social and governance considerations receive the appropriate emphasis in the Group. Strengthening governance, risk and compliance ('GRC') has been a priority over the past three years and our intention is that EOH moves forward with an emphasis on using its position to increase its positive impact on broader society. We have a particular interest in youth development and have aligned with initiatives that build digital skills among youth. At the same time, we continue to invest in developing skills in our workforce and driving transformation across the Group through hiring and promotion practices.

The ethos of transparency adopted by the executive supports the strong ethical culture that is evident across the Group. As such, the Board's effectiveness is reviewed regularly and processes are in place to verify the qualifications of directors. The fact that nearly 100% of employees completed their compliance training by the due date demonstrates that they understand the importance of ensuring that GRC receives the requisite attention and priority.

I would like to close by acknowledging the constructive approach we experienced in our engagements with government and regulators in addressing the legacy issues the Group has faced over the past three years. These positive engagements have been essential in ensuring that EOH could continue to trade and preserve jobs through the turnaround and COVID-19 crisis. We thank our customers for their ongoing support. The increasing number of long-term contracts being signed in both the private and public sectors is an endorsement of the effectiveness of our best-in-breed technology solutions to SOLVE for their organisations.

We are excited about our next phase, as we are now positioned for growth through our clear business model and enhanced route to market strategy.

Andrew Mthembu
Chairman

OUR OPERATING CONTEXT

The operating environment in South Africa remained extremely challenging in the 2021 financial year. The ongoing negative impact of COVID-19, load shedding and the significant impact of the looting and violence that followed the arrest of former President Jacob Zuma in July 2021 took a toll on the country's already fragile prospects of economic recovery and impacted investor confidence. Nonetheless, the evolution in digital trends presents a unique opportunity for technology companies to lead their clients into the future.

COVID-19

The fourth industrial revolution has been accelerated by the global response to the COVID-19 pandemic. Digital solutions have become increasingly responsible for the way people connect on a social and economic level. While COVID-19 has led to an increase in some of EOH's offerings, including cloud uptake, automation and security, the negative impact on the economy has had a meaningful impact on our clients and therefore our ability to grow unencumbered.

In 2020, the ICT market in South Africa had an estimated value of R99 billion and was one of the fastest growing sectors in South Africa, with a pre-COVID-19 growth forecast of 8% year on year until 2023. Following the commencement of lockdown level 1 in 2020 due to COVID-19, the International Data Corporation ('IDC') estimated a 9% decline in the ICT market. In addition, the civil unrest that broke out in South Africa in July 2021 is expected to have some negative impact and as a result, the outlook at this stage is uncertain.

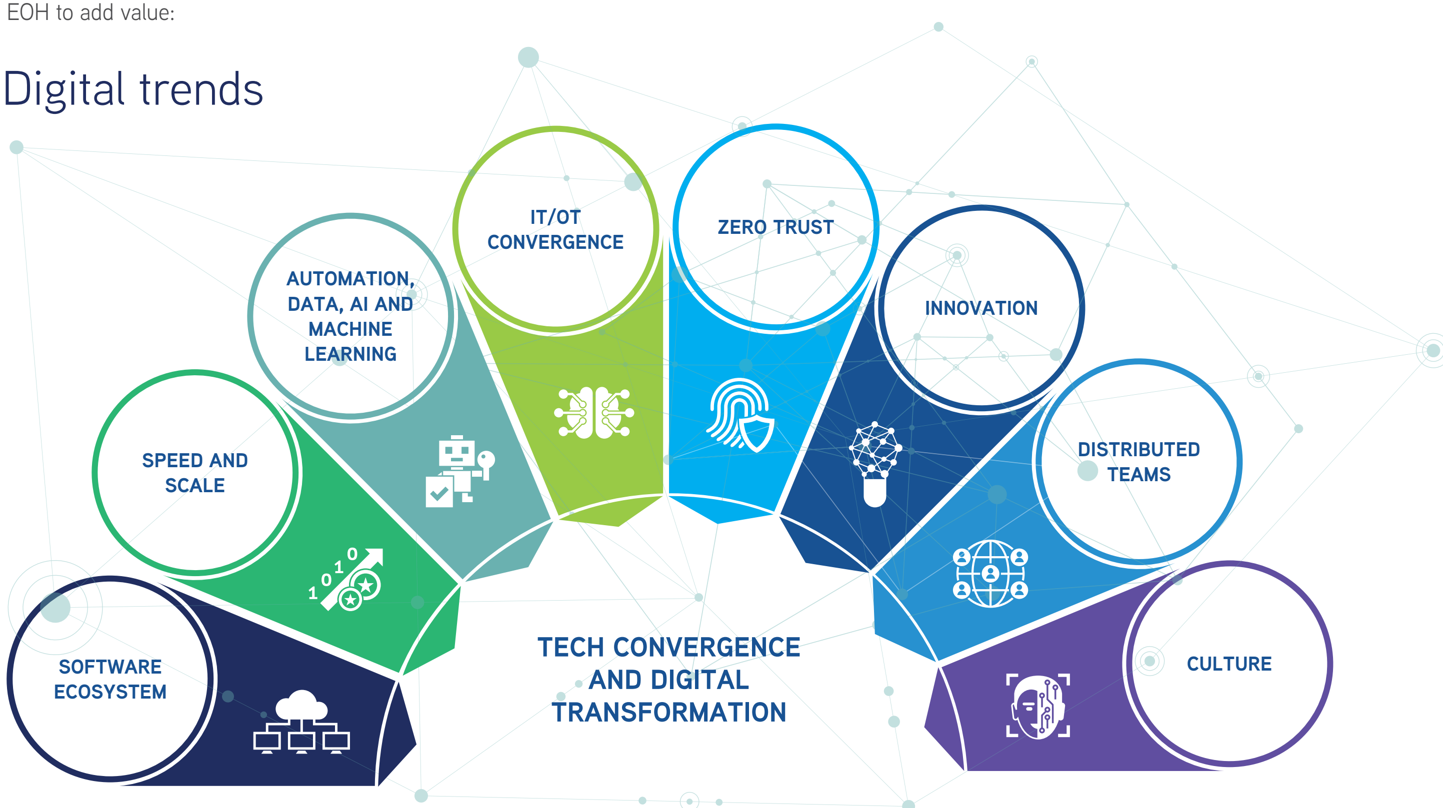
The ICT sector is positioned as a critically important sector in President Cyril Ramaphosa's growth plan for South Africa and a leading driver of job creation in South Africa[1]. The public sector is the single largest contributor to ICT spend in South Africa, comprising approximately 25% of the ICT market in 2020, while the private sector spend was hampered by the uncertainty created by COVID-19, with some clients deferring ICT spend in order to focus on liquidity. It is estimated that an overall decline of 2% in ICT spend is expected in the private sector, with public sector spend growing at 3.1% compound annual growth rate ('CAGR') through to 2022[2].

[1] *Source: South African National Development Plan 2030 and South African National Integrated ICT Policy White Paper – August 2020*

[2] *Source: National Treasury ICT Budget Tables, June 2020*

TRENDS AFFECTING OUR CLIENTS IN 2021-2022

Our clients are heading into a world where the convergence of technologies is providing opportunities for technology companies such as EOH to add value:



OUR OPERATING CONTEXT continued

IT/OT convergence: Information technology ('IT') and operational technology ('OT') convergence accelerated in recent years. The potential return on investment from advanced technology deployments in operations crossed a critical threshold and companies can no longer ignore the transformational opportunities they offer. Foundational enabling capabilities like data governance, cybersecurity, compute infrastructure and holistic and cohesive technology architectures – and the internal and external skills to support them – are all key focus areas for 2021 and beyond.

Source: IDC's Worldwide IT/OT Convergence 2021 Predictions

Automation, data, artificial intelligence ('AI') and machine learning ('ML'): Combining the right technologies to simplify, design, automate and manage processes across the organisation instead of using tools that are script-based and designed for narrow use cases, integration of ML and AI has proven to vastly improve operational discipline and performance, reveal business anomalies, generate valuable insights and optimise workloads. Organisations need to use ML to add an intelligent layer of automation to their business, using data to guide the automation strategy. Advanced analytics helps generate actionable insights about what will happen next, through both internal and customer-facing applications.

Speed and scale: All companies are looking for speed and scale in order to do more and get through digital roadmap projects faster. However, with limited skills and limited time, many clients move to a managed capacity model (where they outsource to a vendor a whole piece of work or hire an agile squad). Speed and scale need to be underpinned by competencies, centres of excellence and great recruitment.

Software ecosystem: Requires a platform on which extenders can build specific solutions to create complementary value and independent developers who can extend and enrich a platform while sharing costs and risks. The leading firm, or orchestrator, must promote the sustainable development of the ecosystem by defining strategies and orchestrating the activities of the various players. The orchestrator is responsible for managing the evolution of the enterprise architecture and the interactions among all actors within the ecosystem.

Zero trust: The zero-trust security model is reshaping the traditional approach to cybersecurity. No device or system should be trusted without verification, and even then, it should be regularly scanned for breaches. Since an increasing number of companies are reliant on third-party services and vendors, more than half have experienced security violations, as reported by the Cyentia Institute and RiskRecon.

Innovation: It is becoming fundamentally important for companies to recalibrate their organisations (change the way they do/think about things) and work on HOW they do it – behaviour-driven design, UX/UI, info-driven architecture, DevOps and automated testing. The creation of this kind of ecosystem is rarely possible solely with in-house skills.

Distributed teams: Good tech skills such as developers, data engineers and architects are scarce. It is difficult to find and keep these skills and it takes a considerable amount of leadership time to interview and recruit. Retention is an important issue accompanied by long ramp-up times and insufficient industry/organisation knowledge. Companies can no longer rely on their own teams and need to cast the net much wider – there are no longer geographic boundaries to where skills can be sourced.

Culture: Post-COVID-19, there will be an increase in the number of employees working remotely, at least part-time, resulting in a shift to technologies that enable collaboration, improve the employee experience, engagement and performance goal-setting. This also comes with increased opportunities to use data to track, not only employee productivity, but employee engagement and wellbeing.

A 2019 Gartner organisation design survey found that 55% of organisational redesigns focused on streamlining roles, supply chains and workflows to increase efficiency. While this approach captured efficiencies, it also created fragilities, as systems have no flexibility to respond to disruptions. Resilient organisations are better able to respond and correct course quickly with change.

OUR STRATEGY PILLARS

Our business is now leaner and more client-centric with our earnings, capital structure and cash generation improving. Our priority is now on enhancing our value proposition and growing our core business from a top-line and earnings perspective.

We are well positioned to take advantage of the exponential shifts in the world today, which create an opportunity to be the most attractive digital transformation enabler throughout Africa and beyond.

EOH operates in a highly competitive market and offers the following primary differentiating factors:

- A large and diverse client base, with well-established relationships and track record.
- Broad vendor strategic partnerships, including Aveva, IFS, OpenText, AWS, Azure, CA, Citrix, Dell, F-Secure, Google Cloud, Microfocus, SAP, Oracle, Tagetik, Salesforce.
- Scale to deliver on large projects across diverse service lines.
- The core growth driver of the Group is iOCO, which substantially covers the entire value chain in the ICT sector and is capable of offering clients dedicated solutions across advisory, technology, software development and managed services.
- The iOCO offering is complemented by NEXTEC, with its offering of people talent, learning and development and intelligent infrastructure solutions.
- Early-stage IP companies with disrupting potential and differing value propositions (namely, core banking software, HR software, business process digitisation software and fraud detection software), which currently fall within iOCO and NEXTEC.

Network and reach

Diverse client base across sectors

~5 000 total clients

Enduring client relationships

Strong partnerships
50 strategic OEM partners

Depth and breadth of offering

End-to-end ICT offering

High potential IP business to create future platforms

Ability to serve across EMEA time zone

Scale to develop large projects

~6 000 full time

~380 developers

up to 500 partnership certifications

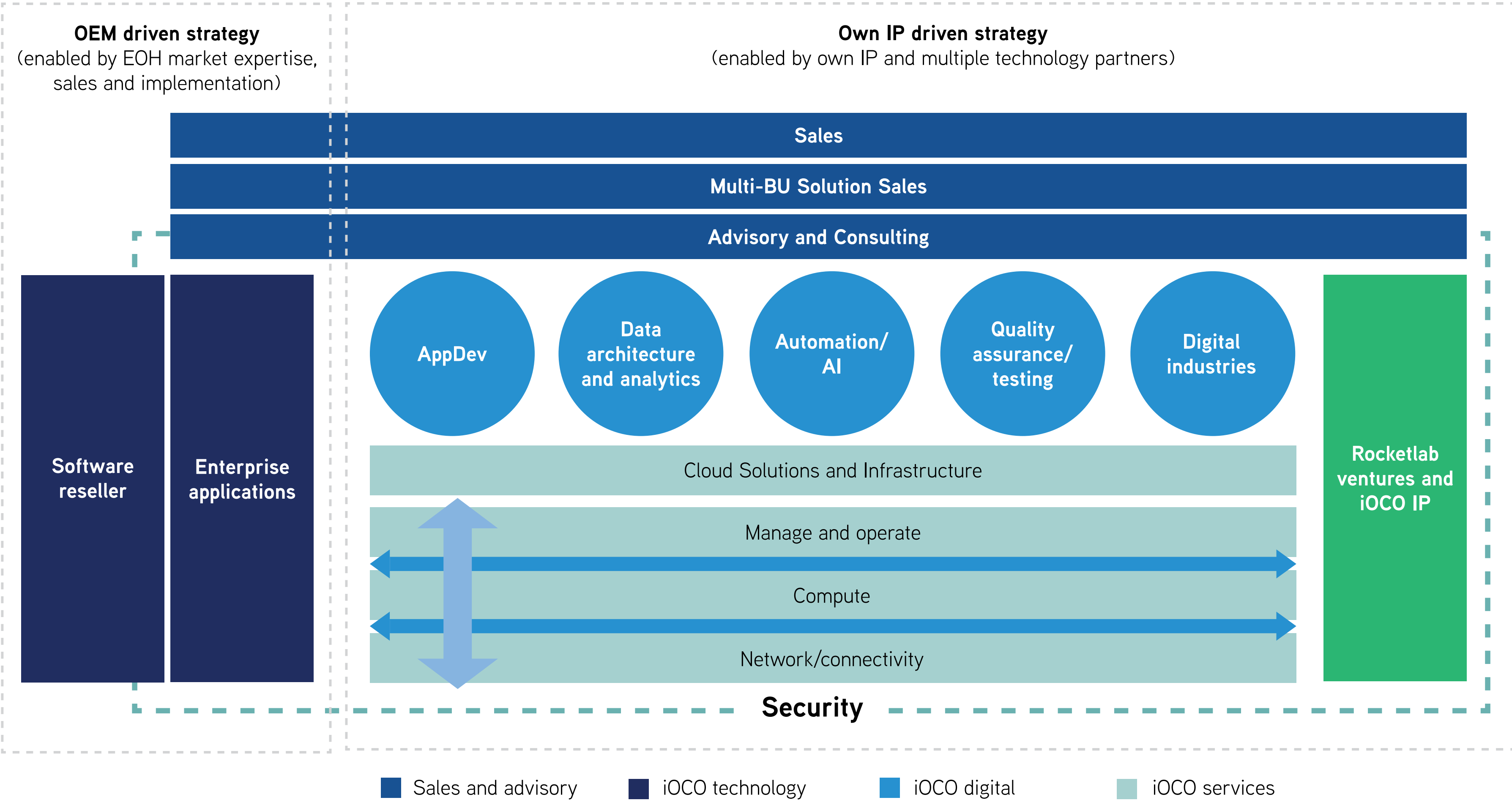
PREMIER PARTNER TO GLOBAL TECHNOLOGY PROVIDERS

Spotica, Azure, Fortinet, Salesforce, OpenText, AWS, Aveva, Dell, Micro Focus, CA Technologies Southern Africa, Oracle, Google Cloud, Citrix, VMware

OUR STRATEGY PILLARS continued

iOCO

iOCO offers significant growth potential, driven by serving its existing diverse customer base, coupled with prospective expansion through its current original equipment manufacturer ('OEM') partnership strategy where EOH currently represents over 50 OEMs with over 500 partnership certifications.



iOCO provides products and solutions across the ICT value chain

iOCO's Go-to-Market strategy is tailored to specific client needs and driven by enhanced client analytics, sector-driven insights and strategic account management.

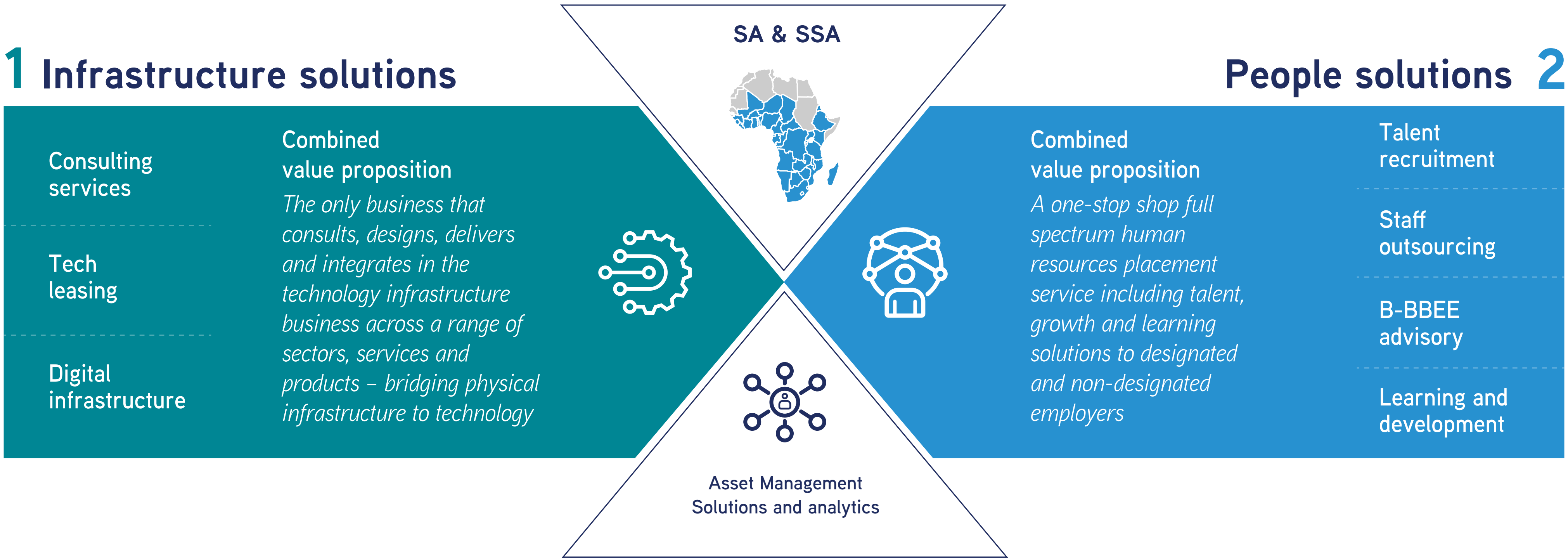
In addition, iOCO provides bundled offerings to mid-size corporates, effectively 'CIO in a box' which eliminate the complexity of running a company's IT systems. A further avenue for growth lies within emerging technologies such as automation, AI and data science.

OUR STRATEGY PILLARS continued

NEXTEC

NEXTEC comprises skilled, multi-disciplinary teams focusing on two key offerings – infrastructure solutions and people solutions. NEXTEC is a strategic partner for public and private entities engaged in large and complex infrastructure projects and collaborates with leading technology providers to design, implement and manage intelligent value-adding solutions.

NEXTEC provides infrastructure and people solutions



OUR STRATEGY PILLARS continued

INTERNATIONAL EXPANSION

EOH has an established international presence in the Europe, Middle East and Africa ('EMEA') region, which positions the Group well to expand into new markets and clients in the region through a cost-effective service offering. Expansion of the EOH footprint in the EMEA region will be concentrated on sub-Saharan Africa, Egypt and the United Kingdom. EOH's best of breed business in South Africa provides a good base for further growth within the sub-Saharan Africa region.

Our international footprint is a base for expansion

South Africa to serve sub-Saharan Africa

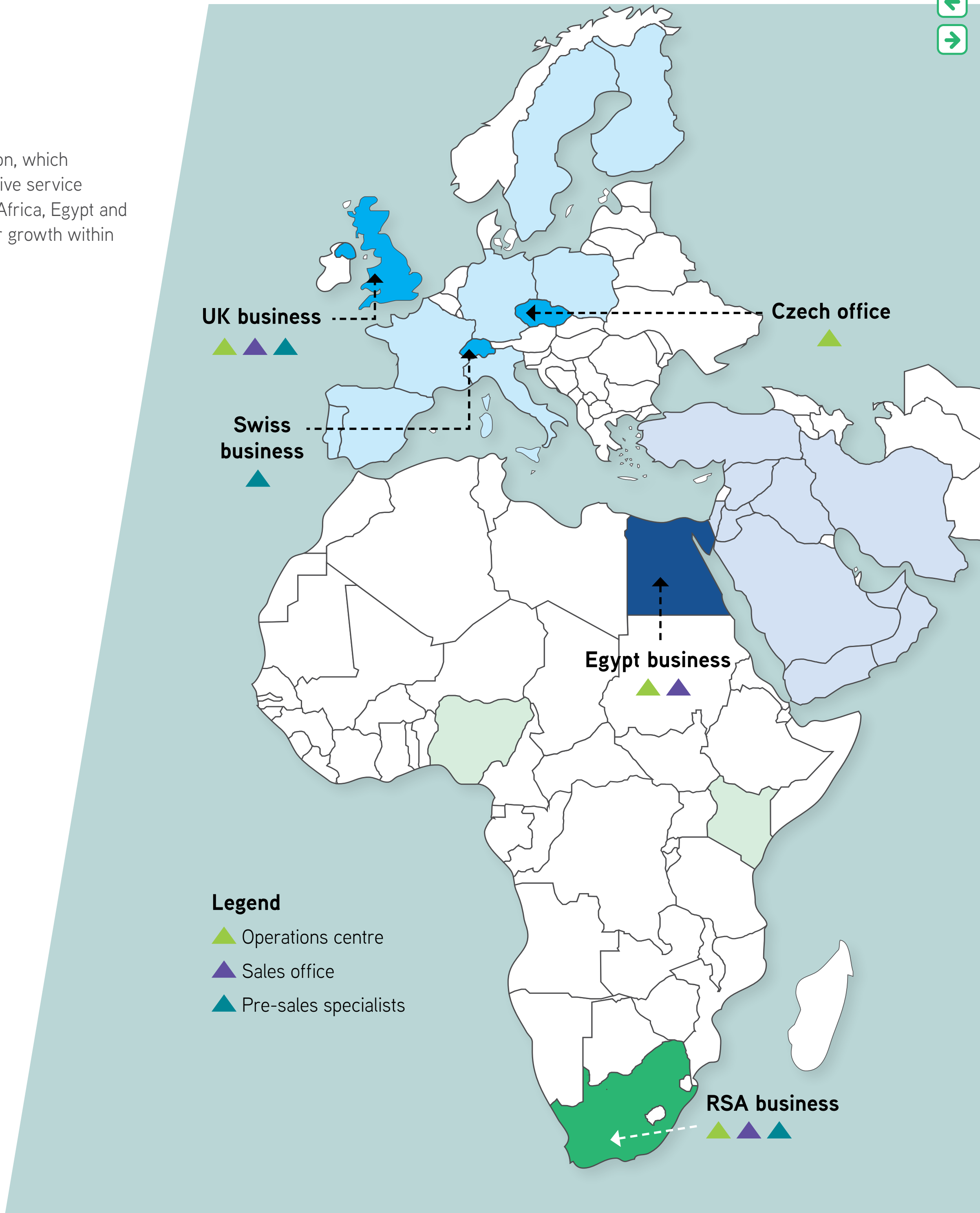
- Priority is driving solid growth in SA business and use it as a hub to serve SSA
- Remain best of breed in own market

Egypt positioned as a hub to expand into the Middle East

- Egypt further has potential to support SA, UK and EU with skilled resource pool providing cost-effective outsourcing

UK operating as a springboard for Europe

- Supported by a sales presence in Switzerland and cloud capability in Prague
- Key differentiation: high skill, cost-effective multi-shoring provider



OUR STRATEGY PILLARS continued

ROCKETLAB VENTURES

Rocketlab Ventures aims to enhance the business model of each of its underlying companies. In addition to scaling existing IP businesses, Rocketlab Ventures will also have a product development arm utilising skills and expertise from the rest of the Group aimed at creating new IP.

Rocketlab Ventures will allow us to develop our most exciting IP

nuvoteQ	CEREBRO	impression	Symplexity	VERITAS
Key customers				
IQVIA, Merck, Biocon, Serum Institute of India Pvt. Ltd., Bill & Melinda Gates Medical Research Institute	EOH, Samsung, TCD, The Aurum Institute	Netcare, Hollard, SARS, Life Healthcare Group	Sibanye Stillwater, Business Connexion, Eskom, Gold Fields, concor	Assupol, Sanlam, Road Accident Fund, Santam

5 standalone early-stage product companies

CHIEF EXECUTIVE OFFICER'S REPORT

EOH's purpose is to SOLVE and with this as our overarching priority, our goal is to not only continue to be the technology partner of choice for our clients but also to play a leading role in being a force for good in South Africa.

Stephen van Coller Chief Executive Officer

COVID-19 has caused immense stress in society that is being prolonged by recurrent waves and the slow pace of vaccination. This is not only affecting the economy, but has a significant individual impact on employees and their families. While many are thriving in the work-from-home environment, some are finding it extremely challenging. Automation and technology are key enablers in the new hybrid way of working that must be complemented by empathic leadership that sets the desired outcome and non-negotiable rules and then lets employees play it their way within those parameters.

RETHINKING THE ROLE OF BUSINESS IN SOCIETY

EOH sits at the heart of the Fourth Industrial Revolution with an ability to provide end-to-end solutions that are unequalled in its breadth in South Africa. This puts us in a strong position to support businesses looking to grow through innovation and technology, and to partner with business, civil society and government to find collaborative ways of solving the country's socioeconomic challenges. I firmly believe that a new approach to capitalism and a rethink of the role of business in society are desperately required. The unrest in July 2021 evidenced, more than ever, the urgent need to come together to map out a sustainable path for South Africa.

The Group's response to the unrest demonstrated our ability to leverage our technology IP and business relationships. We were able to provide over 8 000 cooked meals, prepared at restaurants that were otherwise unable to trade, move approximately 24 tonnes of groceries and facilitate trauma counselling for affected employees. We also created a platform for RebuildSA that provides a real-time link between volunteers, NGOs, sponsors and donors to channel support to businesses and communities affected by the unrest. EOH employees and partners directly assisted community clean-up efforts and, through Business Unity South Africa ('BUSA'), the Group supported more than 50 independent pharmacies to be reconnected and resume trading.

INCREASED UPTAKE OF THE CLOUD AND ACCELERATING DIGITISATION

The COVID-19 pandemic accelerated the pace of digitisation and consolidation of businesses into bigger ecosystems. It has driven a focus on greater efficiency, encouraging cooperation across business units as corporates look for solutions rather than products. The iOCO Services cluster, which we refer to as the 'Engine Room', is well positioned to address client needs as it is a single support structure with a vertically integrated product offering ranging from managed connectivity through to managed hardware and software. The future is moving towards everything as a service, particularly back office and infrastructure functions, and we have seen increased cloud uptake and spend on automation and application development.

We are also keenly focused on enhancing our end-to-end technology solutions with future generation offerings that will further entrench our role as a key technology solutions partner for leading companies. We established a standalone division called Rocketlab Ventures, which houses a few early-stage IP companies with differing value propositions (namely core banking software, HR software, business process digitisation software and fraud detection software). These companies currently have a proven track record with sustainable revenue and profits; however, they require additional capital and attention to scale the businesses. In addition to scaling existing IP businesses, Rocketlab Ventures will also have a product development arm utilising skills and expertise from the rest of the Group aimed at creating new IP with disrupting potential.

CHIEF EXECUTIVE OFFICER'S REPORT continued

Our near-term priorities for the 2021 financial year were an ongoing focus on quality earnings, cost reduction and solving for the Group's substantial legacy debt and inefficient capital structure. We are keenly focused on enhancing our technology solutions with future generation offerings such as application development, security, automation, robotics and data analytics, further enhancing the Group's role as a key technology solutions partner for leading companies. This solutions focus requires that we have an intimate understanding of our clients' businesses and we appointed Ziaad Suleman as Chief Commercial Officer during the year to deepen client centricity.

We successfully resolved nearly all of the previously disclosed problematic legacy contracts, with seven of the eight settled and one in arbitration. This is a significant milestone for the Group towards stabilising the business as we have now closed out the legacy contracts and from an operational perspective, are not delivering on any of them.

The overbilling issues are concluded, with the Group settling with the Special Investigating Unit ('SIU') regarding the Department of Defence contract and the Department of Water and Sanitation contract nearing resolution. The resurfacing of legacy issues in the media is a regrettable ongoing distraction that associates EOH in its current incarnation in the public mind with the corrupt past activities of a few people. It bears repeating; companies do not commit corrupt acts, corrupt people within companies do.

IMPROVED EARNINGS QUALITY AND RESPONSIBLE COST MANAGEMENT

Total revenue decreased to R7 882 million from R11 277 million in FY2020 mainly due to the disposals and the settlement of legacy contracts (which accounted for c.75% of the decline) as we exit non-performing and non-core businesses. The impact of COVID-19 was evident in delayed spending on large, planned IT projects specifically in the hardware space, which were affected by increased client migration to cloud alternatives.

Despite this decline in revenue, the quality of earnings continues to improve as evidenced by the sustained improvement in margins and return to operating profit. Gross profit margin increased to 28% in FY2021 (2020: 22%) which translates to a 6% increase, and the gap between reported EBITDA and normalised EBITDA (adjusted for one-off costs) narrowed further.

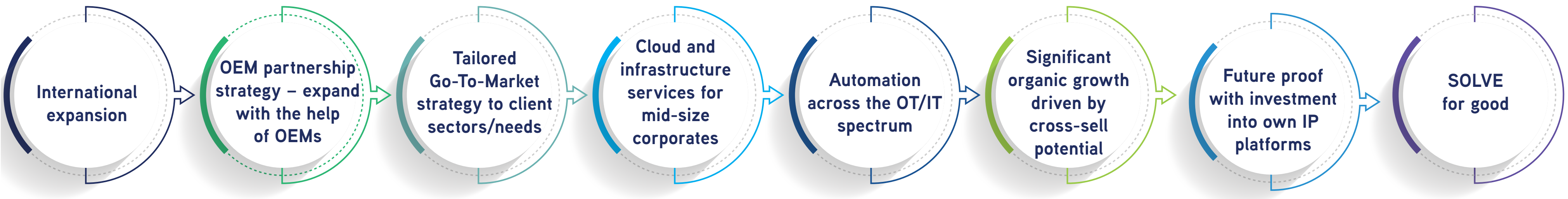
Total operating expenses decreased by 46% to R2 053 million from R3 788 million in the prior period, with the Group reducing its property portfolio from 56 to 33 buildings and reducing headcount by c.2000 largely due to asset disposals and contracts not being renewed. The financial performance for the 2021 financial year is further unpacked in the Chief Financial Officer's ('CFO's') report on page 26.

We are making good progress on disposing of targeted assets as part of our deleveraging strategy. During the year, we disposed of Syntell and Sybrin (subject to suspensive conditions) within our IP business cluster. More details of these transactions are available in the CFO report on page 29. The Group has been able to repay a further R433 million this year with the current total debt balance reducing to c.R2 billion from R4 billion in 2018. We successfully concluded negotiations with lenders to create a more sustainable debt structure.

The reduction of the core legacy debt and finalisation of the overall capital structure remain urgent business imperatives in order to decrease the heavy interest burden on the Group's cash resources and allow us to invest more meaningfully in growing our businesses. Pleasingly, the return to positive cash flow and the incredible contribution by our employees allowed us to appropriately reward our people for their performance.

iOCO delivered an operating profit and double-digit EBITDA margin for the year due to strength in the iOCO Services cluster, specifically Digital Industries, which has seen significant growth in its internet of things ('IOT') capability. iOCO is benefiting from its position as South Africa's leading end-to-end technology solutions provider with strong traction in client renewals, a re-entry into the public sector and the signing of new multi-year annuity deals in both private and public sector clients.

Strategic pillars



CHIEF EXECUTIVE OFFICER'S REPORT continued

Positive momentum in new deals post-remediation

Major telco
Contact centre optimisation
R204m
PROJECT DURATION: 3 years

Major mining company
Critical comms solution
R111m
PROJECT DURATION: 3 years

International online education platform
Tutoring services
R39m
PROJECT DURATION: 1 year

Public sector
Dev services
R199m
PROJECT DURATION: 5 years

Large mixed-use precinct development
Electronic surveillance and security control
R81m
PROJECT DURATION: 5 years

TVET College
Supply of end-user computing
R38m
PROJECT DURATION: 5 years

Utility
Payroll outsourcing solution
R114m
PROJECT DURATION: 2 years

Major mining company
Wireless comms infrastructure upgrade
R51m
PROJECT DURATION: 1 year

Medical scheme
Business continuity services
R21m
PROJECT DURATION: 3 years

Revenue from NEXTEC was resilient despite the challenging economic conditions, with the NEXTEC People solutions business generating strong operating profit and EBITDA margins improving due to further efficiency gains and stringent cost control. The NEXTEC Infrastructure solutions business, however, remains under pressure characterised by contract delays. The NEXTEC businesses that remain core to EOH are self-sufficient from a liquidity perspective.

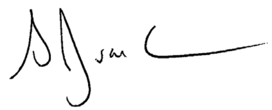
The planned sale of the remaining IP businesses was delayed by COVID-19, but remains a priority.

OUTLOOK

While the outlook for the local market remains challenging, we see excellent potential to grow revenue, maintain margins and bring the NEXTEC businesses back to profitability. Completing the reorganisation and finalising an efficient capital structure will create a solid platform for future growth and investment.

EOH's international operations in the Middle East, UK and Europe remain exciting platforms from which to pursue growth across application development, security and cloud solutions, and also provide opportunities for EOH's IP platforms and potential strategic in-country partnerships. Our Egyptian hub enables us to expand our centres of excellence to further develop our human capital in another low-cost market. Egypt is a highly educated population which helps to diversify our skills base and reduces our business risk as part of our anti-fragile strategy.

Our progress in the past year positions the Group well for sustainable growth as the key technology solutions partner for leading companies, and to deliver on our aspiration to be a force for good in society.



Stephen van Coller
Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REPORT

The impact of the pandemic not only caused us to ensure we create an anti-fragile business, but also reinforced the potential of the Group to excel in an increasingly digitised world. The positive and improved momentum of our turnaround is evidenced through all our key financial metrics where we are seeing year-on-year improvements and the posting of an operating profit. We continue to focus on good, ethical and sustainable business at the right margins while continuing to focus on our liquidity and working capital management.

Megan Pydigadu Group Chief Financial Officer

EOH's significant progress since the start of our turnaround plan implemented three years ago in order to rectify the inherited legacy issues, is evident in the greatly improved financial results for the year to 31 July 2021. Gross margin continues to improve and the Group achieved an operating profit of R147 million from continuing and discontinued operations after posting a R1.3 billion loss in the prior year. Debt has declined significantly since 2018, although not as fast as we would have liked. Reducing the debt burden remains a critical focus for the management team. Cash management has been a highlight, especially considering the current economic climate, with excellent discipline in managing net working capital supporting improved liquidity.

The underlying effort and commitment from everyone in the EOH team to deliver this turnaround arises from the broader sense of purpose in the Group to not only turn the business around but also to transform it into a force-for-good that makes a difference in the broader society.

The finance function has a key role to play in ensuring that the business conducts itself ethically and with appropriate regard for the greater good. Conscious capitalism is about choosing who you do business with, ensuring sustainable margins, creating opportunities for employment, enabling our people to develop their full potential through upskilling, and ensuring transparency in the numbers reported. Business does not exist in a vacuum and it is critical that we tackle our socio-economic issues to ensure we have a sustainable business.

Now more than ever, it is critical that business embraces its role in society by partnering with government and civil society, by uplifting communities, developing skills and creating employment, thus ensuring a sustainable and thriving economy.

Finance sits at the core of business and plays a key role as both a strategic enabler and as the objective voice in the room.

As a finance function we are embracing the digitisation and automation acceleration through our business systems optimisation project (SpaceX). This will ensure automation in our shared service functions and ensure we leverage off the latest cloud technologies. This is underpinned by a single target operating model and will ensure consistent processes across the organisation underpinning a single data strategy.

Priorities – 2022 and beyond

1 Continued focus on quality of earnings

2 Close out capital structure

3 Creating efficiencies through digitisation

CHIEF FINANCIAL OFFICER'S REPORT continued

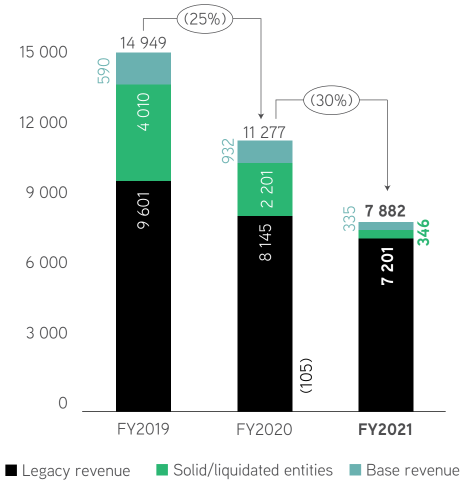
IMPROVING QUALITY OF EARNINGS

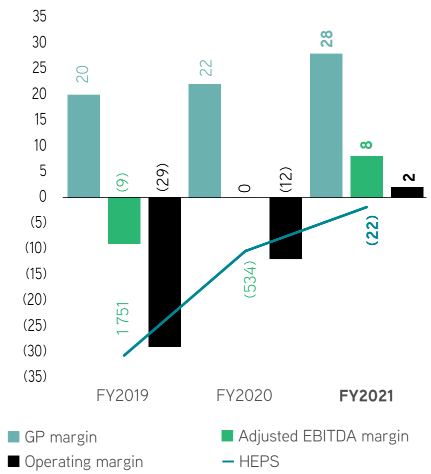
As part of our path to deleverage and create a sustainable capital structure for the business, we have focused on exiting non-performing, non-core and certain IP businesses. We have simultaneously focused on doing good business with the requisite margins that ultimately deliver shareholder value. These deliberate measures have resulted in total revenue decreasing to R7 882 million in FY2021 from R11 277 million in FY2020. Business disposals and the close-out of loss-making legacy contracts accounted for approximately 75% of the revenue decline. Our base revenue (total revenue excluding the impacts of the legacy issues clean-up, as well as liquidated and sold assets) decreased by 11% to R7 201 million in FY2021 from R8 145 million in FY2020. Approximately R740 million of the decline in base revenue was due to reduced hardware sales as customers delayed spend on large, planned IT projects with the move to the cloud gathering pace; and the impact of COVID-19 on our clients in the education and human capital, beverage, travel and health sectors.

The Group's focus on quality of earnings and continual improvement resulted in a significant improvement in gross profit, adjusted EBITDA and operating profit margins. This is an indication that our strategy of doing good business is paying off

- Gross profit margins have increased from 20% in FY2019 to 28% in FY2021.
- Operating margins have increased from a negative 29% in FY2019 to 2% in FY2021
- Adjusted EBITDA margins have increased from -9% in FY2019 to 8% in FY2021

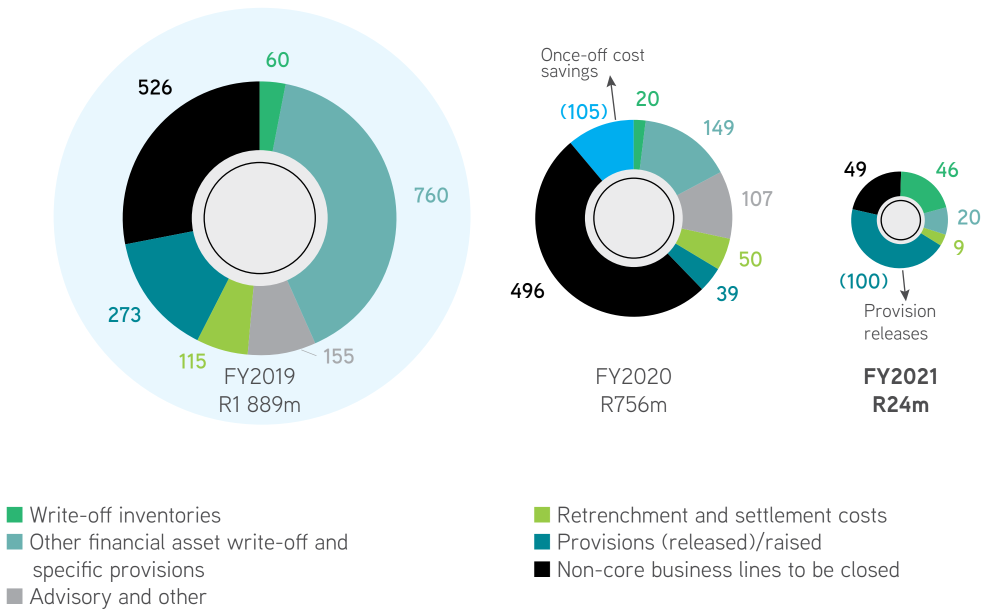
External revenue (Rm)





Historically, the Group reported on core normalised EBITDA which has stripped out once-off items and non-core business lines to be closed. The Group's normalisation adjustments have decreased materially in FY2021, resulting in a negligible difference between core normalised EBITDA and adjusted EBITDA. Consequently, EOH will guide the market on adjusted EBITDA as a performance measure going forward.

Decline in adjustments as business stabilises



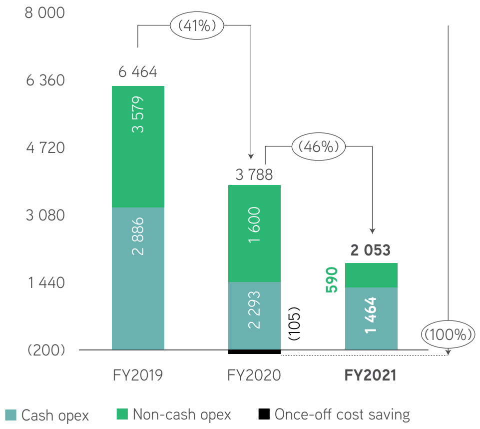
AN ONGOING FOCUS ON COSTS

We have maintained our focus on creating an anti-fragile business by prioritising cost management and ensuring that our cost structure remains appropriate, agile and responsive to changing market conditions. Total operating expenses decreased by 46% to R2 053 million in FY2021 (FY2020: R3 788 million), as the remaining legacy issues were closed out and the benefits of cost-saving initiatives were realised.

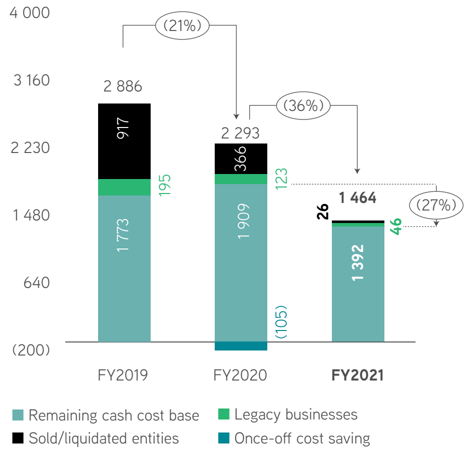
CHIEF FINANCIAL OFFICER'S REPORT continued

Positive JAWS* resulting in operating profit

Cash versus non-cash opex (Rm)



Cash cost base remaining after disposals and legacy clean-up (Rm)



* The JAWS ratio demonstrates the extent to which the income growth rate exceeds expenses growth rate.

From a property portfolio perspective, most of our leases expire in 2023, which is when we expect to optimise our property portfolio. Cost reductions have continued across the major expense categories such as travel, marketing and administrative expenses.

For the first time since the Group embarked on its turnaround plan, EOH moved into a positive operating profit from continuing and discontinued operations of R147 million in FY2021 from an operating loss of R1 319 million in FY2020.

Adjusted EBITDA (from continuing and discontinued operations) for the year was R667 million compared to R19 million in FY2020. Adjusted EBITDA margin improved from 0.2% in FY2020 to 8.5%, which is in line with our stated target of achieving a 10% margin in the medium term.

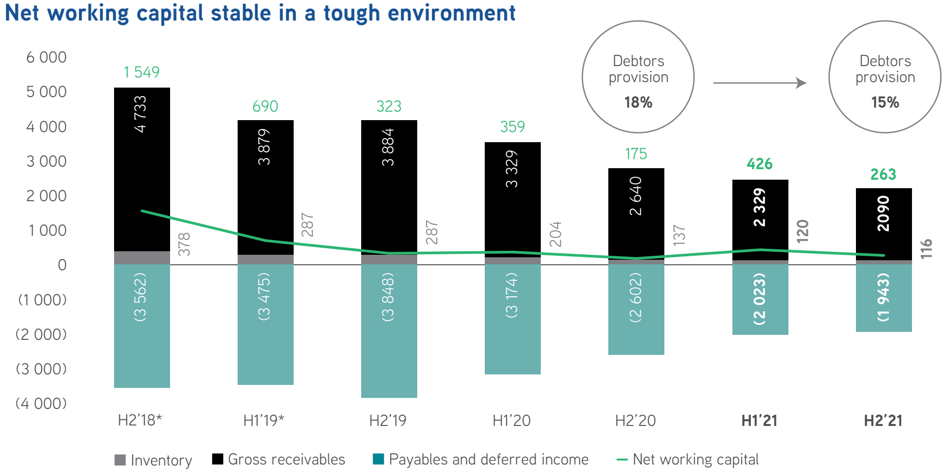
Total headline loss per share from continuing and discontinued operations improved by 96% with losses reducing to 22 cents from 534 cents in FY2020. The ongoing headline loss is largely due to the Group's over-indebted capital structure and inefficient legal entity structure, which the management team continues to address as a core focus area.

CASH MANAGEMENT AND LIQUIDITY

The increased financial discipline includes a sharp focus on working capital management as part of overall liquidity management. While we have continued to manage collection closely in the current economic climate, the net investment in working capital has increased to R263 million at the end of FY2021 from R175 million in FY2020, which is still within our expected range. Looking at the long-term trend, we have reduced investment in working capital by 83% from R1 549 million in FY2018.

We have also seen an improvement in our credit risk with our expected credit loss provisions decreasing from 18% in FY2020 to 15% in FY2021 and our debtors' days remaining stable in the region of 65 days.

Net working capital stable in a tough environment



Our focus on working capital and liquidity management has resulted in strong cash generation from operations at R663 million (adjusted legacy outflow) – and an EBITDA cash conversion rate close to 100%. From a business-as-usual perspective, the Group contributed R126 million of cash after paying finance costs, tax, capital expenditure and lease payments and incurred R273 million of legacy cash outflows related to the iOCO legacy public sector contracts (that are now all closed out) and the two NEXTEC engineering, procurement and construction ('EPC') contracts.

The Group had a net inflow of R214 million (after cash given up) from the disposal of subsidiaries and repaid lenders (including VFAs) R475 million and finished the year on R537 million of net cash with overdraft facilities of R400 million.

CHIEF FINANCIAL OFFICER'S REPORT continued

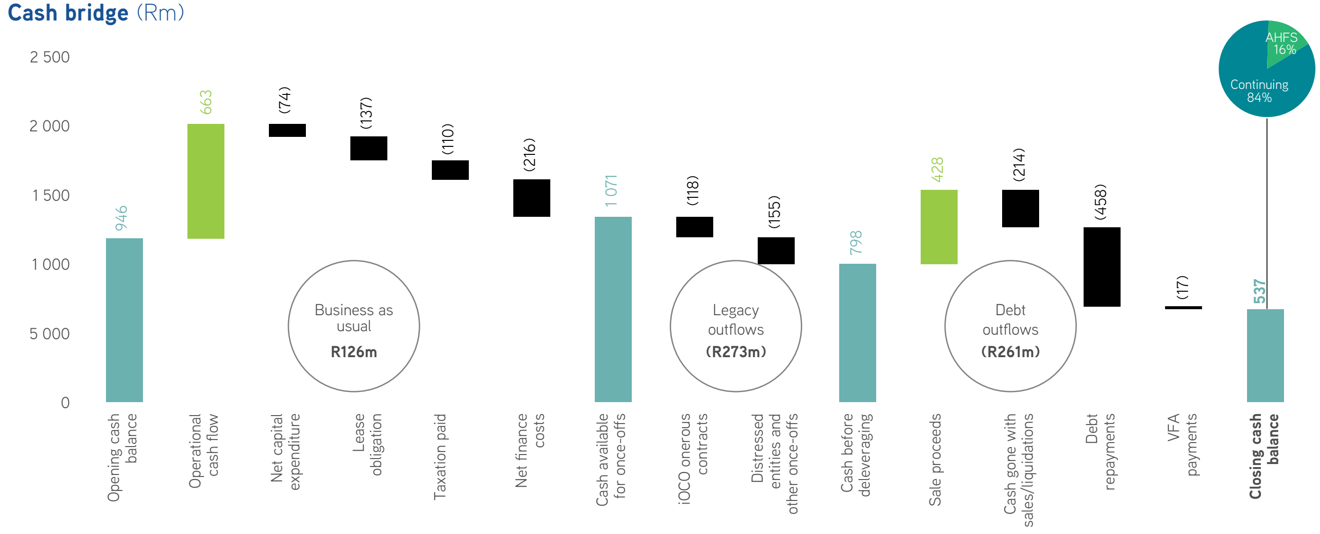
FURTHER DISPOSALS WILL REDUCE DEBT AND ENHANCE CAPITAL STRUCTURE

Following the disposal of Syntell in November 2020 for a consideration of R211 million, EOH concluded the disposal of Sybrin in June 2021 for a base cash consideration of R334 million. The deal is currently awaiting competition approvals in various African countries. Once these are concluded, the cash from the sale is expected to flow before the end of the 2021 calendar year. While disposals have been necessary as part of the deleverage strategy, management has always maintained that it would only conclude disposals if the valuations made sense, which is evidenced by the average EV/PAT multiples achieved on previous transactions.

The Group's current gross debt balance stands at c.R2 billion for FY2021 down from c.R2.4 billion in FY2020. Reducing the core legacy debt and the finalisation of the long-term overall capital structure remains a business imperative.

Good progress has been made on this front# with the lenders into the conclusion of a common terms' agreement structured into a R500 million three-year senior term loan facility and a R1.5 billion bridge facility repayable on 31 October 2022. During the year, the Group repaid lenders a further R433 million, principally from disposal proceeds. Conclusion of the sales of the remaining IP assets will further reduce the Group's debt to a more manageable level.

Cash bridge (Rm)



Disposal	Industry	Financial year	Enterprise value R'm	Cash proceeds received R'm	Cash proceeds to be received R'm	EV/PAT multiple
CCS – 70%	Construction software	FY2019	651	444	–	19.2
CCS – 30%	Construction software	FY2020	476	143	–	14.0
DENIS	Dental health fund administrators	FY2021	250	224	17	7.2
Syntell	Traffic management IP	FY2021	207	175	–	12.2
Sybrin	Fintech	FY2022*	410	–	334	10.3
				986	**351**	

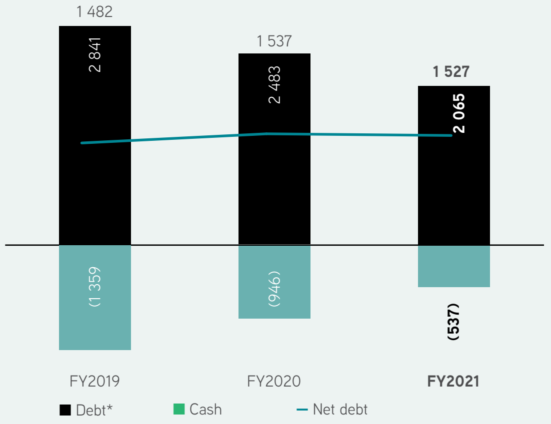
* *Transaction expected to close in first half of FY2022*

\# *Enterprise value post debt*

CHIEF FINANCIAL OFFICER'S REPORT continued

Debt (Rm)

Debt to EBITDA ratio down to 2.4 from 89.0



* *Includes all debt to lenders' consortium*

OUTLOOK

As we look forward, our focus remains on building on the turnaround strategy we embarked on over the last two and a half years. We are now in a position to focus on delivering on our growth strategy and take advantage of the Fourth Industrial Revolution ('4IR'). We will continue to focus on doing good business at good margins, with a razor focus on costs and closing out our long-term capital structure.

Megan Pydigadu
Chief Financial Officer

THREE-YEAR REVIEW

		2021	Restated* 2020	Restated* 2019
Statement of profit or loss and other comprehensive income and cash flows from continuing operations				
Revenue	(R000)	**6 874 212**	8 772 134	10 746 037
Operating profit/(loss) before interest and net financial asset impairments	(R000)	**123 335**	(613 081)	(3 093 660)
Operating profit/(loss) before interest and net financial asset impairments margin	(%)	**1.8**	(7.0)	(28.8)
Loss before taxation	(R000)	**(228 607)**	(1 321 891)	(4 017 160)
Loss after taxation	(R000)	**(325 856)**	(1 261 657)	(4 225 347)
Core normalised EBITDA	(R000)	**691 410**	880 094	481 536
Headline loss from continuing operations	(R000)	**(183 861)**	(851 118)	(2 447 129)
Cash generated from total operations	(R000)	**404 942**	706 735	502 107
Cash realisation rate	(%)	**58.57**	80.3	104.27
Statement of financial position				
Total assets	(R000)	**5 420 394**	7 185 520	10 034 530
Total equity	(R000)	**177 794**	473 185	1 995 427
Profitability and asset management				
Return on equity	(%)	**0.69**	(1.3)	(1.6)
Return on total assets	(%)	**0.02**	(0.9)	(0.3)
Shareholders' ratios				
Loss per share from continuing operations	(cents)	**(192)**	(747)	(2 597)
Headline loss per share from continuing operations	(cents)	**(109)**	(505)	(1 504)
Dividend per share	(cents)	**–**	–	–
Dividend cover	(times)	**–**	–	–
Net asset value per share	(cents)	**101**	268	11 303
Stock exchange statistics				
Market value per share				
– at year end	(Rand)	**6.50**	4.86	17.78
– highest	(Rand)	**9.60**	17.10	48.78
– lowest	(Rand)	**4.30**	2.30	10.40
Dividend yield	(%)	**–**	–	–
Earnings yield	(%)	**(16.8)**	(103.9)	(84.6)
Number of shares in issue	(000)	**176 545**	176 545	176 545
Number of tradeable shares in issue	(000)	**168 758**	168 656	168 544
Market capitalisation	(Rm)	**1 148**	858	3 139
Price to earnings ratio	(times)	**(6.0)**	(0.96)	(1.18)
Price to net asset value ratio	(times)	**6.4**	1.8	0.0

SEGMENTAL REPORT

iOCO

SALES & ADVISORY	iOCO SERVICES	iOCO TECHNOLOGY	iOCO DIGITAL
› Go-To-Market › Solutioning	› Network Solutions › Management & Operate › Digital Industries › Knowledge Process Outsourcing	› Computer Software Reseller › Enterprise Applications › Computer Hardware Reseller	› Application Development › Data Analysis › Cloud & Security › International › Automation
2% of revenue	29% of revenue	45% of revenue	24% of revenue

	FY2021	FY2020	▲
Gross revenue (R'000)	**5 212 611**	6 922 562	(25%)
Gross profit	**1 386 820**	1 684 352	(18%)
Gross profit (%)	**26.6**	24.3	2.3% pts
Adjusted EBITDA	**524 274**	391 651	34%
Adjusted EBITDA (%)	**10.1**	5.7	4.3% pts

COMMENTARY

- iOCO remains the core business of the Group, contributing 63% to total revenue. The continued rightsizing of the business, as well as the negative impact of COVID-19 on clients' IT expenditure, impacted the revenue size and growth profile of the iOCO business. Nonetheless, certain areas of the iOCO business have benefited from customers' increased migration to the cloud and increased spend on automation and application development.
- With regards to the International business, while contract delays in Egypt impacted performance, this was partially offset by strong performance in the UK and Switzerland.
- The business is now more stable and focused on margin enhancing product and service offerings as evidenced by the improvement in the gross profit and adjusted EBITDA margins to 26.6% (FY2020: 24.3%) and 10.1% (FY2020: 5.7%) respectively.
- The margin improvements for the year were due to a growth in our operational technologies' capability, a reduction in hardware sales, as well as the management of operating expenses and a focus on optimisation.
- iOCO digital remains a growth driver for the business with performance in line with expectations and some previously loss-making businesses within the iOCO Digital cluster became profit contributors over the course of the 2021 financial year.
- In addition, the public sector re-entry strategy has been mobilised and is yielding value with a solid pipeline.
- The iOCO business has seen positive momentum in new deals won with the signing of new multi-year annuity deals across both private and public sector clients. This is evidence of iOCO's position as the country's leading end-to-end technology solutions provider.

Digital transformation and automation

Digital innovation is at the heart of our 4 000+ strategic and technical specialists

iOCO has the capabilities to meet opportunities presented by market drivers, as companies migrate away from inefficient legacy systems and embrace automation, and digital transformation

JOURNEY TO THE CLOUD
The platform of the future allows our clients to scale their business. We have all the skills to safely guide them on their journey to the cloud.

SECURITY
We wrap business and digital assets safely and securely by ensuring we protect our clients' users, applications and infrastructure.

DATA AND ANALYTICS
Data is the fuel that drives innovation and gives an advantage in a continually evolving market. Solve business problems with data solutions.

INTELLIGENT AUTOMATION
We understand bots and how to implement and nurture them to drive efficiency and uncover cost saving opportunities in our clients' businesses.

CUSTOM SOFTWARE DEVELOPMENT
We can develop anything and bring ideas to life. Custom software differentiates our clients' businesses from their competitors, allowing them to respond to changing business and customer needs with agility and speed.

QUALITY ASSURANCE
Releasing a seamless piece of technology starts with a test strategy. Our frameworks and automated testing solutions increase the speed of getting tech to market.

CONSULTING AND HUMAN CENTERED DESIGN
Our advisory services ensure our clients are set up for success. We get to grips with what drives performance and use various techniques, gleaned from many disciplines, to map out a business analytics roadmap, aligned to client goals and readiness.

SEGMENTAL REPORT continued

NEXTEC
THE POWER OF PEOPLE AND TECHNOLOGY REALISED

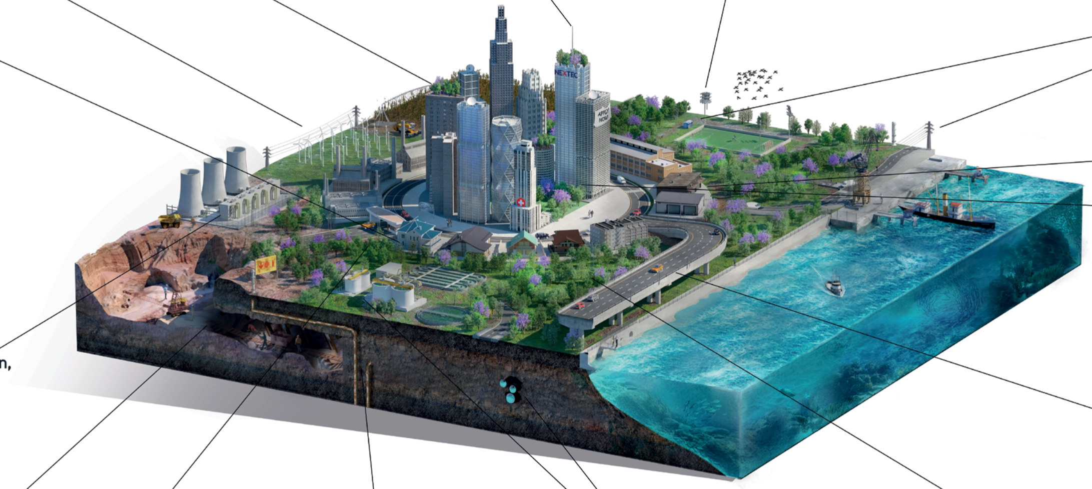
WELCOME TO NEXTOPIA

Nextopia is the world we imagine for our clients and their customers – a place we have created to help build a better South Africa for us all.

Nextopia is home to the digital enablement of infrastructure and people management services, delivered by our world-class, future-focused solutionists.

In Nextopia we solve together to positively shift the way people work and live, through our delivery of trusted fit-for-purpose technology and our ability to create authentic relationships with our clients.

At Nextopia we are a team. We embrace our distinctive talent, our entrepreneurial spirit and our wealth of experience to create a world that we are proud to be a part of and where we can make sustainable differences for all.



SEGMENTAL REPORT continued

NEXTEC
THE POWER OF PEOPLE AND TECHNOLOGY REALISED

Infrastructure Solutions
72% of revenue

People Solutions
28% of revenue

	FY2021	FY2020	▲
Gross revenue (R'000)	**1 950 611**	3 530 410	(45%)
Gross profit	**355 557**	527 266	(33%)
Gross profit (%)	**18.2**	14.9	3.3% pts
Adjusted EBITDA	**(35 408)**	(111 128)	68%
Adjusted EBITDA (%)	**(1.8)**	(3.1)	1.3% pts

COMMENTARY

- NEXTEC contributes 24% to total revenue with the bulk of the segment revenue derived from the Infrastructure Solutions cluster.
- Despite the negative impact of COVID-19 and projects delays mainly affecting Infrastructure Solutions, a strong improvement in earnings across gross profit, EBITDA and operating profit was achieved due to the realisation of the benefits of the strategic interventions put in place by the new management teams, as well as the exit of underperforming business in the prior year.
- The NEXTEC People solutions business in particular, generated strong operating profit and EBITDA in the second half of the 2021 financial year with margins improving due to further efficiency gains and stringent cost control.
- The Digital Infrastructure cluster benefited from increased customer investment in digital technologies, particularly in the mining industry, but experienced contract delays in the consulting services predominantly across municipalities, the construction, water and energy sectors. Significant steps have been taken to materially reduce the expected losses to completion of the non-core businesses to be closed, namely PiA Solar and Autospec. Gross profit and adjusted EBITDA margins in NEXTEC improved to 18.2% (FY2020: 14.9%) and (1.8%) (FY2020: (3.1%) respectively.
- The NEXTEC businesses that remain core to EOH are self-sufficient from a liquidity perspective. NEXTEC's focus remains on quality of earnings, cash conversion and profitable growth as low margin projects are phased out.

NEXTEC is one of the leading technology system integrators with best-in-class people solutions

Saved 52 megalitres of **water** for the **City of Cape Town**. That is 450 Olympic size swimming pools per month

Implemented smart estate security solutions into South Africa's largest residential estate

Provided **1 million + hours** of **online tutoring** to mainland China in a **year**

Led Western Cape in designing a strategy to **manage school** and **hospital assets**

Provided **engineering resources** for projects in **KwaZulu-Natal** and **Mpumalanga**

Provided an **environmental health survey** in **Lesotho**

Provided **smart electronic solutions, CCTV camera, security and WiFi**, to the **largest SA university**

Designed and completed a **120 000m² distribution centre**. The **largest in South Africa**

Was the **principal advisor** to **the first OEM** (Automotive) to achieve **Level 1 B-BBEE contributor status**

Supplied a **wireless mesh communication solution** to a large **global mining organisation**

SEGMENTAL REPORT continued

IP

Syntell

- Sold for a base price of R211 million in November 2020
- EV/PAT of 12.2x

Sybrin

- Sold for a base price of R334 million
- EV/PAT of 10.3x
- Sale not yet unconditional

INFORMATION SERVICES

- In the process of being sold – late stages of negotiation

	FY2021	FY2020	▲
Gross revenue (R'000)	**1 042 482**	1 212 301	(14%)
Gross profit	**603 851**	480 722	25.6%
Gross profit (%)	**57.9**	39.7	18.2% pts
Adjusted EBITDA	**266 876**	267 133	(0.1%)
Adjusted EBITDA (%)	**25.6**	22.0	3.3% pts

COMMENTARY

- The IP cluster performed well over the period. Following the sale of Syntell and Sybrin, the disposal process of the last remaining non-core IP asset, Information Systems, has advanced significantly and is expected to close before the calendar year end. Gross profit margins remained strong in the IP business at 57.9% and adjusted EBITDA margins of 25.6%.

MATERIAL MATTERS

EOH's most material matters are those factors that have the greatest potential impact on our ability to create value as a business. These are the issues that most affect our long-term sustainability and the interests of our stakeholders.

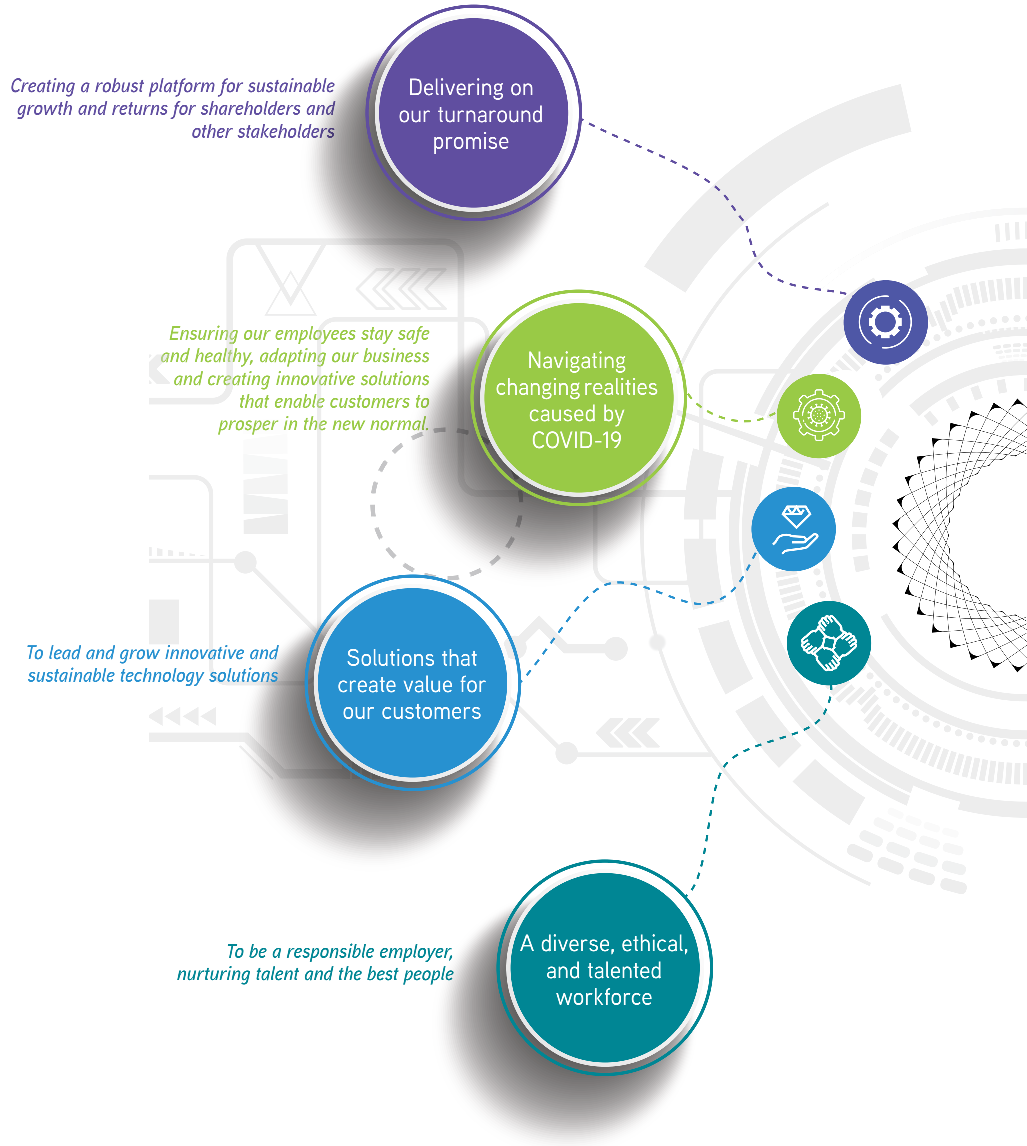
We determine these material matters by assessing the financial and non-financial risks, opportunities and other factors that influence our strategy, performance, prospects and governance activities.

These matters are identified and prioritised by considering information from a range of sources, including:

- Our enterprise risk management process;
- Formal and informal engagements with key stakeholder groups;
- Discussions at business, exco, Board subcommittee and Board levels;
- Relevant guidelines, frameworks and applicable legislation; and
- A review of peer reporting practices and media coverage.

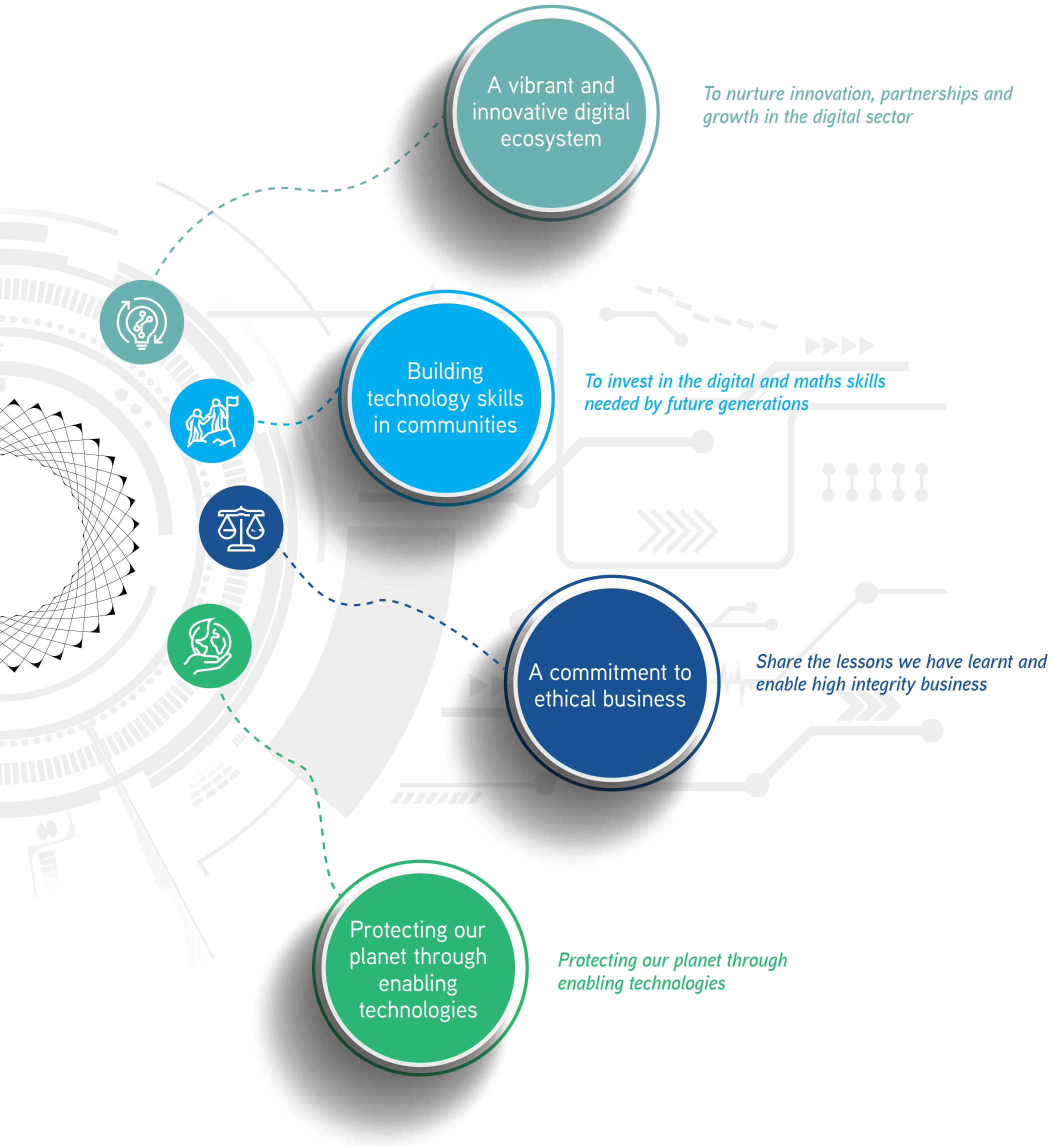
MATERIAL MATTERS

This graphic summarises EOH's most material matters and provides links to where these are discussed in more detail in the report.



MATERIAL MATTERS continued

MATERIAL MATTERS



REFERENCES

Chairman's report (page 14)
Chief Executive Officer's report (page 23)
Chief Financial Officer's report (page 26)
Audit Committee report (page 104)
Asset Disposals and Strategic Acquisitions Committee report (page 114)

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Our operating context (page 16)
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Taking action on climate change (page 71)

CHIEF RISK OFFICER'S REPORT

"EOH is now firmly on the Road to Green – our journey towards verifiable, meaningful, lived compliance with high ethical standards, at every level of the organisation. We believe that this progress not only strengthens the Group and supports sustainable and profitable growth, but also contributes to mending the moral fabric of our country."

Fatima Newman Chief Risk Officer

GRC has traditionally been perceived as existing to protect companies from people. However, we believe most people are honest and ethical. GRC can do so much more than merely prevent unethical behaviour – it can empower that majority, give them courage, strengthen their convictions and build stronger organisations. Done properly, GRC is an enabler and protector of people and a foundation for business growth.

Effective GRC goes beyond regulatory and statutory compliance to create a rigorous ethical and moral framework informed by the priorities and aspirations of society as a whole. EOH views GRC as a differentiator and competitive advantage that is a leading force shaping Company culture, strategy and action.

ENHANCING THE GRC FRAMEWORK AND EXPEDITING RISK REMEDIATION THROUGH SYSTEMS AND TECHNOLOGY

The EOH GRC team is a small multi-disciplinary unit with cross-functional experience that combines expertise in GRC, legal, internal audit, HR and procurement. Given the complex structure of the business, our approach has made full use of the developers and system engineers in the Group to build technological solutions that increased the reach and impact of the team. The resulting GRC toolbox makes the most of technology to gather, record, consolidate and simplify information, freeing up the team to do what humans do best: think, engage, analyse and plan.

This toolbox has evolved into a GRC-as-a-service ecosystem – a suite of solutions that together enable and empower GRC processes to run more efficiently, effecting compliance as an outcome rather than an exercise. While the toolbox was developed for internal use, we believe that it provides an innovative and effective integrated solution for other enterprises and a number of engagements with external customers during the year confirmed this.

We customised and implemented a contract management solution to ensure controlled and appropriate legal contracting across the Group that aligns with the business's risk appetite and risk mitigation measures. We also implemented a document management solution to ensure proper case and litigation management, centralising storage and reporting of critical information and documentation. Good progress is being made in centralising and automating collection and analysis of compliance data on Cerebro, our compliance platform. Digitisation of risk management continues and we are developing a process to assess risk relating to employee travel, including risk profiles of travellers and destinations in terms of both COVID-19 and security.

RESOLVING LEGACY ISSUES

The ENSafrica Forensic Investigation concluded during the year, culminating in the CEO and an ENSafrica representative testifying before the Zondo Commission in relation to fraud and corruption on certain historic EOH contracts. The information from the investigation informed the decision to instigate summonses against the previous leadership of EOH implicated in these contracts. The Group has continued its engagements with the SIU and National Treasury to close out the remaining legacy issues, with a settlement regarding the Department of Defence contract concluded and negotiations on the Department of Water and Sanitation contract nearing resolution.

CHIEF RISK OFFICER'S REPORT continued

Formalised governance controls are in place for all public sector engagements, including the Bid Review Committee ('BRC') process and contract playbooks, based on our learnings from the ENSafrica Investigation. EOH has reiterated its commitment to public sector work that has been won fairly and on mutually beneficial commercial terms.

We remain focused on reducing ongoing legal fees. Legal costs in FY2021 included finalising the ENSafrica Investigation and issuing the legal processes against former EOH executives. Other recurring legal costs have come down significantly with the high-cost items relating mainly to one-off business critical processes, such as the legal processes and defending legal claims instituted against EOH.

CYBERSECURITY

Cybersecurity has been an increasing concern for all organisations for a number of years that accelerated at the start of COVID-19 with the shift to remote work. The Protection of Personal Information Act (POPIA) further emphasises the importance of protecting companies' networks and data.

As a company with many subsidiaries, EOH needs to ensure that effective cybersecurity solutions are in place, with a focus on the three primary components of cybersecurity – people, process and technology.

EOH Group IT sets Group-level security standards, controls the governance framework and ensures that these are consistently applied across all business entities. Each business unit or subsidiary head is accountable for adherence to governance and compliance to security controls and standards within their area of responsibility. Each business unit identifies information asset owners who work with Group IT to implement controls and standards.

As our first line of defence against cyberattacks, employees play a critical role in protecting information assets. Employee training and education is a priority and includes education on their rights under POPIA to help them understand the Company's obligation under the Act.

We are rearchitecting our network environment to modernise it and cater for the new way of work in which employees work from anywhere at any time. This includes strengthening zero trust architecture, moving away from the assumption that anything inside an organisation's network can be trusted, to a "never trust, always verify" principle. This approach recognises that the point of initial attack is often not the target destination and implements controls to prevent lateral threat movement within a network by using micro-segmentation and granular perimeters enforcement, based on data, user and location.

Group IT is developing a cybersecurity framework and an incident management playbook that documents the root causes of incidents, measures required to prevent similar attacks and actions from concluding investigations while implementing additional safeguards.

We recognise that cybersecurity is an ongoing journey and we continue to strengthen our processes and controls to safeguard the Company's networks and data, and those of our clients.

ENHANCING COMPLIANCE CONTROLS AND ENGAGEMENT

An outside business interest declaration tool was developed and implemented across the Group, achieving a 100% completion rate, and will be used for annual declarations going forward. We ran the EOH Ethics League (page 41), a well-received and successful learning management project that helped to embed the key GRC principles across the organisation. The necessary controls to ensure POPIA compliance were implemented, with further enhancements to these controls underway.

Compliance workshops were held across the business to unpack the regulatory universe and the resulting control identification process is being carried out with the tool being developed on Cerebro. The Governance Committee was established to oversee implementation of the policy framework across the Group.

PRIORITIES FOR THE YEAR AHEAD

For the year ahead, the legal function will develop and implement systems to enhance legal awareness and application using contract management, data storage and analysis and machine learning to create a proactive, efficient and fluid legal function within the business. System development will focus on operational KPI monitoring tools and intellectual property frameworks.

Risk will continue to assess and address the challenges arising from the emerging hybrid work environment that combines working from home and returning to the office, with a specific focus on managing cyber threats and ensuring compliance with data privacy laws. We will incorporate the lessons learned from our experience of remote work, cyber-attacks and civil unrest during the past year into our business resilience plans and ensure that the Group-wide roll-out of the new ERP solution includes the necessary operational controls and monitor and mitigate the risk of business interruption should the roll-out not go to plan. We are currently conducting a risk scenario deep-dive on a number of scenarios to understand drivers and mitigation measures.

Internal audit will continue to focus on driving audit efficiencies and quality by exploring new ways of work and using technology in response to opportunities and threats, improving skills and completing the combined assurance milestones and GIA plan. We will also explore efficiency and cost-saving initiatives around credit and fuel card use, as well as variable pay assurance. The audit team is working on a fraud detection and an ongoing monitoring solution that draws information from a range of sources, including payroll, purchase order data, tax and VAT submissions and correlates these against information in the Companies and Intellectual Property Commission ('CIPC') database to identify conflicts of interest and double-paying of fraudulent entities.

CHIEF RISK OFFICER'S REPORT continued

Compliance will prioritise the continued roll-out of a compliance robotic solution that gathers information from across the automated process and presents data in an intelligent manner through a dashboard to save time and effort, support analysis and interpretation and improve decision making. We will continue to embed and roll out the compliance framework with a focus on breach management, complaint management, automated compliance risk management plans ('CRMP'), processes and case management. We will continue adding processes to the Cerebro compliance management platform.

Previous GRC training combined principle and operational training. From FY2022, training will be separated into annual operational training and thematic principle-based training. We will continue to improve data privacy controls and processes, build out a fit-for-purpose compliance framework to meet the needs of the international business and ensure compliance to the Cyber Crimes Act.

OUTLOOK

The control environment continues to strengthen across the organisation with the roll-out of increased digitisation and automation to effectively mitigate risk. Culture and ethics are improving as a result of training initiatives and ongoing interaction and collaboration across the business to educate on compliance principles and processes and embed the behaviours required for effective governance.

Fatima Newman
Chief Risk Officer

OUR RESPONSE TO COVID-19

Throughout 2020 and 2021, our response focused on the immediate crisis bought on by the pandemic, which required our swift response to enable us to keep our employees safe and assist our customers with the support they required from a technological perspective. Our main responses during this time included:

- Enabling a fully remote workforce
- Implementing safety measures in the workplace where required
- Assisting our customers to digitise to allow them to continue
- Assist government with interventions such as set-up of the Solidarity Fund

Building on the resilience and successes of what we achieved in the initial response, our next focus is to identify ways to restart the economy and create employment. We are building out a detailed response focusing on:

- Supporting the vaccination programme through key targeted education interventions with our employees
- Addressing vaccine hesitancy by providing scientific research to our employees
- Defining our work from anywhere approach with tools and technology from which our customers can leverage
- Providing ongoing mental health wellness support for all our employees to assist with the effects of the pandemic and transitioning work environment

GRC CASE STUDIES

GRC-as-a service

The EOH GRC toolbox we developed to optimise our own approach evolved into a suite of solutions that together empower GRC processes to run more efficiently and enable compliance as an outcome rather than an exercise.

Our GRC ecosystem comprises:

- **CODE** – our GRC framework, processes and controls
- **Cerebro** – our training, on-boarding and compliance tool
- **Impressions** – a secure and convenient digital signature system
- **iBot** – a rigorous bid-optimisation tool
- **ExposeIT** – our digital whistleblowing solution app that allows users to report issues and incidences securely, confidentially and anonymously.

The ecosystem creates a single view across a large and diverse group of companies. From gifts and entertainment processing, to bids, tenders and conflicts of interest: everything that affects our GRC capability is available through a consolidated dashboard and reporting mechanism. This allows for effective decision-making and a clear audit trail. It includes legally binding attestations and outlines daily risk-based decision making in a top-down/bottom-up approach to ensure that compliance drives accountability, actions and assurance and advice. It also includes a considered and effective three lines of defence model that clarifies and structures risk management and internal controls by defining roles, responsibilities and relationships across different areas.

Cerebro: strengthening GRC functions through digital solutions

Cerebro is a cloud-based workflow management platform that can be configured to support processes including quality assurance, GRC and e-learning. It was developed for use in the highly regulated pharmaceutical industry and includes the necessary stringent rules and controls, rigorous back-end, role-based access, audit capability and full encryption. It is highly adaptable, with a purposely generic and configurable front-end so that it can be easily adapted to the needs of a division or company by subject-matter specialists without requiring programming skills. It encourages engagement and interactivity, making training memorable and enjoyable to fully involve participants and improve retention.

We use Cerebro as the basis of our GRC training, a crucial foundation of developing an ethical culture. In FY2021, the training was designed using robotics and gamification through our Galactic Learning Management System and took the form of a league competition.

At the start of the training, employees chose from one of 14 football teams with their learning materials customised accordingly and branded in their team's colours. The programme covered seven courses: HR skills audit, EOH values, POPIA, Cybersecurity 101, side hustles (outside business interests ('OBIs')), anti-bullying and working from home safety. Each course completed scored a goal and top standings were based on the percentage completed by team members for each course. The programme was very well received, with a completion rate of close to 100% across all the courses.

RISK OVERVIEW

Our enterprise risk management approach, which has continued to evolve, has enhanced our risk identification, assessment and control procedures.

EOH's principal risks and where appropriate, the accompanying mitigation actions, are reported to the Board and exco by the CODE team, which is a multidisciplinary team of GRC specialists. The Group Risk Committee is chaired by the Chief Risk Officer ('CRO') and meets quarterly. The main responsibility of the Group Risk Committee is to:

- review the top risks facing the Company and mitigation actions to reduce the risks;
- oversee projects/structures in place designed to identify and reduce risk, such as the compliance and ethical programmes and the bid assurance function; and
- in addition, business unit risks are discussed at quarterly BU reviews where new risks are discussed and mitigation monitored.

MANAGING OUR RISKS AND OPPORTUNITIES

The risks tabulated below are the top risks for the EOH Group for the 2021 financial year. Risks identified here are overseen by the Governance and Risk Committee, which is accountable for providing oversight of the actions being managed at executive level.

Risks are managed within the context of the risk and compliance framework, which forms part of the EOH corporate governance framework. This framework includes control, management compliance and integrated assurance, aligned to our five philosophies, and is designed to drive our strategic objectives and future value creation for all our stakeholders.

Risk	Impact	Mitigation
Macro-economic conditions and COVID-19	Volatile macro-economic conditions, exacerbated by the economic impact of COVID-19, may weaken enterprise spending and affect ability to achieve growth and revenue targets.	• Continuously monitoring customer needs to understand where we can assist with their technology demands to enhance our customer value proposition • Continue to implement and monitor cost containment measures put in place
Cyber threat	A malicious or accidental cyber-attack from outside our organisation, as well as insider threats or supplier breaches, could result in service interruptions and/or the infringement of personal and confidential data. This could impact our customers, our revenue and reputation, and lead to costs associated with fraud and/or extortion. During the COVID-19 pandemic, there has been an increase in cyber threats; this is exacerbated by remote work.	• Manage security risks by implementing continuous security improvement programmes • Ongoing trailing of employees, to educate employees on new processes and technologies • Strengthening on zero trust architecture
Regulatory compliance including data privacy	Failure to meet regulatory requirements such as B-BBEE, tax liabilities relating to statutory employment, and emerging and evolving data privacy requirements would incur cost and reputational damage.	• Appointment of data privacy officers across the Group • Mandatory data privacy training conducted across the Group • Roll-out of compliance risk management plans across the Group
Implementation of a new Group enterprise resource planning ('ERP') system	The adoption of a new ERP system, which will replace the existing accounting systems, poses several challenges relating to, among other things, training of personnel, communication of new rules and procedures, changes in corporate culture, migration of data and possible business interruptions during implementation.	• Appropriate governance measures have been put in place including: – an Executive Steering Committee – subcommittees established for data, ERP, change management • A system implementation process is being followed • Roll-out will follow a phased implementation • Rigorous testing process

RISK OVERVIEW continued

Risk	Impact	Mitigation
Human capital	There is increasing demand for tech skills in the global market. Remote work in a post-COVID-19 market is providing skilled resources additional opportunities. As competition for these employees increases, EOH may not be successful in attracting and retaining qualified personnel.	• Updated and revised remuneration policy • Launched the RiseUp Academy to provide all employees with a platform to grow their skillset • Implementation of 'wellness Wednesday' aimed at delivering targeted interventions to all employees
Legacy issues	The ongoing legal and forensic examination of wrongdoing could consume ongoing resources and executive bandwidth, yielding further financial claims requiring justice, remediation and restitution.	• Problematic legacy contracts have been concluded • Investigation into material matters have concluded • Costs associated with litigation will be reviewed on an ongoing basis
Liquidity	Liquidity constraints could be faced due to the suboptimal gearing of the balance sheet.	• Signed a Common Terms Agreement with the lender group on 20 October 2021 • Continuing activities to deleverage the balance sheet and normalise the capital structure

EMBEDDING RISK MANAGEMENT

We continue to embed risk management practices, including:

- overseeing and refining tolerance levels and controls within the new ERP system;
- enhancing risk management reporting through digital offerings to provide real-time assurance; and
- focus on human capital risk as it relates to employee mental health, as a result of COVID-19 and the impact new hybrid way of work.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

EOH is an organisation with a complex value chain and the impact of our operations, products and services extend beyond our employees and customers. Business partners, suppliers, community interest groups, the media and other stakeholder groups have different stakes and expectations related to our business. Improving our understanding of our stakeholders' legitimate needs, interests and expectations provides input into how we approach our business activities, identifies risks and opportunities and helps us to adapt to social, technological and regulatory changes.

We recognise the importance of proactive engagement with our key stakeholders and are committed to robust, consistent and transparent engagement. We define our stakeholders as those groups and individuals that are affected by our actions, whether directly or indirectly, and who affect the activities of the Group.

Stakeholder engagement is one of our five governance objectives, which stem from the Board Charter and Board committee terms of reference and align with the EOH purpose, philosophies and values.

RESPONSIBILITY FOR STAKEHOLDER ENGAGEMENT

Stakeholder engagement in the Group is overseen by the Social and Ethics Committee and material engagements are reported to the Board at each meeting. Interactions with stakeholders take place on both a formal and informal basis, are ongoing and conducted by the functions directly aligned with the stakeholder group. For example, employee engagements are mainly coordinated by the human resources department; the investor relations department oversees engagements with the investment community and engagements with clients include technical and operational staff.

EOH'S APPROACH TO STAKEHOLDER ENGAGEMENT

In the context of sustained value creation for all its stakeholders, EOH's engagement with its stakeholders includes:

An inclusive approach: consultation with stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality: determining the relevance and significance of issues to both the Group and its stakeholders. The materiality of issues concerns the legitimate interests and expectations of stakeholders in the context of the legal and strategic considerations of the business.

Responding appropriately to stakeholder issues through decisions, actions and performance, and communication.

Through ongoing and appropriate stakeholder engagements, EOH strives to inform stakeholders, in an appropriate and timely manner, of the implications and impacts of its activities in a fair and transparent manner. Also, to ensure that any disputes are resolved as effectively, efficiency and as expeditiously as possible.

Stakeholder identification

EOH has aligned to the AA1000 Standard, which defines key stakeholders as 'individuals, groups of individuals or organisations that affect and/or could be affected by an organisation's activities, products or services and associated performance, with regard to the issues to be addressed by the engagement.'

EOH must identify its key stakeholders, as well as their interests, level of expertise and degree of influence as this is crucial to successful stakeholder engagement. Identification of EOH's key stakeholders is also important for the efficient allocation of Company resources. The following criteria is used to assess and prioritise stakeholders ('Stakeholder Mapping'):

- Stakeholders' interests.
- Stakeholders' expertise on material issues.
- The level of influence of a particular stakeholder.
- A stakeholder's willingness to engage with the EOH Group.
- Expectations when engaging with the EOH Group.
- Stakeholders' dependence on the EOH Group.
- Value for the EOH Group when engaging with respective stakeholders.

Due to new technologies, regulations and different macro-economic factors, EOH's stakeholders may change from time to time. Stakeholder mapping should therefore be conducted on a regular basis or as and when necessary.

STAKEHOLDER ENGAGEMENT continued

STAKEHOLDER ENGAGEMENT PROCESS

1 Identify and analyse
Identify each stakeholder for the business, using a stakeholder map. Analyse the level of influence and level of support and use these to populate the map.

2 Plan
Use the stakeholder map to develop an engagement plan, detailing objective, type, ownership and timeline. Assign accountabilities in terms of the engagement plan to specific people to ensure the necessary focus and attention are placed on the engagement process.

3 Deploy
Set up an action plan that clearly shows who is responsible and the timelines by which action is required.

4 Review and report
Provide regular feedback and updates to the executive owner and leadership team to enable the process and create the necessary visibility.

The outcome of the engagements must reflect in the action plan and updated accordingly.

KEY STAKEHOLDER NEEDS

EMPLOYEES
Compelling employee value proposition

CUSTOMERS
Specialised and innovative solutions

DEBT FUNDERS
Delivery on deleverage plan

SUPPLIERS, ENTERPRISE DEVELOPMENT AND TECHNOLOGY PARTNERS
Ongoing stability of business

INVESTORS, ANALYSTS AND SHAREHOLDERS
Creation of shareholder value

SOCIETY AND COMMUNITIES
Commitment to responsible corporate citizenship

REGULATORY BODIES AND PROFESSIONAL ASSOCIATIONS
Commitment to ethical business practices

MEDIA
Transparency and access to information

STAKEHOLDER ENGAGEMENT continued

OUR FOCUS FOR THE YEAR AHEAD INCLUDES ONGOING TRANSPARENT COMMUNICATION AND ENGAGEMENT WITH ALL STAKEHOLDERS ON:

STAKEHOLDER ENGAGEMENT continued

SIGNIFICANT ENGAGEMENTS DURING THE YEAR INCLUDE

In response to employees' need for upskilling and reskilling, the Group launched **RiseUp Academy – a new approach to learning and development in the digital era**, where all staff can access learning wherever they are and from whichever device they choose. Topics include everything from personal development and management, to digitalisation and leadership. In addition, the platform caters to the different ways in which people learn, be it through reading, listening or watching content.

The **graduation of enterprise development partners to inclusion in our supplier pool**, ensuring economic sustainability, job creation and an increase in the value of black-owned equity in these entities. In addition, surplus office space was made available to the graduate entities giving them presence in all nine provinces with the result of expanding the markets they can service.

In the 2021 financial year, the Group **repaid the lenders a further R433 million** principally from disposal proceeds resulting in the current total debt balance of c.R2 billion from R4 billion in 2018. The Group has been engaging with lenders to create a more sustainable debt structure and has concluded term sheets with its lenders. We continue to engage with our debt funders on an ongoing basis as part of our deleveraging strategy and focus on liquidity.

At EOH's annual general meeting on 20 January 2021, 70.65% of shareholders present and eligible to vote, voted in favour of the resolutions representing non-binding endorsement of EOH's remuneration policy and implementation report. In line with the recommendations of King IV, the Remuneration Committee engaged with shareholders to ascertain the reasons for the dissenting votes and, as discussed in more detail on page 87, the remuneration policy and implementation reports have been amended. While the voting results indicated that there are **still shareholder concerns that we need to adequately address in order to achieve the required threshold**, this is a significant improvement from only 34.6% who voted in favour of the resolutions in the prior year.

In the wake of the looting and unrest that occurred following the arrest of Former President Jacob Zuma in July 2021, EOH delivered 8 000 cooked meals and 24 tonnes of groceries to EOH staff in areas affected by looting and violence and provided 500 employees with trauma counselling. Further, we **partnered with RebuildSA and developed a WhatsApp bot** in partnership with Public Display Technologies SA. Through the WhatsApp bot, the growing **RebuildSA** volunteer base nationally can now be connected with businesses and communities impacted by the recent unrest in real time.

EOH and ENSafrica provided testimony to the judicial inquiry into allegations of state capture ('the Commission') in November 2020 (followed by further testimony by ENSafrica in May 2021), related to irregular legacy EOH contracts. The ENSafrica investigation initiated in February 2019 at the EOH Board's instruction, covered the period from 2015 to 2018. The **forensic investigation is now behind the Group**, and suspected fraud and corruption has been reported to the authorities and legal proceedings instituted where appropriate.

STAKEHOLDER ENGAGEMENT continued

OUR INTERNAL ASSESSMENT OF THE QUALITY OF OUR RELATIONSHIPS

The section that follows shows EOH's key stakeholder groups, how we engage with them, their primary concerns during the period and how we address those concerns.

Poor	Fair	Strong
Existing relationship, however more engagement required to improve quality	Positive relationship with room for improvement	Strong, mutually beneficial relationship

EMPLOYEES

Our employees are critical stakeholders that support the Group's ability to create value by developing and delivering our products and services to our customers.

Quality of relationship: Poor Fair **Strong**

Key concerns include:
- Fair remuneration
- Health and safety during COVID-19
- Concern about reputational damage
- Professional and personal development
- Career growth
- Diversity and inclusion

We address these concerns through:
- Enhanced Employee Value Proposition ('EVP') including frameworks and strategies in line with best practice
- Introduction of duvet leave to address rising burnout across the organisation
- Greater transparency on people-related matters
- Launch of RiseUp Academy
- Ongoing assurance of fair remuneration
- Proactive career and performance management
- Using the GetSpace App to allow staff to book office space in a manner that is COVID-19 compliant.

Engagement channels:
- *Monthly staff engagements led by the CEO*
- *Regular HR email communications*
- *Surveys, polls, consultations*
- *Employment equity forums*
- *Intranet*
- *Diversity and inclusion roundtables*

HOW WE DEFINE SUCCESS:

An inclusive and wellness focused culture with an engaged workforce that is proud to be working at EOH and aligned to the Company's values and purpose.

STAKEHOLDER ENGAGEMENT continued

CUSTOMERS

We sell our technology solutions to customers in a range of industries in the private and public sectors. Strong relationships with customers ensure the profitability and sustainability of our business.

Quality of relationship: Poor **Fair** Strong

Key concerns include:
- Concern about reputational issues
- Assurance of ethical service and operations
- Continuity of service delivery
- Ongoing demand for ICT innovation
- Support to work remotely during COVID-19

We address these concerns through:
- Engagement plans to ensure transparent and consistent communications
- Quality assurance and certification programme
- Sales teams maintained client delivery in the new hybrid work delivery context
- Articulation of industry specific solutions
- Implemented a range of innovation initiatives including Solvathons, IP development processes and a digital API marketplace in order to bring ICT innovation to our clients
- Engaging customers on the transition to remote services and other digital solutions during COVID-19
- Extensive marketing, digital marketing and brand awareness activities
- Creating awareness of our contribution to society (eg pandemic, ReliefSA, Solidarity Fund)
- Established remediation helpdesk called duediligence@eoh.co.za that supports our frontline on individual client requests for information and clarity on governance remediation

Engagement channels:
- *Personal communication from leadership*
- *Strategic and key account executives*
- *Customer engagement forums and events*
- *Customer service desks and support solutions*

HOW WE DEFINE SUCCESS:

Our client franchise success is determined by growth in new clients, growth in penetration of offerings in accounts, the retention of clients and customer satisfaction measurements, which all contribute to revenue growth. In EOH, with the context of our broad array of technology offerings, this is achieved through effective client engagement and coverage of accounts and segments.

STAKEHOLDER ENGAGEMENT continued

DEBT FUNDERS

Debt funders provide financial capital to fund the Group's activities. Given the high levels of leverage in the Group, the deleverage strategy has been a key focus area as the Group seeks to reduce debt funding to acceptable parameters.

Quality of relationship: Poor | Fair | **Strong**

Key concerns include:

- Ability to deliver on strategy
- Group financial position and performance
- Compliance with commitments under loan agreements
- Complexity and volume of legal requirements

We address these concerns through:

- Ongoing restructuring to leverage value
- Delivery on deleverage strategy
- Transparent financial status reporting
- Independent assurance of future proofing
- Communication of capability building status

Engagement channels:

- *All public sources of communication (SENS, website, client and staff comms)*
- *Monthly reporting forums*
- *Ad hoc lender meetings*
- *Facility agent*
- *Lenders' technical advisor*
- *Legal counsel engagements*
- *Bilateral discussions*

HOW WE DEFINE SUCCESS:

Establishing an optimal capital structure resulting in materially lower and more manageable financing costs and improved cash flow generation.

STAKEHOLDER ENGAGEMENT continued

SUPPLIERS, ENTERPRISE DEVELOPMENT AND TECHNOLOGY PARTNERS

Suppliers, enterprise development and technology partners support the services and products we supply to our customers and ensuring good relationships with these stakeholders secures our ability to create value.

Quality of relationship: Poor | Fair | **Strong**

Key concerns include:
- Potential reputational impact from partnering with EOH
- Limited black-owned SMME partners for large multi-year contracts
- Achievement of transformation goals under the new ICT sector code
- Disparate implementation of the principles of the procurement policy across businesses
- Cost of procurement transactions and limited supply chain transparency

We address these concerns through:
- Continuous market updates on progress with legacy contracts
- Evidence provided at the Zondo Commission by CEO and ENSafrica
- Creation of ring-fenced black-owned SMME procurement opportunities
- Creating a pool of suitably qualified black-owned SMME partners through ESD initiatives
- Revised preferential procurement framework with targets set at operational levels
- Development and roll-out of digital procurement control framework
- Addition of a digital supplier platform integrated to the ERP with quote and invoice upload functionality and payment query
- Continuous challenge and improvement of procurement processes with a focus on digitisation

Engagement channels:
- *Direct interaction with senior executives*
- *Virtual technology roadshows and conferences*
- *Intensive ESD engagements*
- *Public and private sector tenders*

HOW WE DEFINE SUCCESS:

Sustainable and strategic partnerships as we establish EOH as a partner of choice and a key technology partner.

STAKEHOLDER ENGAGEMENT continued

INVESTORS, ANALYSTS AND SHAREHOLDERS

Investors and shareholders provide financial capital in the form of equity to fund the Group's activities and in return they expect a return on their investment. Analysts provide an opinion on the Group's prospects and can influence the attitudes of investors and shareholders towards the Group.

Quality of relationship: Poor **Fair** Strong

Key concerns include:
- Resolution of legacy issues
- Deleverage strategy
- Remuneration policy
- Ongoing sustainability of the business post-remediation
- Key man risk

We address these concerns through:
- Regular and transparent updates on the state of our engagements with the relevant law and governmental departments. Any potential liabilities arising from the resolution of the legacy contracts have been provided in the EOH accounts based on legal advice and audited by the external auditor at the end of the 2020 financial year. The Group is satisfied the provisions are adequate based on the advice and facts available.
- The Group has made significant progress in reducing debt from R4bn to R2bn in FY2021 and is in advanced stages in discussions with lenders to put a long-term funding structure in place. Furthermore, progress was made in the disposal of assets that are not aligned to the future growth of the business. The disposal of these assets is key to the deleverage strategy
- Updated and revised remuneration policy following shareholder engagement post-AGM
- Progress in terms of the implementation of cost initiatives, reducing property footprint and the number of legal entities has been well documented and communicated to the investment community across various platforms. The Group has achieved an operating profit and increased margins due to the remediation plans and commercial strategy in place
- Commitment from senior executives to completing the turnaround with KPAs linked to sustainable performance

Engagement channels:
- *Email queries*
- *Investor roadshows and one-on-one meetings*
- *SENS announcements*
- *Investor conferences*
- *Annual general meeting interactions*
- *Public relations media communications*
- *Annual integrated report*
- *Corporate website*

HOW WE DEFINE SUCCESS:

It is important for the investment community to understand the EOH business model and growth strategy, which will lead to the market attributing a fair value to the EOH share price.

STAKEHOLDER ENGAGEMENT continued

SOCIETY AND COMMUNITIES

EOH's investments in socioeconomic development projects promotes development in communities and society and is a fundamental component of our sustainable business strategy. It guides the Group in fostering and maintaining a true transformative culture with respect to B-BBEE, transformation and corporate governance.

Quality of relationship: Poor | Fair | **Strong**

Key concerns include:

- Responsible corporate citizenship
- Commitment to ethical business
- Leadership of digital innovation
- Demand for job opportunities and growth

We address these concerns through:

- EOH sustainability strategy plan
- Internships
- Volunteerism
- Action to develop technology skills in disadvantaged communities
- Contribution to community projects
- Enterprise development programmes

Engagement channels:

- *Media releases*
- *Ongoing engagements with project coordinators*

HOW WE DEFINE SUCCESS:

Playing a meaningful role in providing access to the economy, delivering improvement to people's lifestyles through improved education, income, skills development and employment that translate into economic participation.

STAKEHOLDER ENGAGEMENT continued

REGULATORY BODIES AND PROFESSIONAL ASSOCIATIONS

Government regulates business and a poor relationship with regulators can lead to the loss of our licence to operate. Industry bodies such as Business Unity South Africa ('BUSA'), Business Leadership South Africa ('BLSA') and The South African Institute of Chartered Accountants ('SAICA') provide opportunities for the sharing of good practice and provide a unified channel for communicating business's requirements to government.

Quality of relationship: Poor | Fair | **Strong**

Key concerns include:

- The enforcement of the Protection of Personal Information Act ('POPIA') requirements which have come into effect as of July 2021
- Public Procurement Bill/Public Financial Management Amendment Bill
- B-BBEE legislation
- The Companies Amendment Bill
- Occupational Health and Safety Directive

We address these concerns through:

- Organisation-wide POPIA impact assessments to determine compliance with the act. Appointment of Group Information Officer as well as business-specific information officers
- Worker representation on Company Boards. Commentary has been provided on the proposed amendments to BUSA
- Ongoing engagement with lawmakers via professional associations regarding the drafting of new legislation to improve governance and prevent fraud and corruption in the country. We also contributed to the research being conducted on the impact of the current B-BBEE legislation
- Statutory and regulatory compliance
- Collaboration with professional associations

Engagement channels:

- *Direct engagements with regulators in accordance with their requirements*
- *Professional engagements include ad hoc meetings such as task teams, workshops, industry-specific forums, surveys and written feedback on proposals and draft legislation*

HOW WE DEFINE SUCCESS:

Ongoing dialogue with regulatory bodies, closing out historic matters of concern, as well as building towards the future. Further collaboration via our memberships with BUSA and BLSA to develop and shape both regulatory and economic policy.

STAKEHOLDER ENGAGEMENT continued

MEDIA

Media coverage of the Group can have a material impact on our reputation and also represents an important information channel for our broader stakeholder base.

Quality of relationship: Poor | **Fair** | Strong

Key concerns include:
- EOH leadership commentary requests
- Zondo Commission
- EOH growth strategy
- New appointments
- Industry conversations where media forms part of the discussion panel
- EOH views on macro-economic issues
- Anti-corruption topics

We address these concerns through:
- Media engagements supported with messaging on EOH social media platforms
- Engagement with media on social media platforms where necessary
- Ensuring we develop proactive and reactive statements for media responses
- Ensuring that EOH leadership is available to engage broadcast media on key issues when required
- Regular engagement with journalists by senior executives across EOH and iOCO to build an understanding of the business and its offerings
- Journalists are updated on strategy and performance through interviews, SENS announcements and press releases. All presentations are loaded on the EOH websites to ensure access to relevant information to all stakeholders
- Shaping public discourse with op-eds and through leadership articles by executives

Engagement channels:
- *Interviews*
- *Media releases*
- *Editorials*
- *SENS announcements*
- *Corporate website*
- *Social media*
- *Opinion pieces*

HOW WE DEFINE SUCCESS:

Ongoing healthy and transparent engagements with key business and trade media platforms and the related journalists who cover the EOH stories. Ensuring that we continue to provide open engagement with the broader media in terms of responsive and timeous response to media queries and issues as well as providing access to the media for EOH commentary and engagements with EOH leadership and spokespeople around media and business-related issues.

OUR FOCUS IN THE YEAR AHEAD

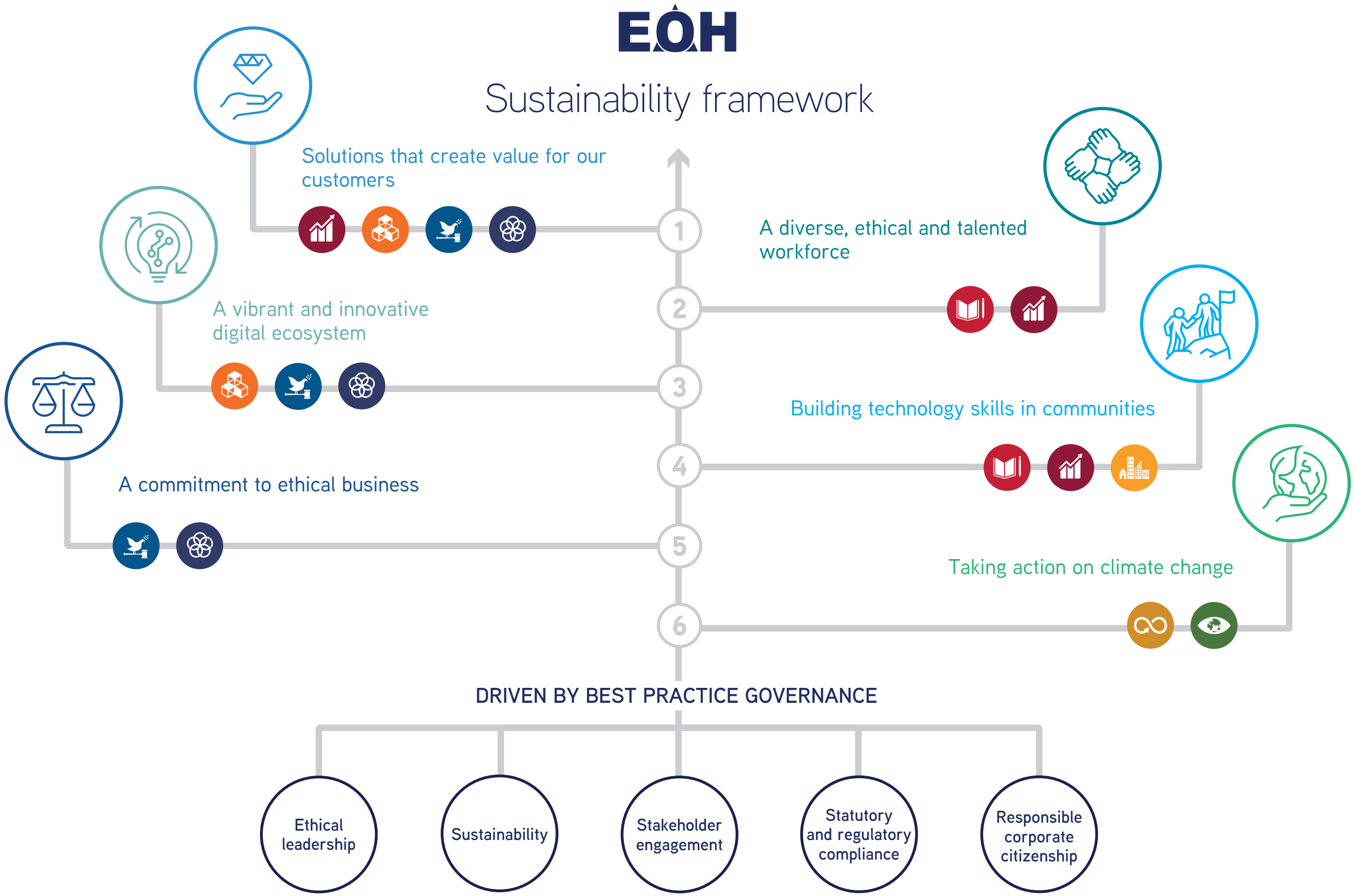
- Launch an enriched enterprise development ('ED') programme aligned to the EOH solution stacks
- Improve investment community understanding and awareness of the EOH investment case
- Continued open, responsive and transparent engagement with media
- Partnering with clients on their digital transformation journeys
- Prioritising our employees' wellbeing and growth
- Pursue growth and develop innovative ideas
- Completion of deleverage programme

SUSTAINABILITY REPORT

The EOH sustainability framework provides a structure that will enable the delivery of sustainable value creation and grow our identity as a force for good for multiple stakeholders.

OUR SUSTAINABILITY JOURNEY

In 2021 we actively engaged with and set our commitment to embedding sustainability into our business in line with the requirements of King IV. We also aligned with the Ten Principles of the United Nations Global Compact and identified and prioritised the eight Sustainable Development Goals ('SDGs') that are directly linked to our offering and operations. We actively evaluated our value chain to create the level of awareness needed to enhance and prepare for sustainable development and growth. Our 2022 plan is to formalise our commitment to the UN Global Compact principles and create an enabling environment for all staff members to actively engage with our Sustainability Themes.



OUR SIX SUSTAINABILITY THEMES

SUSTAINABILITY THEME 1

Solutions that create value for our customers

To lead and grow innovative and sustainable technology solutions

Our restructured business model is poised to enable unprecedented value for our customers. Our business sustainability relies on our ability to consolidate and deliver value for our customers, offering world-class technology services.

- Taking responsibility for getting the solution right first time, being a partner for life
- Excellence in project execution, continuously evolving a modern world of work
- Stimulate economic growth by encouraging entrepreneurialism and creating shareholder value
- Nurturing a more sustainable world through technologies that are relevant to our future

Our business sustainability relies on our ability to consolidate and deliver value for our customers, offering world-class technology services.

Our business model aligns with our purpose to SOLVE, delivering solutions that unlock value for customers by offering world-class technology services. We have demonstrated our ability to use the significant intellectual property we have across the Group to create powerful solutions for our clients, ensuring that our services remain relevant for the future, supporting our customers to make the most of their opportunities and helping them expand into new markets.

EOH's end-to-end capability is unequalled in its breadth and allows us to provide solutions that go beyond services, and we are focused on transforming from a product to a platform solution. These platforms are particularly relevant for small and medium-sized enterprises and mid-cap companies that need cost-effective alternatives to full-service end-to-end ICT teams. By delivering solutions that improve efficiencies in our customers' businesses and operations, we facilitate entrepreneurialism that contributes to job creation and stimulates economic growth. The financial value we create from our activities benefits a wide range of stakeholders, including the salaries we pay our employees, the tax revenue paid to the state and municipalities, payments to our suppliers, as well as the beneficiaries of our socioeconomic development ('SED') partnerships.

Over the period under review, EOH and its subsidiaries developed and implemented solutions that transformed the experience of our clients and their customers.

OUR SIX SUSTAINABILITY THEMES continued

iOCO

Nuvoteq's contribution to rebuilding SA

We have assisted the South African government (in partnership with XTND to design and build a loss registration portal for the public to register and disclose the losses they experienced during the unrest, which resulted in looting in July 2021. We also assisted the National Treasury to launch the online portal (https://www.relief4sa.co.za/) in mid-September 2021 for businesses to report the damage they suffered during the violence in KwaZulu-Natal and Gauteng.

Many of the hardest hit are likely to be businesses that are small, informal, uninsured and not registered with the South African Revenue Service. The National Treasury talked to various authorities, as well as the short-term insurers and the banks, and realised there are still huge gaps in the information they have on the extent of damage suffered by businesses, including micro businesses such as spaza shops operating from people's houses.

President Cyril Ramaphosa made it clear that the government would ensure SASRIA could meet all claims and the National Treasury has so far allocated R3.9 billion to bolster the insurer's balance sheet. It is committed to providing further funds if necessary. Government's concern is with the uninsured small and micro businesses and is working with banks, short-term insurers and others in financial services to assess how these businesses can best be helped.

Provincial Government

EOH provides development and business intelligence capacity (among others) to the public sector client, and the team was instrumental in assisting to develop its COVID-19 dashboarding and to support the systems that were key to the province's effective COVID-19 response. In addition, the EOH team, in tandem with other vendors, completed a full migration for the client's systems from on-premise to the cloud.

LinkedTo

In 2017, 6.8 million South Africans experienced hunger, according to research by Statistics South Africa. As incomes were lost across South Africa as a result of the COVID-19 lockdown, food insecurity rose sharply. A recent Stats SA online survey found that the proportion of respondents who reported experiencing hunger had increased by 86% since the start of lockdown. The risk of food insecurity for vulnerable populations is dire.

In response to the growing crisis, iOCO partnered with fundraising experts BackaBuddy to develop a humanitarian-relief platform in order to coordinate food provision across the country. The platform, called LinkedTo, is a unique solution that connects donors and those in need to maximise the impact of food donations. It allows NGOs to identify and locate communities in need, and to track and record food parcel delivery as part of COVID-19 relief efforts.

In less than two weeks, the cross-functional iOCO team built a unique, customised and scalable.net Microsoft Azure cloud-based platform, and integrated data from 30 000 participating NGOs. The open-source application is optimised to handle massive loads of data and to protect the safety and security of users and collected data. This was done pro bono.

LinkedTo identifies a community's needs through multiple data points and uses built-in geotagging functionality to plot out distribution of Solidarity Fund aid. It also allows third-party organisations to contribute under a single banner to efficiently coordinate relief efforts. It lays a solid foundation for the support of the circular economy and to empower communities to help their own.

Local municipality

Budget control is a requirement from National Treasury in terms of the MFMA (Municipal Finance Management Act) and mSCOA (Municipal Standard Chart of Accounts) principles and regulations, aiming to reduce unauthorised expenditure. Most municipalities, historically had problems with wasteful and fruitless expenditure, resulting in poor cash flow management and qualified audit reports.

The EOH Oracle team recently implemented budget checking for the client, which allows the city to control expenditure on its operational and capital expenditure.

The system calculates the available budget and checks it against the full mSCOA account. Budget checking stops requisitions and purchase orders from being created if there is no budget available, thereby requiring the finance and line departments to review their purchase orders and transfer budget to the relevant account if required.

At this stage, budget checking applies to orders relating to non-stock, services, contracts and finance voucher payments. As we explore balance sheet budgeting for the client, we will look to implement budget checking on stock orders and other critical balance sheet items by December 2021.

OUR SIX SUSTAINABILITY THEMES continued

Mapula Embroideries

mapuleembroideries.org

Mapula Embroideries has been in existence for nearly 30 years, empowering more than 150 poor, marginalised and vulnerable women in the neglected, peri-urban area of the Winterveld and Hammanskraal, north of Pretoria. The women, many of whom are sole bread winners, have been able to feed and educate their children with this income.

Previously, the Mapula business was fully controlled, on a voluntary basis by one person with her own administrative system. This was a vulnerable situation. The intervention aimed to achieve better insight and control over several processes, in order to enable the sharing of responsibilities.

In 2020, iOCO Oracle ERP Competency assembled a team of three functional specialists to tackle and solve Mapula's core process control problem. As a result, and after an intensive fact-finding mission, an integrated NetSuite cloud-based solution was developed for the business.

The core solution consists mainly of financial and inventory, with some production controls. The iOCO Oracle NetSuite team provided its services at no cost and Oracle NetSuite provided the software at no cost to the Mapula Trust.

Mapula has the potential to provide employment and income for at least 100 women in the Winterveld and Hammanskraal areas, which is empowering for them, their children and grandchildren as a result of increased income, access to education, better nutrition and all-round health. The community at large will gain via the knock-on effect of more money being available in the community and being spent in small local businesses.

iOCO's work in the digital solutions arena reduces the need for paper and physical transport and therefore supports the environment by reducing the need for fossil fuels and fossil fuel-derived products.

Homeware Company

The aim of iOCO's work with the client was to develop and place a mobile app in the hands of every sales consultant to enable them to better serve their customers and move from paper to digital. Before the change, consultants used paper-based order forms that took days to process. Today, a mobile app allows consultants to place orders for their clients in real time. This project followed a human-centred approach and was validated with the consultants every step of the way.

NEXTEC

NEXTEC continued to drive those offerings that assist our customers to reduce their carbon footprints.

- Our key intervention is through enabling the significant reduction of travel required by utilities and large power users to measure their electricity usage through using online, remote, automatic meter reading.
- As an indirect intervention, customers use our system to measure and manage their energy and water usage to shift usage towards more renewable sources.
- Better control and management of electricity infrastructure through our general electric ('GE') and own IP Grid Monitoring solutions indirectly assists utility customers to run their networks more efficiently, thus reducing their impact on the environment caused by electricity wastage and losses.

COVID-19 RELIEF PARTNERSHIPS

Solidarity Fund

Solidarity Fund
Unity in action

The Solidarity Fund was established on 23 March 2020 to respond to the COVID-19 crisis in South Africa. EOH was among a group of volunteers responsible for building the cloud-hosted website providing information to citizens and organisations regarding the pandemic and response initiatives. The initial site was built in just over 24 hours ahead of the first lockdown announcement and has since facilitated over R3.4 billion in donations. Our team supports not only the website, including ongoing development for new campaigns, but also provides systems administration support to ensure the ongoing operation of the fund and its volunteers. The development and support are provided on a pro bono basis.

Business for South Africa

BSA
BUSINESS FOR SA | COVID-19

Business for South Africa ('B4SA') is an alliance of South African volunteers working with the South African government and other social partners, as well as various stakeholders, to mobilise business resources and capacity to combat the COVID-19 pandemic. In its current form, B4SA is focused on supporting the government-led national vaccine programme with an ultimate objective of reducing, and ultimately removing, the impacts of the pandemic and returning to a fully functional economy.

EOH built the cloud-hosted B4SA website over the weekend preceding the initial hard lockdown in March 2020 on a pro bono basis. The site has provided a means to communicate accurate, clear and transparent information on how to navigate the many challenges faced during this time, as well as access the appropriate available support.

OUR SIX SUSTAINABILITY THEMES continued

SUSTAINABILITY THEME 2

A diverse, ethical and talented workforce

To be a responsible employer, nurturing talent and the best people

- To hire the best people, nurturing talent and opportunity for people from diverse backgrounds
- Rewarding people appropriately for high performance and ethical leadership in the workplace
- Wellbeing, collaboration and equality in the workplace, with zero tolerance for discrimination
- Development, training (RiseUp Academy) and financial assistance for employees wanting to study further
- Creating a culture that is built on diversity and inclusion

EOH's ability to create value depends on the quality of the skills we have at our disposal. The technology industry is characterised by rapid evolution and we need to attract, engage and retain top talent, invest in skills development and career progression while supporting balance and quality of life. Furthermore, when considering South Africa's ambitions with regard to 4IR, the chronic shortage of ICT skills in the local technology sector presents a significant hurdle. Ultimately our objective is to attract, develop, reward and retain the best possible talent to drive business success.

In the 2021 financial year we continued to navigate the new reality created by the COVID-19 pandemic. We enhanced our remote working solutions for staff and implemented a slow and gradual reopening of our offices once lockdown eased.

Our people have been through a lot but have remained resilient and committed through it all. To support our people through these trying times, we introduced a number of wellness initiatives and events aimed at employee wellbeing. Despite the significant volatility in the labour market, we were able to attract experienced talent while retaining existing talent.

TRANSFORMATION

Broad-Based Black Economic Empowerment ('B-BBEE')

EOH is intentional about transformation. We view B-BBEE as an opportunity to make a real difference in the lives of our beneficiaries, colleagues and the South African economy.

Our commitment to building an inclusive society is ingrained in our transformation performance. We are on track to retain our Level 1 score in terms of B-BBEE, the highest score available and a testament to our integrated holistic approach to transformation.

Diversity

In addition, we have aligned our learning and development programmes to address critical IT skills shortages, prioritising opportunities for people with disabilities, the youth, and women. A total of R38.2 million was spent on both employed and unemployed people.

R38.7 million invested in L&D programmes for unemployed and employed people.

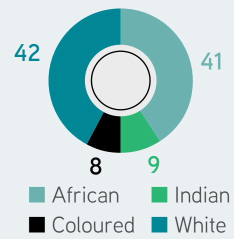
R17.2 million female

R15.2 million differently-abled

Our black representation in the workforce is

59%

Race diversity (%)



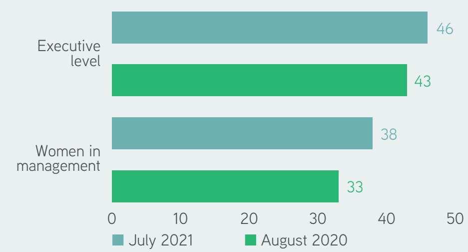
The representation of women remains a challenge for our business and the broader ICT sector.

In EOH women account for

46%

of our workforce

Women representation (%)



OUR SIX SUSTAINABILITY THEMES continued

EOH supports gender equality through various initiatives including skills development for women. The Group invested R17.2 million towards the learning and development of black women and R15.2 million on the development of people with disabilities.

This year, we introduced ground-breaking policies on domestic violence and abuse. Furthermore, our diversity and inclusion policy recognises our commitment and efforts to be inclusive towards the LGBTQi+ community.

Internal Mobility

My Next Move is a programme to promote internal mobility at EOH. All vacancies are first advertised internally where all EOH employees are given the opportunity to apply for the posts. In 2021, My Next Move facilitated the promotions of 37% females and 50% AIC of our workforce.

37% female promotions

50% AIC promotions

Shortlisted for inclusive leadership at the Gender Mainstreaming Awards.

GENDER MAINSTREAMING AWARDS

People development

EOH has invested in upskilling our own people. EOH encourages our employees to grow the collective mindset to solve together and supports the people to develop their talents and abilities. This will be executed by creating new initiatives with foresight.

The objective of people development is four-fold; employee and Company performance, sustainability, digitisation and consideration to global shifts. The development strategy and programmes are delivered through the EOH Learning Hub. In return, EOH expects our employees to take ownership to direct their own life and work, have the desire to constantly improve skills through learning and practice and have a sense of purpose in their work and something larger. This creates an ecosystem of autonomy, mastery and purpose and the aim to drive a growth mindset impacting the head, heart and hands.

R9.5 million investment to upskill and reskill our employees

57% black

41% female

The EOH RiseUp Academy allows continuous e-learning and development

R1.6 million p/a for the next three years

Investment of R9.5 million to upskill and reskill our employees.

A total of 455 employees attended certified skills programmes from various business schools and accredited providers. Altogether, 82% of the people trained were black and 59% female.

It is remarkable to note that all this training was delivered virtually, in response to accommodate the remote working conditions in FY2021 and align to the new digitisation strategy. Topics such as Leadership, Projects Management, Emotional Intelligence, Business Management and Finance, Business Communications, Systems Analytics, Coaching and Mentoring, Customer Centricity and Risk-Governance attracted the most interest from our people.

Diversity and inclusion, with a specific focus on women, led to **76** of our senior and professional management level **women** attending the **University of Cape Town Business School Developing Women in Leadership** certificate programme. In all, **89 of our employees** completed learnership programmes from **ICT Testing, Project Management** to **OD-ETDP. Overall, 74** of the employees who completed the qualifications were **black** and **70% were females**.

To further embed the learning ecosystem in EOH, the **EOH RiseUp Academy** was launched. This is our new approach to learning and development in the digital era, where all our people can access learning wherever they are, and from whichever device they choose.

The RiseUp Academy assists employees in reskilling and upskilling themselves and to create a proactive learning culture. It is easy to use and creates remote access to online courses, learning journeys, podcasts, weekly webinars, audio books and e-books. This is an investment in our people and future. Employees are our greatest asset and fortune. Learning is part of our investment into our people and the nature of this platform creates equal access for all employees.

The RiseUp Academy increases a growth mindset (reskill and upskill) and allows employees to take control and ownership and learn as much as they want. The RiseUp Academy SOLVES the

OUR SIX SUSTAINABILITY THEMES continued

challenges our employees face and equips them with knowledge to embrace it. It is a user-friendly, intelligent and engaging digital learning solution that focuses on simplicity and user experience. Quality learning content is updated continuously – once content is downloaded, the employee owns it and can build their own library of knowledge. The content is relevant and impactful where topics are updated and driven by global requests, use and needs. The flexible online and virtual learning supports hybrid working conditions of business. The learning streams embrace employee wellness and development. Employees are working more than ever; providing bite-sized, engaging digital learning content has never been more important. **EOH will invest R1.6 million per annum for the next three years in this platform.**

One Young World

Our participation in One Young World, a global forum for young leaders, identifies, connects and promotes young leaders, giving them a global platform. We selected three exceptionally talented youths in the organisation to represent EOH virtually at this year's summit in Germany. Previous delegates of this programme have gone on to implement strategic youth-led projects for the organisation such as the Youth Solvers.

Youth Solvers

In recognising generational diversity, we are developing the next generation of EOH leadership through our Youth Solvers programme which was established in 2020. This is an employee resource group with the purpose to SOLVE and keep EOH relevant and socially impactful. Eight youth leaders, whom we identified as the Youth Guides, were each allocated to an exco member or senior leadership team member for the opportunity to be mentored by them. The Youth Solvers also hosted and co-hosted roundtable dialogue sessions covering topics such as generational diversity to commemorate Youth Month and women empowerment and leadership in the workplace for Women's Month. The Youth Solvers were also given a percentage of the socioeconomic development ('SED') budget to implement an impact project with an identified beneficiary of their choice.

Their project of choice was partnering with the Good Work Foundation ('GWF'), an organisation focused on taking education and IT competencies relevant in our industry to rural communities. GWF provides a bridging academy to assist students with the transition from high school to the real world, and an IT academy for students who want to pursue a career in tech. The Youth Solvers has also put out a call to action to all EOH staff to volunteer their time to remotely mentor or host a masterclass for a GWF student. In addition, EOH will also be supporting two GWF students through the provision of bursaries and support with career pathing.

The Youth Solvers have also played key roles in driving our generational diversity and sustainability strategies.

Health and safety

EOH is committed to maintaining a safe work environment to ensure the safety and health of employees and visitors. As a responsible employer, the Group remains committed to ensure compliance with the relevant health, safety and environmental legislation and regulations. Our approach to health and safety is risk-based, comprehensive and credible to the boundaries of the context of our businesses that ensure we strive for safety, health and environment ('SHE') excellence.

To ensure that our employees who work from home are aware of the occupational hazards and risk to injury on duty while working from home, we rolled out risk-based training for working from home to help our employees identify potential slip, trip, fall, electrical, fire and wellness risks.

Wellness Wednesdays @ EOH

The Wellness Wednesdays' sessions are aimed at promoting employee wellbeing on a holistic level.

Different themes are covered in the sessions ranging from physical, mental and emotional wellbeing.

Topics also include family dynamics and Wellness Wednesdays' sessions are open to all family members to attend.

All sessions are recorded allowing employees the flexibility to listen to sessions at their convenience.

A total of 21 Wellness Engagements in 2021, two per month. With an average of 400 attendees per session

OUR SIX SUSTAINABILITY THEMES continued

SUSTAINABILITY THEME 3

A vibrant and innovative digital ecosystem

A vibrant and innovative digital ecosystem

- Evolving technology solutions that make a valuable contribution to society
- Building solid and ethical business relationships with vendors, nurturing ICT sector growth
- Playing a leading role in the evolution of digital policies and practices fit for our future world
- Investing in emerging technology enterprises to drive industry inclusion and transformation

EOH is systemic to South Africa's economy, making a valuable contribution to society. Our sustainability relies on a future-focused, vibrant public and private sector to make full use of its advanced digital solutions.

EOH is passionate about innovation and committed to leading the next generation of sustainable technology that makes a valuable contribution to society and enables a better world. We play a pivotal role in driving a vibrant and growing digital sector within South Africa and beyond by stimulating innovation and new collaborative partnerships that blend the best technical skills and products to evolve solutions that meet our customers' needs.

We provide the backbone of banking systems for many banks in South Africa and Africa, support telecommunications companies and assist Eskom with balancing the power grid. The Group includes cutting-edge medical solutions companies and our services sit at the heart of crucial government institutions and many municipalities. We have created solutions that are integral to addressing many of the challenges raised by the COVID-19 pandemic.

iOCO

Altitude Angel

ALTITUDE ANGEL

We are working on the forefront of the drone industry with a new partner Altitude Angel to uncover use cases for South Africa to leverage drone technology safely and in compliance with South African regulations and laws.

Avbob Memories

AVBOB

For our client Avbob, we developed the Memories site, which is a digital site where families can share funeral details with friends and loved ones, upload memories, photos, videos of the deceased, as a digital alternative and to supplement traditional funerals. With funeral gatherings being restricted due to COVID-19, the Memories site has created a useful and thoughtful way to share, collaborate and show love, leveraging the benefit of the collective.

Telecommunications customer service

For our client in the telecommunications industry, we designed and leveraged automation technology to drastically improve customer service and enable our client to scale its platform as the number of end users grow and drive value for customers. With the large growth in prepaid subscribers in South Africa, our automated solution enables citizens to make good choices and provides control and information about where they are spending their money for data and voice minutes.

OUR SIX SUSTAINABILITY THEMES continued

We have also enabled new digital channels (such as WhatsApp) for customers to obtain information and to resolve their queries digitally rather than going to a branch. These channels are available 24/7, making customer services that much more accessible with almost immediate resolution.

Centres of excellence

iOCO AppDev has put significant investment of time and research into developing best practices, career paths, skills development and aligned competencies into various different skills areas, including development, project management, data, analysis and more. These competencies are ready to be packaged as Centres of Excellence, which can be taken to market as sellable IP and/or consulting engagements.

Transversal Applications Directorate with QSE

iOCO AppDev won a five-year tender for development support to the Transversal Applications Directorate along with our qualifying small enterprises ('QSE') partner: African Ideas.

African Ideas is a well-established, local 100% black-owned and empowered exempt micro enterprise ('EME') company, which has a strong reputation of delivering large ICT transformational projects across South Africa. African Ideas has extensive experience with the South African government.

NetSuite ERP solution

The nature of a full footprint NetSuite ERP solution (planned properly against a well thought through business case) is to add strategic enterprise value. This is normally on the level of readily available, accurate and integrated business data with which to make informed business decisions.

The iOCO NetSuite ERP solution is a relatively young business, which has now completed four lifecycle ERP projects. It has, in the process, developed implementation IP and a comprehensive project management governance toolkit for reuse in future projects.

Capacity build is a big driver at present, as NetSuite skills are not readily available in the local market. The business has in particular invested in 'manufacturing' skills sets. This is critical for the scaling-up process. NetSuite is very well suited for the small to medium enterprise market and, as such, emerging enterprises are and will remain a huge business development focus.

GetSpace Hybrid Workforce Management

GetSpace is a highly-configurable space booking and facilities management solution that enables organisations to better manage their hybrid workforce, plan their facilities better to save costs and improve efficiencies, and ensure that employees in the office are healthy enough to be there through our integrated health check. GetSpace is used throughout EOH and is gaining traction in the market with several clients in the financial services and construction spaces.

REO supports small business

Oracle consulting business REO is an active supporter of small businesses. In FY2021 the EOH subsidiary:

- provided office space for several CSI learning and development initiatives;
- continued to support and develop small businesses by using them to deliver on various corporate real estate initiatives;
- helped a small business to expand its product offerings in the supply of office furniture and fit out;
- encouraged its transport partner to broaden its offering to include furniture delivery and a shuttle service;
- played a part in a food giveaway involving the distribution of over 8 000 meals and 800 food parcels to EOH staff as well as to communities, shelters and sanctuaries during the recent unrest;
- participated in various NGO initiatives by facilitating and providing training for these entities;
- donated furniture and raised funds for the completion of the Imbeleko Foundation; and
- was actively involved in fundraising and helping to build a school in KwaZulu-Natal for the Imbeleko Foundation.

All office facilities and food donations were provided free of charge.

NEXTEC

Progress on initiatives

In addition to new projects, NEXTEC focused on commercialising the IP developed in the 2020 financial year as detailed in last year's report and repeated here for convenience:

- Developed IP for back-end pre-payment in collaboration with Sage and Jambo Pay Kenya on our AMR system. This allows for remote (ie no travel), paperless, water and electricity meter-reading collection in South Africa and Kenya.
- Developed a low-cost IoT grid monitoring solution in strategic partnership with South African electronic design and manufacturing house Truteq.

This will scale to create strong annuity flows on own IP, based on a per-user-per-month charge.

Mmapie

During the 2021 financial year, we continued to support and grow the EME subcontractor, Mmapie Contracts & Projects ('Mmapie'), which was our ED initiative for 2020. In 2021, Mmapie became a fully-fledged supplier to our business as part of this year's supplier development initiative.

IoT water metering

We became one of the first businesses to successfully deploy automated water metering via the Sygfox IoT network in South Africa and Kenya. Proof of concepts was successfully deployed to Wits University during the 2021 financial year.

OUR SIX SUSTAINABILITY THEMES continued

SUSTAINABILITY THEME 4

Building technology skills in communities

Building technology skills in communities

Bursaries, learnerships and skills programmes for ICT students

Uplifting young people with ICT skills training through EOH's support of the Belgium Campus

Strategically partnering with the Maths Centre to enable the delivery of mathematics, physical science, and technology in the context of the Fourth Industrial Revolution to socio-economically deficient schools

EOH believes that investing in initiatives that improve mathematics, science and technology skills can improve youth employability and unlock opportunities for fulfilling careers in digital industries where there is a critical skills shortage. With COVID-19 accelerating the trend towards a more digital world, these skills are more important than ever to equip youth for inclusion into the productive economy and to futureproof a thriving and prosperous South Africa. Helping students, teachers and parents to get an ICT foundation and skill set contributes to a future generation that is more employable and builds opportunity in disadvantaged communities.

Job skills training and guidance are critical to prepare youth to enter the workforce and enterprise development initiatives promote entrepreneurial opportunities that can help break the cycle of poverty and create jobs.

Our SED activities focus on partnering with key organisations to deliver equitable solutions to quality education, with an emphasis on mathematics, science and technology.

MATHS AND SCIENCE

EOH's support of students studying towards a career in science, technology, engineering and maths ('STEM') subjects enabled improved matric results and laid the foundation for young South Africans to enter a future-fit workforce.

EOH support = **R1 300 000**
Number of schools = **seven**
Number of teachers = **58**
Number of total learners = **5 807**

Contributed to 10 distinctions in mathematics and 10 distinctions in physical science in the 2020 calendar year

The cohort of learners was selected for special support in mathematics and physical sciences. The learners attended motivation sessions, received guidance on career selection and assistance with both university and bursary applications.

Maths Centre

Maths Centre

The Maths Centre Incorporating Sciences ('MCIS') started in 1985 as a small project in four schools, helping teachers and learners to understand IT and how computers work. Today, it is an organisation that delivers pure mathematics, physical science, and technology in the context of the Fourth Industrial Revolution. The centre provides teacher development, learner development and resources to quantile one, two and three socio-economically deficient schools.

MCIS considers teacher development key to the sustainability of any country's education. Many teachers who work in these schools may not be appropriately and sufficiently qualified, which means they cannot teach effectively. MCIS's aim is therefore to enhance teacher and learning development in order to improve results and exam performance.

EOH and MCIS have worked in partnership for over eight years. In FY2021, EOH invested R1.3 million in seven schools, most of them in Katlehong. In three of these schools, EOH also offers support, resources and specialised development for teachers of children with disabilities, and also assisted with revamping the classrooms.

MCIS's role over the past year has evolved to include online pedagogy for teaching and learning. EOH has been part of these different interventions, including the Hundred Learners project, which focuses on the difference between how learners and teachers receive online pedagogy.

OUR SIX SUSTAINABILITY THEMES continued

Another MCIS campaign supported by EOH is **Parents Matter, Parents Count**, which brings parents into the teaching relationship to provide a supportive environment for their child. The campaign teaches parents to listen to their children and support them.

Belgium Campus

BELGIUM CAMPUS iTversity
It's the way we're wired

South Africa has a staggering youth unemployment rate and a poor economic outlook. And yet there is tremendous talent, intelligence, and innovation in this country, as well as an urgent demand for IT skills.

EOH also supports both abled and differently-abled learners through Belgium Campus, an ITversity that trains young people to work in the ICT industry and equips them with the necessary soft skills, attitudes and behaviours to make them work-ready. In 2021, 80 students were supported by EOH financially to study for a Bachelor of Computing degree or a diploma in IT, for a total investment of R4.96 million. In all, 17 students were living with a disability. A total of 10 of the sponsored students worked on an exciting project aimed at improving the country's quality of maths education, not only for deaf people, but for all learners. Just under half of the total number of students receiving financial aid towards bursaries were female.

EOH actively contributes to the Belgium Campus's curriculum to ensure its relevance with the real world. All course content is in line with national qualifications but is also tailored to address industry specific and student needs. EOH helps the campus to enrich its academics by assigning students to real-life work projects that test their understanding of business processes and systems, their grasp of customer-centric product development, and their ability to work in multidisciplinary teams. EOH employees give guest lectures each year to share their expertise about certain business technologies and frameworks in action.

80 students received financial aid for computing degrees and IT diplomas

17 differently abled
63 abled
45% female

Total investment of **R4.96 million**

Consistent attention is also paid to specialised technologies and classes designed to accommodate students with disabilities, and EOH's support has helped the campus progress the skills development and employability of young people with disabilities.

eDeaf

eDEAF
EMPLOY + EMPOWER

In South Africa, there are only 10 schools that offer a matric qualification to deaf learners, with approximately 20 learners matriculating annually. To increase the confidence and employability of deaf people, EOH partnered with eDeaf to upskill deaf people and increase their employability. In FY2021, EOH and eDeaf helped 101 learners to receive qualifications in adult basic education, technical support, systems support, and end-user computing learnerships, for a total investment of just over R1.6 million. Approximately 67 of the 80 learners have been placed or continued with further studies.

eDeaf caters to learners from Grade 9 up to matric, performs all the necessary assessments to determine which programme would suit them best, and places them in learnerships. This can be anything from an English reading and writing communication course to end-user computer learnerships. The goal is to build them up to an NQF Level 4 – the equivalent of matric – resulting in fully employable deaf individuals.

EOH has been working with eDeaf since 2018 and took on numerous entry-level learners for adult level training. They joined in from aided Level 1 through to aided Level 3, with some going as far as an NQF4 and NQF5 qualification. Learners have been supported by EOH stipends that covered their training and allowances, offering them an opportunity that they would otherwise never have had.

EOH drove the establishment of the system support NQF5 learnership, which is the entry-level to system development. The standard programme is 12 months, but with the assistance of EOH, eDeaf has added six months to the learnership, covering purely theory and concepts. As sign language is a simplified language, this theory can be complicated. eDeaf has also employed past EOH learners at its Braamfontein campus to assist new learners in these additional months. The EOH learners completed a three-year system support and development programme, making them the ideal facilitators.

101 learners received adult basic education, technical support, systems support, and end-user computing qualifications and learnerships

Total investment of **R1.6 million** with our eDeaf partnership

When these learners have computer skills and an NQF4 equivalent, they can fill roles in anything from logistics to packing and data capturing. In addition they can use a computer to create their CVs, take advantage of opportunities, and engage with prospective employers.

Learnerships

EOH identified, upskilled, and **placed 481 unemployed learners** in host companies where they received training, SETA-accredited qualifications, and practical experience to enter the work environment. Of the learners, **200 were differently-abled**

OUR SIX SUSTAINABILITY THEMES continued

learners, 89% were youth under the age of 29. Of the **281 abled learners, 83% were youth**. The combined investment amounted to **R20.7 million**. Many of these learners were placed in hospitals around the country to assist the Department of Health with data capturing related to the COVID-19 pandemic.

Siyanqoba and ProServ, that delivered the programmes, also form part of the learning and development pillar of EOH. As end-to-end training providers, they manage the entire process of placing learners into host companies where they get the training, qualifications and practical experience to enter the work environment. Learnerships are typically 12-month contracts, culminating in a SETA qualification and include a stipend to cover expenses such as transport and meals.

Placed **481** unemployed learners.

Learners received SETA-accredited qualifications and practical experience. Total investment of **R20.7 million**

200 differently abled learners, 89% were youth

281 abled learners, 83% were youth

Without this opportunity from EOH, many would not have been able to afford the continuous development from an NQF Level 2 to a Level 3 or 4 qualification. Many of the learners do not hold a matric, and if they work through this channel and move up to an NQF4 – the equivalent of matric – it opens new opportunities for them.

YES

YES4YOUTH.CO.ZA

EOH recognises the potential of young people to shape the economy and the country. **With South African youth aged 15 to 24 and 25 to 34** recording the unemployment rates **of 63.3%** and **41.3%** respectively, it is vital that the private sector fosters employability and economic inclusion.

The Youth Employment Service ('YES') is a business-led collaboration that seeks out ground-breaking ways, through innovation and technological best practice, to reignite the economy and give youth a dignified first chance.

The **YES 12-month quality work experience** equips unemployed youth with a pathway to participate in meaningful work and enhance their employability.

Through the YES initiative, EOH supported **137 unemployed youth** to develop their skills as they begin their journey towards becoming inspiring leaders.

Afrika Tikkun

Afrika Tikkun
Developing Young People from Cradle to Career

Organisations like Afrika Tikkun, supported by companies such as EOH, are working hard to bridge the gap between the ICT job market and young, disadvantaged South Africans by helping them develop their STEM skills and improve their employability.

Afrika Tikkun and EOH have worked together for 10 years with a single-minded mission: To develop a pipeline of young people who can access the economy through employment or entrepreneurialism. Over the last three years, EOH has directed its financial investment to focus specifically on upskilling young people to meet the needs of the ICT sector. The beneficiaries are divided into two age groups: Grades 8 to 12 and post-grade 12, to ensure that the different ages and life stages are catered for appropriately. A total of R2.9 million was invested to support future leaders of our country.

Afrika Tikkun's training focuses on building young people's digital literacy to use computers with confidence, as well as introducing them to sought-after skills such as coding. Through Afrika Tikkun's work-readiness programme, young people who have left school and need employable skills are introduced to more advanced ICT skills in specialised areas such as cybersecurity and software development.

Over and above its financial investment in digital upskilling, which this year amounted to **R2.9 million**, EOH has also contributed to Afrika Tikkun's **work-readiness programmes through donations in time and knowledge**. Through its GearUp campaign, EOH encourages employees to share their practical workplace expertise as well as **prepared the students through workshops for their interviews**. In this way, the beneficiaries' ICT training is complemented by soft skills, rounding out their preparation for the working world.

In addition to sharing their valuable time and knowledge, **EOH's employees donate much-needed formal wear**, all of which gives beneficiaries the confidence they need to step into a business environment.

COVID-19 threw a challenging spanner in the works, pushing the Afrika Tikkun team to move its youth development programmes into the virtual space. Thanks to EOH's support, the team learnt how to organise and run online workshops, webinars, and training sessions with success.

Gunther Solutions

EOH firmly believes that true, sustainable transformation requires a more involved approach to enterprise development that goes beyond depositing funds to tick the B-BBEE scorecard.

Gunther Solutions is a bespoke software solutions and data management company that employs advances in machine learning, AI, business intelligence and automated reporting to solve business problems for the financial services sector.

The EOH Integrated Services team worked closely with Gunther Solutions to develop a fool-proof business proposal that addressed vendor procurement criteria, such as cash flow stability and additional resource requirements, with absolute transparency.

EOH then co-presented the proposal to a leading financial services company alongside Gunther Solutions' CEO, demonstrating how they would provide the specific support Gunther needed to operate as a small business in a big business context. Gunther Solutions won the work and delivered the project on time and within budget and four years later has retained the client.

OUR SIX SUSTAINABILITY THEMES continued

SUSTAINABILITY THEME 5

A commitment to ethical business

Share the lessons we have learnt and enable high-integrity business

- Courageous Leadership Series to lead by example and share the lessons we have learnt
- Deliver the CODE programme to ensure the highest standard of integrity and ethics
- Adopt the Ten Principles of the UN Global Compact and embed a principles-based workplace
- Futureproof EOH with best practice governance, risks and controls

Over the past three years, EOH has spent a significant amount of time building an organisation that is future-fit enabled by best-practice GRC systems and processes and a deeply rooted ethical culture.

There has been radical transformation in terms of governance and compliance across EOH as a result. With these new policies, measures and controls in place, EOH has witnessed a fundamental change in the way it is being run and governed under the current leadership. The zero-tolerance approach to unethical behaviour is evidenced in the public stance of the CEO, as well as the extensive actions taken by the leadership team.

The South African government continues to make extensive use of EOH as a critical provider of IT support to a multitude of government clients, while OEMs and customers have remained loyal to EOH. This is evidenced by the return of large multi-year contracts across both public and private sectors. The public sector remains a key client for EOH with a ~20% contribution to total revenue and to date, neither EOH, nor any of its affiliates have been disbarred from providing services or bidding on government contracts in South Africa or elsewhere.

This is largely due to our clients' acknowledgement and appreciation of our robust and transparent actions to root out wrongdoing.

Furthermore, we have successfully resolved nearly all of the previously disclosed problematic legacy contracts, with seven of the eight settled and one in arbitration. As part of our remediation process to address the inherited legacy issues, we reached a settlement agreement with the SIU in terms of which EOH will compensate the Department of Defence in South Africa for confirmed overcharging on Microsoft licence sales. Further to this, EOH is in the process of negotiating with the SIU to reach a similar settlement with regards to the Department of Water and Sanitation.

EOH has issued civil claims against some of the perpetrators whom it believes have the requisite assets to pay back the damages, or at least part thereof, that they have inflicted on EOH. EOH has issued summonses against its former founder and CEO, former CFO and another former director for damages that have resulted from their failure to exercise the proper fiduciary obligations while in their positions that ultimately allowed for the wrongdoing to occur.

This puts an end to uncertainty regarding this issue and also reflects that EOH has been proactive in remedying identified wrongs.

THE ROAD TO GREEN

'The Road to Green' is what we call our journey towards verifiable, meaningful, lived compliance with high ethical standards, at every level of the organisation. We believe this approach to GRC is a game-changing model that provides a shining light in guiding all of our efforts towards building an ethically-driven, values-based culture for corporate South Africa.

Fundamental remedial actions and governance frameworks have been implemented to address the historical issue of governance failings and to support the establishment of a solid foundation for good governance and ethical business practices.

Technology has played a critical role in strengthening and monitoring our control environment and the management of risks within our organisation. The EOH regulatory landscape was enhanced with technology solutions, which we believe is critical for all corporates.

OUR SIX SUSTAINABILITY THEMES continued

The Road to Green encompassed the implementation of changes that include:

- A new risk governance framework that introduced policies, procedures and guidelines for effective risk management. The new framework requires reports to the chairperson of the EOH Audit Committee, Social and Ethics Committee and Risk and Governance Committee.
- Tone from the Top is the EOH executive management team's commitment to anti-bribery and corruption compliance.
- Training and awareness – dedicated anti-bribery and corruption training for employees achieved a 93% attendance and completion rate.
- Revised compliance policy framework with new policies.
- The implementation of a conflicts' management control room within the Compliance function, which conducts a due diligence on all third parties and the respective proposed engagements prior to said engagements. The due diligence includes but is not limited to checks for adverse media, politically exposed or influential persons, internally restricted third parties and potential conflicts of interest.
- The implementation of an automated Compliance portal and electronic attestation process.
- An enhanced King IV compliant Board with the requisite knowledge, skills, experience, diversity and independence.

ANTI-CORRUPTION PROGRAMME

The executive management team has dedicated a substantial amount of time to establish procedures and processes in line with the anti-corruption requirements applicable to EOH.

The anti-corruption compliance requirements oblige EOH to develop comprehensive and robust anti-corruption processes and procedures. EOH's business activities in the United States and, more particularly, its contracts with US-based OEMs, require EOH to confirm that they would at all times comply with US anti-bribery laws. The Group's global footprint also potentially subjects EOH to the United Kingdom Bribery Act.

In addition, the Company's Social and Ethics Committee is responsible for, inter alia, monitoring the Company's progress and standing around the implementation of the Organisation for Economic Co-operation and Development ('OECD)' recommendations on corruption, which requires EOH to develop anti-corruption controls based on a Group risk assessment. The Social and Ethics Committee also has a duty to observe the United Nations Global compact principles which incorporate a duty to reduce corruption.

INITIATIVES AIMED AT ALIGNING OUR PEOPLE TO OUR VALUES

As part of EOH's employee performance management process, employee compliance measures such as the declaration of gifts and entertainment, outside business affiliations and personal account dealings form part of individual key performance indicators.

An Employee Equity Committee has been established to propel transformation efforts, in line with requirements of the Department of Labour. In addition, the EOH CEO Awards is an initiative rolled out to identify and encourage productivity within the organisation and to ensure recognition of internal talent that is aligned with the EOH values.

GRC TRAINING – THE CEREBRO LMS SYSTEM

Embedding sound governance within our culture requires more than robust systems. We needed meaningful, organisation-wide training in compliance.

Refer to case study on page 41 in the CRO's report.

AUTOMATION OF ON-BOARDING THIRD PARTIES (THE CONTROL ROOM)

To give effect to provisions set out in the EOH anti-bribery and corruption policy, third-party risk management framework, as well as the EOH fraud risk policy, all third parties (contractors, affiliates, service providers, etc) are subjected to internal screening.

The automation of on-boarding third parties is accomplished via a platform known as the 'Control Room'. As part of the Control Room process, third parties are screened against EOH's watch and restricted list, politically exposed persons ('PEP') lists, adverse media and conflicts register, as well as sanctions and/or regulatory findings before entering into any commercial agreements.

Furthermore, the Control Room requires all employees to disclose their outside business affiliations to identify any conflicts of interest that might exist in pursuit of respective business opportunities. Employees are also required to notify Compliance of all gifts and entertainment given and/or received throughout the course of business. These processes have been implemented and digitised to mitigate risks of bribery and corruption within EOH.

BID REVIEWS

Between July 2018 and December 2019, ENSafrica conducted 559 bid reviews for EOH. These bid reviews included all public sector bids (local and international) and private sector bids (above R10 million – local and international) submitted by the Group. By January 2020, EOH developed internal capability for bid monitoring and review. EOH's Bid Review Committee is responsible for vetting all public sector bids in excess of R1 million and private sector bids in excess of R10 million. These bids are interrogated by specialists in various disciplines including compliance, legal, finance and risk.

EXPOSEIT WHISTLEBLOWING APPLICATION

Whistleblowing is the reporting of misconduct within the workplace by an individual, but it can only happen if the whistleblower has no fear of being victimised and reports their concerns in a confidential manner.

The ExposeIT whistleblowing app was developed to provide anonymous and confidential reporting of concerns around inappropriate behaviour of any kind that could impact EOH. It has since been rolled out to corporate South Africa to allow for the widespread anonymous reporting of wrongdoing and corruption.

OUR SIX SUSTAINABILITY THEMES continued

After the July unrest which took place in KwaZulu-Natal and Gauteng, the functionality of the app was expanded to enable all South African citizens to use ExposeIT to report incidents of looting, unrest and other criminal acts anonymously without fear of being victimised.

OUTSIDE BUSINESS INTEREST DECLARATIONS

EOH as a whole achieved 100% completion rate on the FY2021 OBI declaration project and the Compliance function actively managed all of the declared OBIs. An OBI tool was developed and transitions into annual declarations.

POPIA

EOH is now POPIA compliant, meaning that all controls have been assessed and met at a basic level, and a more enhanced and efficient way of implementation is underway. An information officer forum was created, and formal information officers have been allocated across the business. A data privacy platform is being built, and the data privacy accountability framework has been implemented.

A FUTURE-READY INTERNAL AUDIT FUNCTION

The internal audit charter was aligned with King IV principles at the beginning of FY2021, which commenced the foundation year for the Group internal audit ('GIA') department. The department has passed the governance requirements for external audit reliance by PricewaterhouseCoopers Inc. ('PwC') in terms of ISA 610.

A data assurance department was established in terms of King IV Principle 15 Practice 45 within the internal audit function to assist in providing independent validation to various material datasets within the organisation, with specific attention to payroll, credit card and fuel card usage.

The GIA department developed its strategy around becoming a data orientated internal audit department, in order to fulfil its mission of establishing the 'Future state internal audit department, Today!'. New technologies and an innovative approach have been embedded into EOH audits using data and analytics and other emerging technologies and trends. Advanced scripting and rules-based anomaly detection have been implemented in several audits to assist in identifying risk and controls failures.

OUR SIX SUSTAINABILITY THEMES continued

SUSTAINABILITY THEME 6

Taking action on climate change

Protecting our planet through enabling technologies

- To lead by example by reducing our carbon footprint though eco-friendly practices
- To continue to support the evolution of technologies that support smart cities
- Technology solutions for customers that enable the efficient use of resources
- Nurture of NEXTEC technology opportunities that contribute to climate action

Though we have a relatively low environmental footprint as a provider of professional services, we see effective environmental stewardship as an important aspect of an organisation's licence to operate. EOH is committed to playing its role in addressing the challenges climate change presents to South Africa and the global economy in the areas where we can.

The biggest opportunity we have to increase environmental sustainability is to apply our expertise, resources, research and innovation to create solutions that provide our customers with the technology to improve the efficiency and sustainability of their operations, products and services. NEXTEC's solutions include technologies that support smart, safe, healthy and secure environments, including energy control systems, building management environmental solutions and intelligent green building design.

NEXTEC's energy and water technology solutions can significantly reduce energy and water consumption. NEXTEC provides air monitoring solutions to industry, government and research organisations. Our analytical instrumentation offers continuous measurement of both surrounding air pollution and chimney emissions. iOCO's work in the digital solutions arena reduces the need for paper and physical transport and, for this reason, supports the environment by reducing the need for fossil fuels and fossil fuel-derived products.

Within the Group, our goal is to minimise our direct impact on the environment by operating our facilities and conducting our activities in ways that reduce energy, water, paper consumption, waste and greenhouse gas emissions. We support and comply with the requirements of current environmental legislation and codes of practice associated with industry-best practices. As far as possible, we purchase products and services that minimise damage to the environment and we aim to minimise waste and prioritise waste reuse or recycling. EOH vehicles are operated and maintained with due regard to environmental issues and we apply the principles of continuous improvement in respect of air, water, noise and light pollution from EOH premises.

EOH's INNOVATIVE, COLLABORATIVE APPROACH TO ENVIRONMENTAL STEWARDSHIP

Impressions signatures

impression™

The Impressions digital signatures platform allows users to view, sign and send sensitive documents online. As well as establishing a secure chain of custody (all digital signatures are contextually aware, enhanced with GPS location, device and network identifiers), using Impressions at enterprise level can result in significant savings in paper used. Up to 80 000 documents a year can be signed digitally instead of being printed, resulting in nearly four tonnes of paper being diverted from landfill (assuming an average of five pages per document).

NEXTEC

In Cape Town, South Africa, and Chennai, India, 'Day Zero' events where cities run out of water – have drawn global media attention. Drought indicators in Cape Town from as early as 2014/2015 served as a warning that this day would come. By 2019, the city's population had grown to 4.3 million people. At the time, the average household consumption stood at 1 110 megalitres per day across 1.4 million households.

The City of Cape Town implemented measures that reduced water demand to 650 megalitres per day through non-technological interventions, but it was evident it needed to reduce consumption even further to ensure water supply and avoid Day Zero.

OUR SIX SUSTAINABILITY THEMES continued

As a partner to the City of Cape Town for 10 years, we were able to find a solution to prevent Day Zero from occurring through our water conservation and demand management framework. The framework included consumer education strategies, tariff management solutions, pressure management solutions – conventional and advanced – and active leak detection and repair solutions based on machine learning, automation and data analytics.

Other tasks included:

- a complete water leak analysis;
- identifying consumers using more than 10 kilolitres of water per day; and
- initiating repair programmes on respective leaks.

The programme officially began in January 2019 to optimise 116 existing pressure management zones. This included:

- isolating sectorised areas to only feed water through specific pipelines;
- installing pressure-reducing valves into the respective channels to reduce consumption and leakage; and
- deploying our smart POD controllers to intelligently manage control valves in 'pressure management zones' using a built-in algorithm.

We retrofitted these controllers into existing pressure-reducing valves to automatically change the pressure at the pipeline of value ('POV'). Built-in data loggers monitor the flow activity and adjust the pressure accordingly – depending on the pre-set criteria.

The teams worked their way through 184 zones inside the City of Cape Town and installed 103 smart POV controllers, which allow **the city to remotely manage 55% of the network's pressure**.

Overall, we achieved between **12% and 13% demand reduction from the starting point**.

To put this into perspective, one Olympic swimming pool holds 2.5 million litres of water, which means we saved the equivalent of 15 Olympic swimming pools of water every day.

When NEXTEC started the water consumption and demand management project our initial target was a reduction of **38 megalitres per day in eight months. We reached this target within two months and increased it to 52 megalitres within four months. By the end of the project, we were saving 71 megalitres per day**.

Under normal circumstances, these results could take between three to five years to achieve. However, due to the severity of the water crisis in 2019, NEXTEC and the City of Cape Town solved the water challenge rapidly – and successfully – within just eight months.

Dihlase

NEXTEC subsidiary Dihlase provided consulting engineering services to customers who wish to install solar PV solutions to reduce their dependency on the national electricity grid and also provide energy efficient solutions for electrical and mechanical ('HVAC') installations for cleaner and smarter buildings.

ENVIRONMENTAL REPORT

Introduction

A carbon footprint is the total set of greenhouse gas ('GHG') emissions caused by an organisation, event, product or person. GHGs are emitted through transport, land use change, the production and consumption of food, fuel combustion, manufactured goods, material consumption, waste disposal and use of services. A carbon footprint is usually reported in CO_2e (carbon dioxide equivalent) which is the internationally recognised measure of GHGs.

Methodology

The carbon footprinting methodology was undertaken according to the international methodology Greenhouse Gas Protocol Initiative ('GHG Protocol').

The GHG Protocol is the most widely used standard for mandatory and voluntary GHG reports and is compatible with other international GHG standards such as ISO 14064. It is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the World Resources Institute and the World Business Council for Sustainable Development.

CO_2e is the standard unit of measurement for GHGs emissions. Each of the gases has a global warming potential measured against carbon dioxide ('CO_2') that allows for conversion to CO_2 equivalent. Activity data is converted to CO_2e using emission factors.

The emission factors used in the calculations are from the Department of Environment, Food and Rural Affairs ('DEFRA') database from the United Kingdom.

The GHGs covered by this calculation are CO_2 methane ('CH4'), nitrous oxide ('N2O'), hydrofluorocarbons ('HFCs'), perfluorocarbons ('PFCs'), sulphur hexafluoride ('SF6') and nitrogen trifluoride ('NF3').

EOH carbon footprint

Table 1 indicates the carbon footprint for EOH.

Table 1: GHG emissions: EOH

Scope	Emission source	2021 emission (tonnes CO_2e)
Scope 1	Mobile consumption (Company-owned vehicles) – diesel	256
Scope 1	Mobile consumption (Company-owned vehicles) – petrol	225
Scope 1	Stationary consumption – backup generators	56
Scope 1	Refrigerants and air-conditioning	582
Total scope 1		**1 119**
Scope 2	Purchased electricity	5 778
Total scope 2		**5 778**
Scope 3	Water consumption kilolitres – municipal	7
Scope 3	Estimated business air travel (passenger kilometres)	666
Scope 3	Rental car travel distance (kilometres)	225
Scope 3	Business travel in employee-owned vehicles (kilometres)	2 046
Scope 3	Paper consumption – A4 (number of reams)	10
Scope 3	Waste disposal	4
Total scope 3		**2 958**
Total		**9 855**

ENVIRONMENTAL REPORT continued

The following graph shows a comparison of emissions (tCO_2e) measured since 2012. It should be noted that due to the receipt of updated electricity consumption data and diesel consumption for backup generators for 2018 and 2019, the historical data was adjusted accordingly.

Emissions measured since 2012 (tCO_2e)

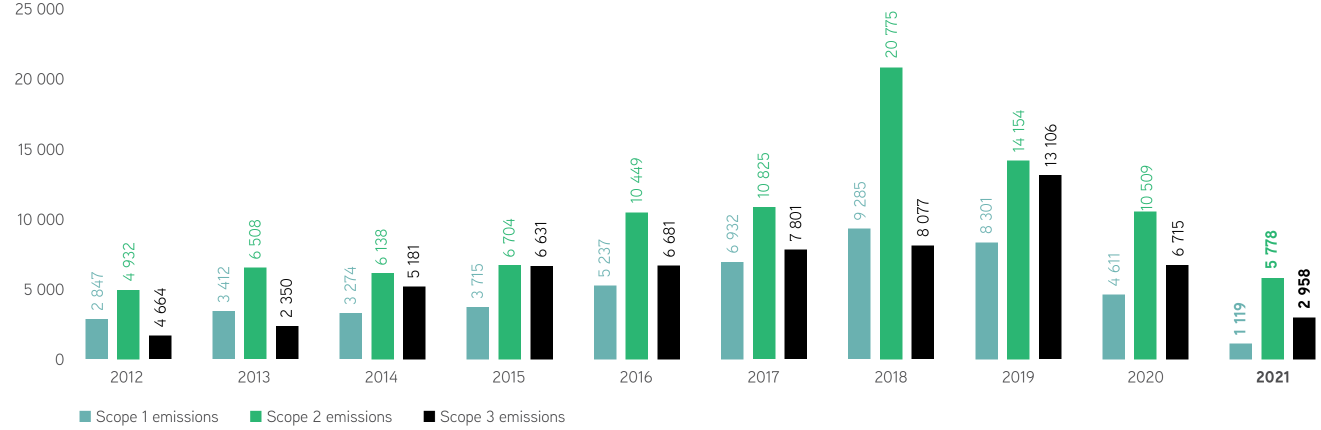


Figure 1: Emissions measured since 2012

Refer to table 2 for the main indicators.

Breakdown of emissions (%)

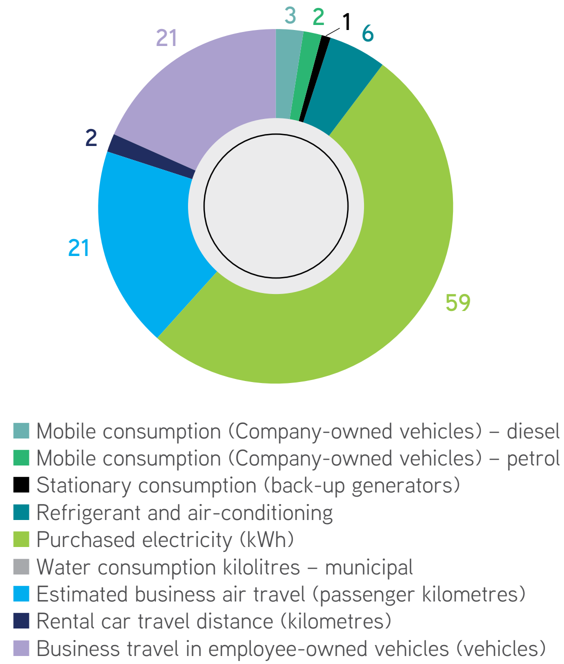


Figure 2: Scope 1, scope 2 and scope 3 emissions for 2021 (tCO_2e)

ENVIRONMENTAL REPORT continued

Comparison of emissions (2020 – 2021)

During the financial year, a number of factors contributed to the reduction of scope 1, scope 2 and scope 3 emissions.

Table 2: Carbon emissions main indicators since the previous financial year

Main indicators

	2021	2020	% change
Scope 1 emissions (tonnes CO_2e)	**1 119**	4 611	(76)
Scope 1 emissions per employee	**0.18**	0.55	(66.86)
Scope 2 emissions (tonnes CO_2e)	**5 778**	10 509	(45)
Scope 2 emissions per employee	**0.94**	1.25	(24.92)
Scope 3 emissions (tonnes CO_2e)	**2 958**	6 715	(56)
Scope 3 emissions per employee	**0.48**	0.80	(39.85)

[1] *Scope 1 emissions are direct emissions from sources that a company directly owns or has control over*
[2] *Scope 2 emissions are from purchased electricity, heat or steam*
[3] *Scope 3 emissions are a consequence of a company's activities but occur at sources owned or controlled by another company.*

Scope 1 emissions

A number of business units owning company cars are no longer with EOH; therefore, the number of pool cars drastically reduced during the financial year. In addition, approximately 37 leased buildings were exited, one building was sold and 13 buildings were mothballed. Therefore, due to the reduced number of pool cars, vehicle emissions have reduced, and due to the reduced number of buildings occupied, fugitive emissions from refrigerants and air-conditioning units have reduced. In addition, it is expected that the lockdown period due to the COVID-19 pandemic played a role in the reduction of scope 1 emissions due to the reduced use of company-owned vehicles and reduced use of air-conditioning in buildings.

Figure 1 indicates that overall scope 1 emissions have reduced since 2018. Refer to figure 3 indicating scope 1 emissions per employee. This figure shows a drastic reduction in scope 1 emissions.

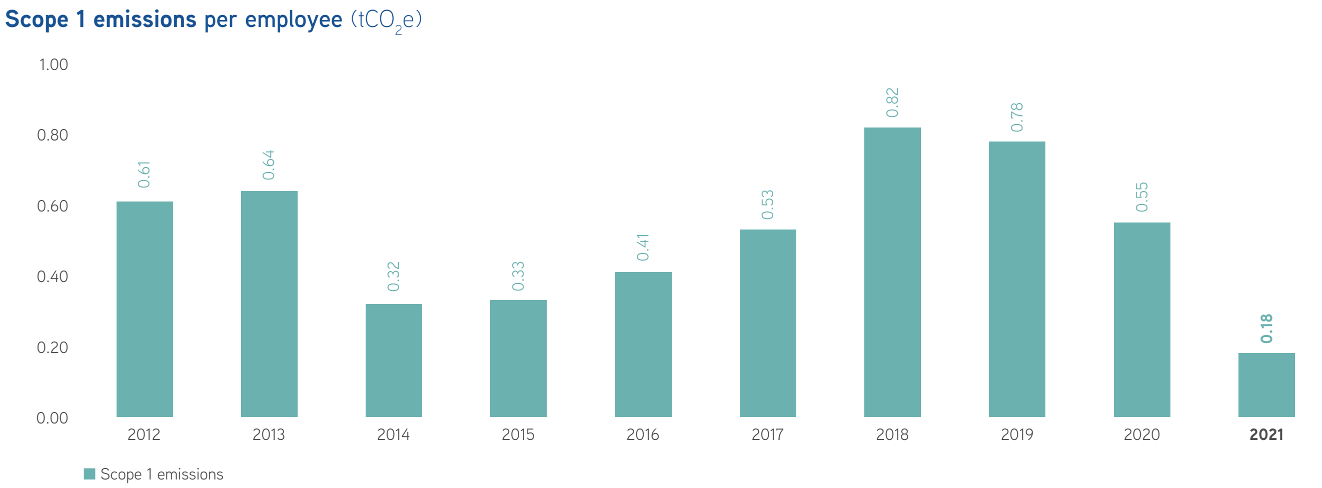


Figure 3: Scope 1 emissions per employee

ENVIRONMENTAL REPORT continued

Figure 4 indicates the fuel consumption from company-owned vehicles (pool cars), indicated per employee.

Fuel consumption per employee (litres, diesel and petrol)

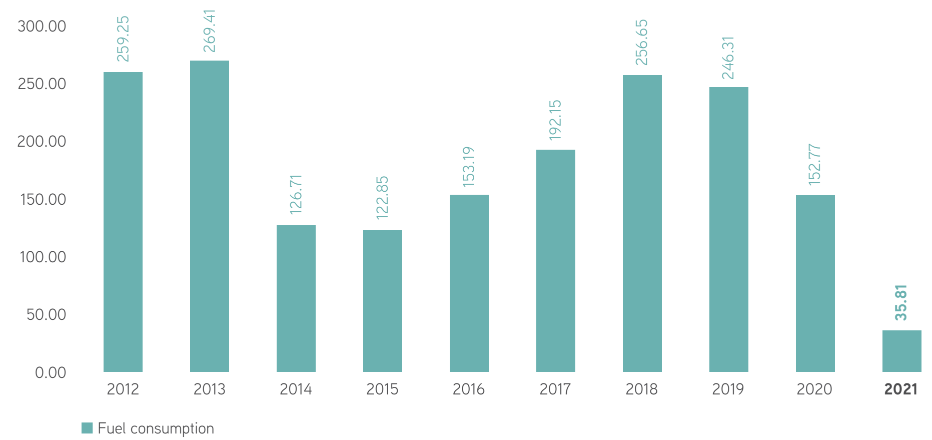


Figure 4: Fuel consumption per employee

Scope 2 emissions

Figure 1 indicates that overall scope 2 emissions have reduced since 2018. Due to the reasons given above (exiting of leases of buildings) as well as lockdown, it would be expected that electricity consumption (scope 2 emissions) was reduced.

Refer to figure 5 indicating scope 2 emissions per employee. This figure shows a reduction in scope 2 emissions.

Scope 2 emissions per employee (tCO_2e)

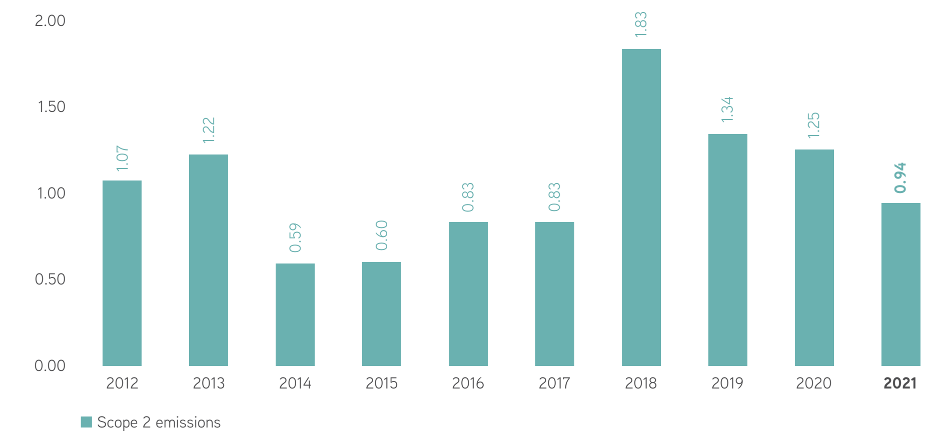


Figure 5: Scope 2 emissions per employee

Scope 3 emissions

Due to the reduction of occupied buildings as well as the lockdown period, water consumption was reduced (refer to figure 6 indicating the water consumption per employee). Air travel, use of hired cars, use of personal vehicles for business purposes and paper consumption has also reduced. Refer to figure 7, figure 8, figure 9 and figure 10.

Water consumption per employee (kilolitre)

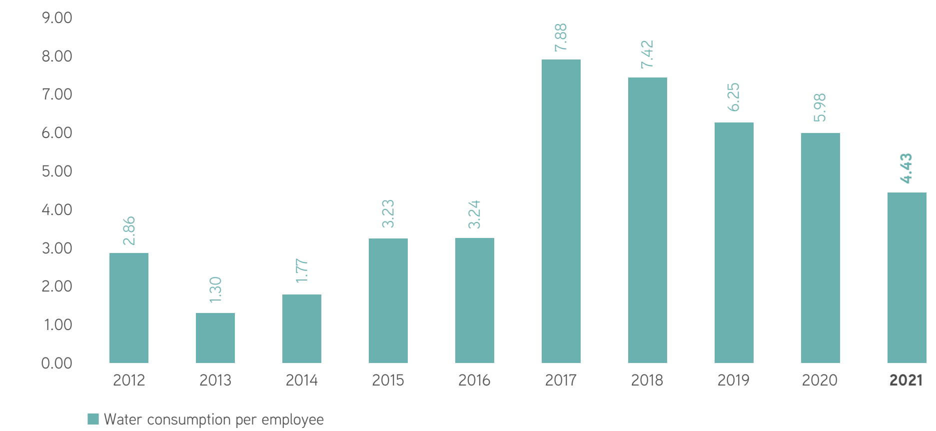


Figure 6: Water consumption per employee

Other scope 3 emissions are indicated below.

Estimated business air travel per employee (passenger kilometres)

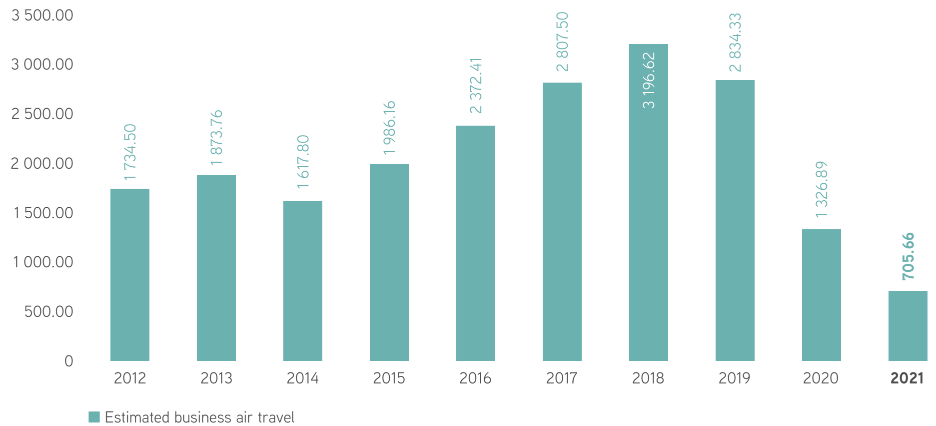


Figure 7: Business air travel (passenger km) per employee

ENVIRONMENTAL REPORT continued

Business travel in rental cars per employee (kilometres)

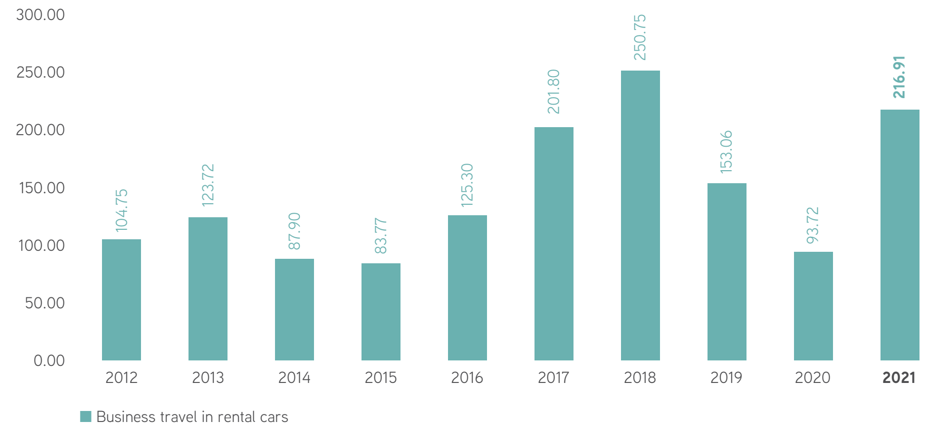


Figure 8: Business travel in rental cars, per employee

Employee travel in personal cars for business purpose per employee (kilometres)

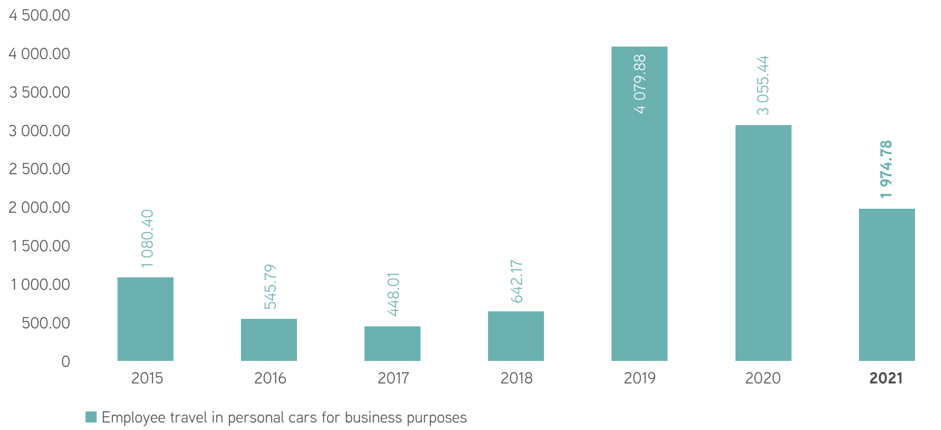


Figure 9: Employee travel in personal cars for business purposes (km)

Paper consumption tonnes per employee (estimated)

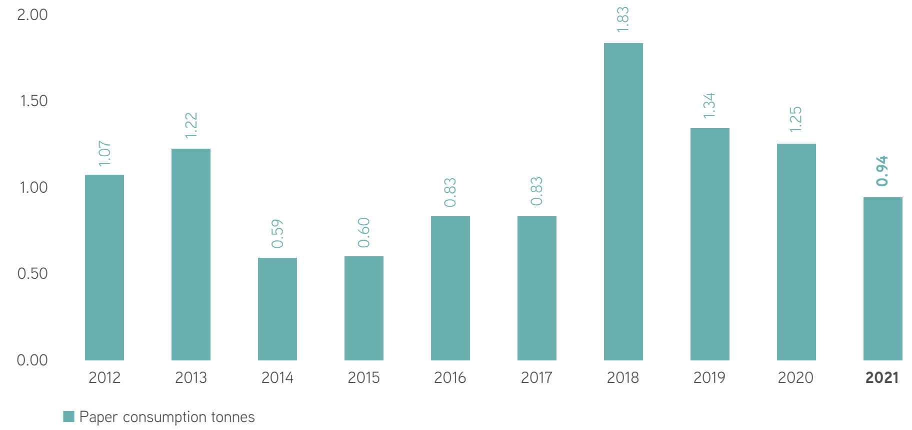


Figure 10: Paper consumption per employee

BOARD OF DIRECTORS

The Board and management remain committed to delivering long-term, sustainable value to their people, stakeholders, shareholders and partners, always guided by a common purpose, philosophy and value system.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Andrew Mthembu (65)

Chairman and Independent Non-executive Director

Qualification

BSc (Chemistry, Biology), BSc (Civil Engineering), MSc (Construction Management), Executive Management Programme (Wharton and University of Chicago Booth School of Business)

Skills and expertise

Appointed

20 June 2019

Committee membership

Member: Information and Technology Committee
Member: Asset Disposal and Strategic Acquisition Committee
Invitee: Permanent invitee to all Board committees

Jesmane Boggenpoel (48)

Independent Non-executive Director

Qualification

BCom (Accounting), BAcc, CA(SA), Master's in Public Administration (Harvard JFK School of Government)

Skills and expertise

Appointed

1 July 2018

Committee membership

Chairperson: Governance and Risk Committee
Member: Audit Committee
Member: Information and Technology Committee

Mike Bosman (60)

Independent Non-executive Director

Qualification

BCom (Hons) (Financial Accounting), LLM, CA(SA), Advanced Management Programme (Harvard)

Skills and expertise

Appointed

20 June 2019

Committee membership

Chairperson: Audit Committee
Member: Governance and Risk Committee
Member: Nomination and Remuneration Committee
Member: Information and Technology Committee
Member: Asset Disposal and Strategic Acquisition Committee

Sipho Ngidi (66)

Independent Non-executive Director

Qualification

BCom (Economics) Honours

Skills and expertise

Appointed

20 February 2020

Committee membership

Chairperson: Nomination and Remuneration Committee
Member: Social and Ethics Committee
Member: Governance and Risk Committee

Andrew Marshall (66)

Independent Non-executive Director

Qualification

BCom; BCom (Hons)

Skills and expertise

Appointed

21 May 2020

Committee membership

Chairperson: Asset Disposal and Strategic Acquisition Committee
Member: Audit Committee
Member: Information and Technology Committee

Jabu Moleketi (64)

Non-executive Director

Qualification

Post-graduate diploma in Economic Principles (University of London), MSc in Financial Economics (University of London), Advanced Management Programme (Harvard Business School)

Skills and expertise

Appointed

1 September 2020

Committee membership

Member: Nomination and Remuneration Committee
Member: Social and Ethics Committee

Corporate governance (including legal and compliance)
Executive and strategic leadership
Risk management
Sustainability
Finance, Investments and M&A
HR and Talent Development
ICT experience (including IOT, digital and Innovation)
Strategic stakeholder relations
Listed company board member experience
Banking
International Business
Communications and PR

EXECUTIVE DIRECTORS

Nosipho Molope (57)
Independent Non-executive Director

Qualification
B Science, B Accounting Sciences (Hons), CTA, CA(SA)

Skills and expertise

Appointed
1 January 2021

Committee membership
Member: Audit Committee
Member: Social and Ethics Committee
Member: Governance and Risk Committee

Bharti Harie (51)
Independent Non-executive Director

Qualification
BA LLB, LLM, Admitted Attorney, Notary and Conveyancer

Skills and expertise

Appointed
1 January 2021

Committee membership
Chairperson: Social and Ethics Committee
Member: Nomination and Remuneration Committee

Stephen van Coller (55)
Chief Executive Officer

Qualification
BCom (Management Accounting) HDip Acc, CA(SA), ACMA (UK)

Skills and expertise

Appointed
1 September 2018

Committee membership
Invitee: Permanent invitee to all subcommittee meetings

Megan Pydigadu (47)
Group Chief Financial Officer

Qualification
BCom (Accounting), HDip Acc, CA(SA)

Skills and expertise

Appointed
15 January 2019

Committee membership
Invitee: Permanent invitee to all subcommittee meetings

Fatima Newman (50)
Group Chief Risk Officer

Qualification
BA (Law), Certificate in Compliance Management, Leadership Programme (Singularity University)

Skills and expertise

Appointed
8 April 2019

Committee membership
Invitee: Permanent invitee to all subcommittee meetings

Ismail Mamoojee*
Independent Non-executive Director

Qualification
BCom (Accounting), CA(SA), CAIB (SA), Tax Law Cert (SA)

Dr Lynette Molefi*
Independent Non-executive Director

Qualification
BSc (University of Lesotho), MBChB (MEDUNSA), Telemedicine Diploma (University of Arkansas), Foreign Telemedicine (TATRC), SMP (Stellenbosch University)

* *Resigned 20 January 2021*

CORPORATE GOVERNANCE

The Board is committed to ethical leadership and best practice corporate governance principles. EOH's strong leadership team continues to rebuild the EOH business and brand, underpinned by the principles of ethical and transparent leadership. The Board exercises oversight and through probity ensures that sound corporate governance continues to be embedded throughout the business and subsidiaries.

The Board monitors the awareness and governance training programmes and compliance attestations rolled out to the entire EOH employee universe. EOH has supplemented its own knowledge and training platforms by appointing best practice experts, in each of the sub-fields of governance. Further, EOH is working closely with the University of Stellenbosch Centre for Corporate Governance to capture the learnings from its historic practices to embed these learnings into its programmes, so that the mistakes of the past are not repeated within EOH. This case study will be an essential tool in the EOH governance arsenal. The EOH governance solutions are informed by this work so that the governance solution is tailored to the compliance and governance needs and requirements of EOH.

Key focus areas for the EOH Board during FY2021

1. Considering and approving the Group strategy and strategic direction for FY2021
2. Ensuring the Group's liquidity remained strong, particularly throughout the COVID-19 lockdown, with a strong emphasis on cost-saving measures
3. Ensuring that the Group met its deleverage targets, particularly through the sale of businesses
4. Ensuring business continuity throughout the COVID-19 lockdown. Roll-out of a new EVP centred around talent retention, attraction, development and remuneration
5. Continuing to finalise the investigations, criminal and civil prosecutions of historic fraud and corruption of former employees, as well as pursue the recovery of money lost by EOH as a result of wrongdoings
6. Approving a governance framework and governance policies and monitoring the governance programmes which ensure that historic practices are not repeated or retained within the organisation's culture.

COMPOSITION OF THE BOARD

EOH has a unitary Board with the necessary collective knowledge and balance of skills, experience, resources and diversity to guide the business effectively. The Board's composition promotes the balance of authority and precludes any one director from dominating decision making.

At the date of this report, the Board comprised 11 directors, three of whom are Executive Directors, seven are independent Non-executive Directors and one Non-executive Director is not classified as independent. Seven of the Board members are black and five are women.

The directors bring to the Board a wide range of experience and expertise and, in the case of the independent non-executives, an independent perspective and judgement on issues of policy, strategy and performance. The Board believes that the current composition reflects an appropriate balance of knowledge, skills, experience, diversity and independence to effectively guide the business. Directors are classified as Executive Directors if they are full-time employees of EOH.

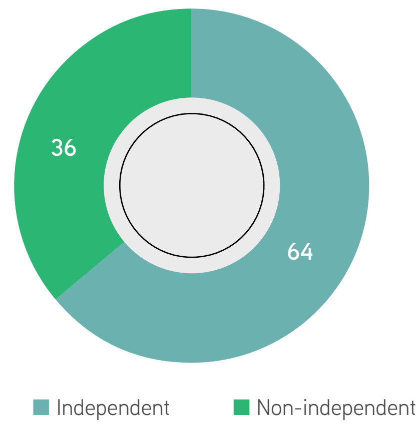
The Chairman and the CEO are appointed by the Board. Their roles are formally defined and separate. The Chairman is primarily responsible for leading the Board and for ensuring that the Board plays an effective role, facilitating communication with shareholders and fostering constructive relations between the Executive and Non-executive Directors. The Chairman is considered to be independent. The CEO serves as a bridge between the Board and the executive management team and is responsible for the commercial and operational management of the Group, which includes providing leadership to the executive team, who execute the approved strategy.

Andrew Mthembu was appointed Chairman of EOH with effect from 7 February 2020, following the passing of Dr Xolani Mkhwanazi.

The Nomination Committee manages the succession and rotation of directors. They are mandated to identify potential candidates for the Board should a director retire, resign or be disqualified and removed. The committee assesses the appropriateness of candidates in terms of their experience, skills and considers all facets of diversity to determine the optimal composition and balance of the Board. Selection, induction and ongoing training of directors is formalised and a basic succession plan is in place for key executives in the event of any resignations.

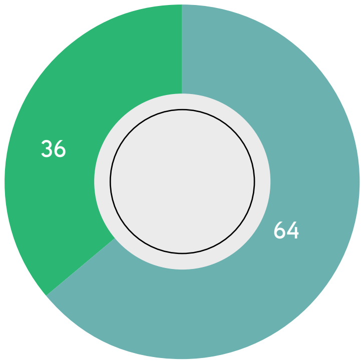
Newly appointed directors are ratified at the next annual general meeting (AGM) following their appointment.

Board independence (%)

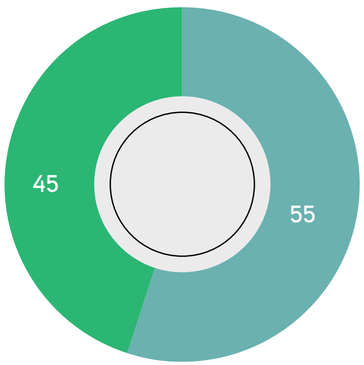


CORPORATE GOVERNANCE continued

Board racial composition (%)



Board gender composition (%)



INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board is satisfied that apart from one Non-executive Director who represents the Company's black empowerment partner, the Non-executive Directors, through the length of their tenure, their disclosure of their conflicts of interest and actual conduct at Board and committee meetings, are independent. At present, there are no directors who have served for a period of nine years and therefore further independence assessments are not required.

In terms of the Company's memorandum of incorporation ('MoI'), one-third of the Non-executive Directors are required to 'retire' at each AGM and, if they are eligible and available for re-election, their names are put forward for re-election by the shareholders at the next AGM. The Non-executive Directors who have been in office for the longest period since their appointment are required to 'retire' in terms of the rotation policy.

DIVERSITY AND INCLUSIVITY POLICY OF THE BOARD

We recognise and embrace the benefits of a diverse Board and believe that diversity at Board level is an essential component for sustaining a competitive advantage. Race, age and gender diversity, underpinned by the relevant skills as well as business, geographic and academic experience and background, enhance the composition of a truly diverse Board.

The Board is committed to ensuring a diverse and inclusive Board and the Company's diversity and inclusivity policy forms part of the Board Charter. Board appointments are made on merit, having due regard for the benefits of diversity.

At the date of this report, the Board comprised 11 directors, 45% of whom are women with four women being of African and Indian descent, of varying ages and academic backgrounds.

ROLE AND RESPONSIBILITIES OF THE BOARD

The role of the Board is to provide sufficient oversight and probity to enable management to achieve the long-term sustainability and success of EOH for the benefit of all stakeholders, underpinned by the EOH Code of Ethics and Company policies. The Company's MOI, Board Charter and the Delegation of Authorities Framework articulate the duties, responsibilities and powers of the Board, matters reserved for the Board, together with the appropriate delegation of Board authority and mandates.

Annually, the Board approves the long and short-term strategy of EOH and assesses how business is conducted. Once strategic targets are agreed, the Board monitors and reviews these strategic targets and objectives, approves material capital expenditure, evaluates and approves or rejects the acquisitions and disposals of Company assets, monitors internal controls, the reporting against the approved risk management framework and IT governance. The EOH exco is responsible for managing the Group's operations and the execution of the Group's overall strategy, which is presented to the Board for approval.

Board Charter

The EOH Board Charter aligns with the recommendations of King IV and outlines the powers, responsibilities, induction and ongoing development requirements of Board members.

The Board Charter details the responsibilities of the Board, which include:

- input into the Group's strategic direction;
- providing effective leadership based on an ethical foundation and a sound GRC framework;
- ensuring the Group conducts itself in accordance with the principles of fairness, accountability, transparency, responsibility, competence and integrity;
- ensuring an appropriate GRC framework is in place and applied across the Group;
- ensuring the Code of Ethics is adopted and implemented across the Group;
- ensuring the Group is, and is seen to be, a responsible corporate citizen;
- defining levels of materiality and risk tolerance;
- governing risk and opportunities in a way that supports the Group achieving its goals;
- ensuring the adequacy and effectiveness of the Group's internal control systems and procedures;
- ensuring appropriate technology systems are in place;

CORPORATE GOVERNANCE continued

- approving the annual budget and operating plan of the Group;
- approving EOH's annual financial statements and public pronouncements on financial performance and ensuring the integrity of such reports;
- considering and, if appropriate, declaring distributions in accordance with the provisions of the Companies Act;
- ensuring that the Group remunerates fairly, responsibly and transparently;
- communicating with internal and external stakeholders in a transparent and timely manner; and
- ensuring the overall sustainability of the Group.

The Board is satisfied that it has fulfilled its responsibilities defined in the charter for the year under review.

BOARD EFFECTIVENESS

Board committees conducted reviews which were documented in the minutes of the meetings. The next formal Board evaluation will be conducted in FY2022 aligned to the bi-annual cycle of evaluation directed by the Board Charter.

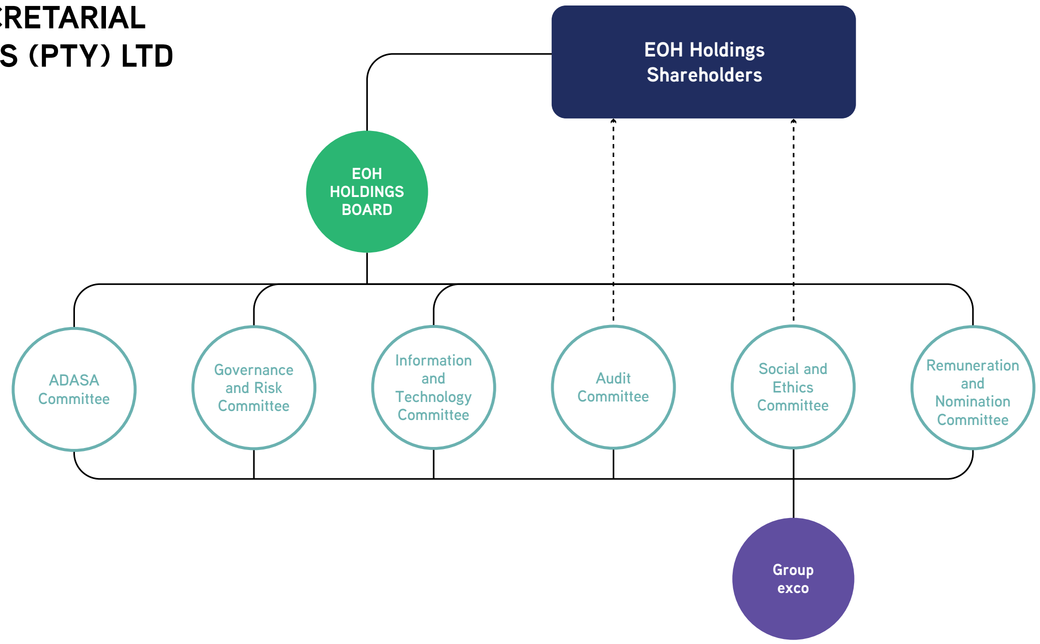
PERFORMANCE MONITORING

Key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term are defined within the EOH reporting framework. The respective Board subcommittees perform ongoing oversight over the implementation of the Group and operational strategies and their value drivers. The exco performs oversight and monitoring of operational budgets, plans and targets by management against agreed performance measures and targets.

Board committees

The Board delegates certain functions to committees without abdicating any of its responsibilities. The committees are chaired by Non-executive Directors and operate under Board-approved terms of reference.

EOH SECRETARIAL SERVICES (PTY) LTD



The Board has six committees: The membership of each committee comprises Non-executive Directors. The Executive Directors have standing invitations to attend these committees.

Audit Committee: Members are elected by shareholders at the Company's AGM (see further activities of the Audit Committee in its report on page 104).

Governance and Risk Committee: See further activities of the Governance and Risk Committee in its report on page 107.

Information and Technology Committee: See further activities of the Information and Technology Committee in its report on page 110.

Nomination and Remuneration Committee: See further activities of the Nomination and Remuneration Committee in its report on page 101.

Social and Ethics Committee: See further activities of the Social and Ethics Committee in its report on page 112.

Asset Disposal and Strategic Acquisition Committee: See further activities of the ADASA Committee in its report on page 114.

Company Secretary

Historically, the Company Secretary was EOH Secretarial Services (Pty) Ltd, represented by Neill O'Brien. Neill O'Brien retired on 1 June 2021. Thiroshnee Naidoo was appointed as the Company Secretary on 1 June 2021. The Board is satisfied that the Company Secretary is suitably qualified, competent and experienced to provide the required support and guidance.

The Company Secretary supports the Chairman and directors and has direct access to and ongoing communication with the Chairman. All directors have access to the services of the Company Secretary and may obtain independent professional advice. The Board believes this provides the necessary access to corporate governance advice. The Company Secretary is not a director of the Company or its subsidiaries and also acts as secretary of the Board committees.

CORPORATE GOVERNANCE continued

SUBSIDIARY BOARDS

EOH's wholly owned subsidiaries each have their own board of directors. The boards of the subsidiaries and the management committees of the various operating divisions have the necessary mix of skills and experience.

The Board response to King IV

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

EOH is committed to maintaining a high standard of corporate governance and continuously engages with some of the leading governance institutions to assist in the design and implementation of King IV. We implemented a governance tool during 2019, which was used to assess our application of the corporate governance principles as recommended by King IV. An annual assessment is undertaken to assess ourselves against these principles. We have adopted a substance-over-form approach with regards to alignment with King IV to avoid tick-box compliance and also because this approach accommodates the achievement of the recommended King IV outcome/governance standards by applying practices other than those specifically detailed in the King IV report.

EOH met its reporting requirements relating to the JSE Listings Requirements and the Companies Act (as amended). EOH remains compliant with the Companies Act, particularly with reference to the incorporation provisions, and operates in conformity with the Company's MOI.

Ethical culture

The Board is committed to driving the strategy, based on an ethical foundation, to support a sustainable business that acts in the best interests of the Group, society, the environment and its stakeholders. The Board sets the tone for an ethical organisation through its Code of Ethics and has discharged its responsibilities by ensuring that a robust and resilient GRC framework is in place.

There are systems, procedures and monitoring structures in place to ensure the effectiveness of this framework. The directors of EOH are competent and act ethically in discharging their responsibility to provide strategic direction and effective governance in terms of the Board Charter and EOH's MoI.

The Board commits to the Constitution of the Republic of South Africa (including the Bill of Rights) and embraces the principles of fairness, accountability, integrity and transparency.

The Group has adopted an overarching formal Code of Ethics founded on our values of 'Authenticity', 'Partnership', 'Adaptability', 'Ingenuity', and 'Mastery'. All employees have a duty to act in accordance with these values and thereby to maintain and enhance the reputation of the Group.

The EOH Code of Conduct was developed around the principles of ethical leadership and was adopted by the Board. The code commits EOH and its employees to the highest ethical standards of conduct particularly in relation to non-discriminatory practices, unethical practices, bad behaviour and confidentiality of personal information.

Our decisions and actions are guided by our core values:

- Partnership
- Mastery
- Authenticity
- Ingenuity
- Adaptability

The EOH exco is responsible for ensuring that these values are adhered to throughout the Group and the Board's Social and Ethics Committee ensures the application of these principles.

Continuous training, aligned to the principles of the Code of Ethics training through a series of animated online training interventions, was rolled out during the course of the year. Awareness training based on both the law and regulations, together with EOH policies, is also provided to employees regarding gifts and entertainment and declaration of interests. In all, 98% of the total EOH staff complement completed the mandatory training programme, which included individual attestations at the end of each training module. The Group Compliance function oversees and assists with the enforcement of the policies and processes.

CONFLICTS OF INTEREST

Board members are under a legal duty to prevent any conflict of interest with Company business and to make full disclosure of any areas of potential conflict. At the beginning of each Board and Board committee meeting, members of the Board are invited to disclose their conflicts to any item on the agenda of that meeting so that the proper process as dictated by the Companies Act may be followed. The Company Secretary maintains a register of directors' interests and directors are also required to declare their interests annually in order to determine whether there are any conflicts with their duties and the interests of EOH. The directors have certified that they have no material interest in any transaction of any significance with the Company or any of its subsidiaries.

In line with our value of transparency, all employees and directors of the Company are expected to make a declaration of any perceived or actual conflict of interest when a gift or courtesy of significant value is accepted and to ensure a commitment and adherence to the Code of Conduct and relevant legislation.

DIRECTORS' INTERESTS IN EOH SHARES

It is not a requirement of the Company's MoI or the Board Charter that directors own shares in the Company. The shares held by the directors as at 31 July 2021 are disclosed on page 68 of the annual financial statements.

Trading in Company shares

EOH has a personal account dealing policy outlining the processes to be followed should directors and senior executives want to trade in Company shares. Directors and senior executives are prohibited from trading in EOH shares during closed periods, which commence on 1 February and 1 August each year and remain in force until the publication of the interim and final results respectively. Closed periods also include any period during which the Company trades under a cautionary announcement. The Company Secretary informs the Board, management and the entire employee population at the commencement and end of closed periods. All directors' trading in EOH shares require the prior approval of the Group CEO or Group Financial Director. No director can approve his own trading of EOH shares. The Group Compliance department retains a record

CORPORATE GOVERNANCE continued

of all such share dealings and dealings are published on SENS as required by terms of the JSE Listings Requirements.

WHISTLEBLOWING

EOH aims to create a climate where workplace concerns and irregularities including suspected fraud and corruption, can be reported by employees safely and without fear of retribution and victimisation. This is formalised in the Code of Ethics and other related governance policies.

EOH utilises the Expose IT app, which provides a secure, completely anonymous and confidential channel for employees, suppliers, customers and any other stakeholders to report concerns regarding wrongdoing at EOH. Reports received through the app will be monitored by an independent entity. The app is available on both Apple and Android.

A ZERO-TOLERANCE CORRUPTION AND BRIBERY POLICY

EOH has a zero-tolerance policy towards bad behaviour and unethical practices. The bidding process is governed through a joint bid compliance management process and only accredited third-party partners and suppliers are used. EOH has adopted the ISO 37001 (the International Standard on Anti-bribery and Corruption) standard and is aligning its processes with the standard. Third-party due diligence has been implemented for all new customer, supplier and partner on-boarding across the Group.

GROUP PERFORMANCE

The directors individually and collectively are responsible for realising the Group's strategic objectives and for managing risks and opportunities to ensure an ongoing sustainable business.

EOH's exco is responsible for working with the CEO to implement the strategies and policies of the Group. The Board oversees and monitors, with the support of its committees, the implementation and execution by management of the policies and procedures in order to ensure that the Group achieves its objectives.

The Group's business model incorporates the environmental, social and governance aspects of sustainability. Implementation is supported by formal policies governing environmental, corporate social investment, ethical and remuneration matters, all of which form key components of the value-creation process.

The Board is responsible for ensuring that the Group's reporting on its financial performance is reported fairly, with the assistance of the Audit Committee and the external auditor.

BUSINESS CONTINUITY AND RESILIENCE MANAGEMENT

The COVID-19 pandemic required EOH to reassess business continuity plans in place and make adjustments for full remote working. Lessons learnt from the pandemic will be analysed and continuous improvement made to our business continuity plans to ensure these plans are robust and fit-for-purpose.

EFFECTIVE CONTROL

The Board is responsible for governance and enterprise risk management and determines how risk is approached and addressed across the Group. The Audit Committee assists the Board by providing an independent and objective view on the Group's financial, accounting and control mechanisms. The Governance and Risk Committee assists with considering business risks and the mitigation of these risks as well as the Group's compliance with all relevant statutory and regulatory requirements.

The Board is also responsible for ensuring that the information and technology needs of the businesses are in place and effectively governed. The Information and Technology Committee assists in this regard.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, as well as prevent and detect material misstatement and loss. Management believes that a strong internal control environment is critical to the success of EOH. Management is aware of the material breakdowns in the control environment in the past and is working to remediate this. However, there is still significant room for improvements in the control environment, both from a design and effectiveness standpoint.

The Board, supported by the Audit Committee, approved the internal audit charter as well as the internal audit plan.

The internal audit function is carried out by the Company's internal audit department, with external expertise used where appropriate. An integrated risk-based approach guides the development of the internal audit allocation of resources as the third line of defence.

The process by which directors are selected and their performance regularly reviewed, ensures that the Board collectively has the necessary ethical culture, range of skills, technical knowledge and experience to perform effective oversight of the Group.

LEGITIMACY

EOH's systematic and integrated approach to stakeholder engagement aims to create the necessary channels to stay informed about stakeholders' key concerns and create transparency about the challenges the Group faces and progress in addressing these. The Board, through its committees, ensures that the interests of all stakeholders are addressed.

Our strategy aims to build greater confidence with all stakeholders through good governance, strong financial performance, transparency and increased disclosure. The Group's enhanced reporting framework defines the disclosure and reporting requirements to:

- stakeholders and regulators;
- external communication protocol;
- monitoring and reporting requirements of the Group in terms of report frequency, content coverage and audience/stakeholders;
- audit, risk and assurance escalation, reporting and disclosure requirements; and
- all remuneration practices in relation to directors and the executive.

REPUTATION AND BRAND MANAGEMENT

The EOH of the future is foremost committed to protect and promote its reputation and brand. A formal reputation and brand management strategy provides clear guidelines on building and retaining a strong brand. It covers the measures taken by EOH to avoid conflicts of interest and to train its employees accordingly. EOH's relationships with its vendors and suppliers are based on strong partnerships, transparency and ethical conduct.

CORPORATE GOVERNANCE continued

Attendance

The Board meets quarterly and on an ad hoc basis when considered necessary. Board meetings are convened by formal notice incorporating agendas and accompanied by background material relating to matters to be discussed at each meeting to enable the directors to prepare in advance.

	Board	Audit Committee	Risk and Governance Committee	Social and Ethics Committee	Remuneration and Nomination Committee	Technology and Information Committee	Asset Disposal and Strategic Acquisition Committee
Number of meetings	11	6	3	3	5	3	5
Executive directors							
Stephen van Coller (Group CEO)	11	6	3	3		3	5
Megan Pydigadu (Group CFO)	11	6	3	3		3	5
Fatima Newman (Group CRO)	11	6	3	3		3	
Non-executive directors							
Andrew Mthembu	10	6	3			3	5
Moretlo Molefi*	5			1	2	1	
Ismail Mamoojee*	6	4		1		1	
Jesmane Boggenpoel~	11	6	3			2	
Mike Bosman	11	6	3		5	3	5
Sipho Ngidi	11		3	3	5		
Andrew Marshall$~	10	2				2	5
Jabu Moleketi***#	10			2	3		
Bharti Harie**	6			2	3		
N Molope**#	5	2	2	2			

* *Resigned 20 January 2021*
** *Appointed 1 January 2021*
*** *Appointed 1 September 2020*
$ *Appointed to the ARC 20 January 2021*
~ *Appointed to the IT Committee 2 February 2021*
# *Appointed to the SAEC 2 February 2021*

REMUNERATION REPORT

BACKGROUND STATEMENT

Employee

Value Proposition and Remuneration philosophy

The Company's compelling Employee Value Proposition ('EVP') is a unique and comprehensive set of employer offerings that an employee receives in return for the skills, capabilities and experience they bring to the Company.

Through the Company EVP model, we seek to enable, grow (career and talent management), include (diversity and inclusion and engagement) and care (digital wellness) for our employees.

Performance management, recognition and reward form the cornerstone to enable our employees to experience success over the long term. It facilitates congruence between employee commitment to our organisation and other life commitments. We demonstrate fair and responsible pay and strive to demonstrate that the work of our employees is valued and appreciated.

The Company's remuneration philosophy ensures a comprehensive and transparent remuneration strategy that drives a high-performing culture by supporting the delivery of the business strategy aligned to shareholder value in a sustainable and ethical manner and optimising employee experience ('EX').

Our reward delivery model to enable employees:

	STRATEGIC	OPERATIONAL	MEASURES
Remuneration	Remuneration philosophy Pay equity	Grading Pay scales Remuneration framework	Competitive pay ratios Equal pay for work of equal value
Benefits	Holistic financial wellbeing and security for employees and families	Suite of products	Employee satisfaction survey
Recognition	Reward SOLVE behaviour	Recognition programmes	Employee satisfaction survey
Performance management	Reward high performers	Pay for performance	Pay versus performance curve

The Remuneration and Nomination Committee ('RemCo') is responsible for ensuring the Company's remuneration arrangements are fair, responsible and aligned with the interest of its shareholders.

In determining remuneration that will effectively achieve the goals of the remuneration policy and our human resource and Group strategy, we consider a range of internal and external factors. These include macro-economic conditions, Company performance, business and HR strategy, organisational culture, diversity and inclusion, industry performance and input from our stakeholders, particularly the votes of our shareholders on the remuneration policy and implementation report at the AGM.

The Company's approach to reward is holistic, with the remuneration policy and remuneration framework providing standardised remuneration governance structure in the Company that serves as a foundation to our employment ethos underpinned by the Company's strategy. The different operating entities in the Company have performance measures and incentives for employees that are relevant for the entity and the Company, aligning individual key performance indicators ('KPIs') with the overall achievement of business strategy.

The EOH Board is committed to engaging with shareholders in the event that the remuneration policy or implementation report, or both, are voted against by 25% or more of the votes exercised.

RemCo is satisfied that the remuneration policy, as further detailed in this report, achieved its objectives during the year.

Ongoing engagement with shareholders

At the AGM on 20 January 2021, the Company did not receive the requisite favourable 75% vote for the remuneration policy. The results of the voting at the previous two AGMs were as follows:

	20 January 2021		5 December 2019	
	For	**Against**	For	Against
Remuneration policy	**70.65%**	**29.35%**	34.64%	65.36%
Implementation report	**84.55%**	**15.45%**	34.64%	65.36%

REMUNERATION REPORT continued

During the 20 January 2021 AGM, shareholders voted as follows on the adoption of the EOH 2020 Share Plan and the authorisation to issue shares in terms of section 41(1) of the Companies Act in respect of the EOH 2020 Share Plan:

	20 January 2021	
	For	**Against**
Ordinary resolution number 6: Adoption of the 2020 EOH Share Plan	**73.57%**	**26.43%**
Special resolution number 3: Authorise the issue of shares in respect of the EOH 2020 Share Plan	**73.66%**	**26.34%**

As a consequence of not obtaining the requisite 75% vote for the remuneration policy and the authorisation to issue shares for the EOH 2020 Share Plan, the Chairman of the RemCo, together with the Company Financial Director and HR Director, engaged with shareholders to ascertain the reasons for dissenting votes against the adoption of the EOH 2020 Share Plan. As an outcome of the engagements, it was confirmed that the proposed EOH 2020 Share Plan lacked sufficient transparency on the performance targets and criteria, potential share dilution on settlement and malus and clawback principles.

In the context of the shareholder feedback and the Board's commitment to review employee retention schemes, Khokhela Remuneration Advisors was appointed to assist with the detailed review of the EOH 2020 Share Plan in conjunction with the Remuneration and Nomination Committee. In addition, Deloitte made recommendations regarding the net settlement methodology to minimise the dilution of shareholders on settlement of awards made in terms of the 2021 Share Plan and provided an opinion on the tax and accounting implications. The revised 2021 Share Plan will be put to shareholders for consideration and approval at the upcoming AGM and will be implemented should the requisite shareholder approval be obtained.

Based on its review of the Company and its key personnel, the RemCo considers Khokhela Remuneration Advisors and Deloitte to be independent and objective.

The Company remains committed to engaging with shareholders to seek and incorporate feedback as appropriate to refine and enhance remuneration practices and programmes on an ongoing basis, consistent with our corporate objectives and strategy.

Business performance and the impact on short-term incentives

Despite the management focus on the reputation risk dissipating, the Company has been faced with tough economic conditions. The NEXTEC business has undergone significant restructuring as well as assets held for sale, including some of its businesses being liquidated or in the process of being wound down given either their capital-intensive nature (projects in solar, rail, water, etc) or simply not core to the Group offerings and NEXTEC future strategy. As a consequence of the highlighted above, NEXTEC did not pay any short-term incentives. A solid base has now been established off which to grow and focus and improved financial performance is anticipated.

Remuneration key matters considered

In 2021, the RemCo considered and approved the following remuneration matters:

- Strengthen governance principles in the remuneration policy with reference to fair and responsible remuneration.
- Internal benchmarking and high-level pay inequalities to be addressed.
- External benchmarking and competitiveness.
- Internal pay scales and implementation strategy.
- Enhanced employee value proposition.
- Remuneration policies:
  - malus and clawback;
  - circumstantial pay;
  - travel and subsistence; and
  - voice and data policy.
- FY2022 salary increase principles and mandate.
- FY2021 short-term incentive awards.
- 2021 Share Plan salient features.

More information on the composition of the RemCo, attendance, other key areas of focus during the year, and focus areas for the year ahead are available in the Remuneration Committee report on page 101.

The Remuneration and Nomination Committee is satisfied that the remuneration policy, as further detailed in this report, achieved its objectives during the year.

REMUNERATION POLICY

The remuneration policy aims to support the achievement of business strategy, shareholder requirements, optimising employee experience ('EX') by attracting, rewarding, and retaining the best possible talent for the business. The policy ensures fairness and internal equity through a standardised remuneration governance structure that is applied to all remuneration elements and incentive-related practices and decisions. It aligns individual performance to business objectives and drives a high-performing business culture while ensuring that the remuneration framework aligns with industry benchmarks. In addition, the policy promotes an ethical culture and responsible corporate citizenship within all of the Company's activities and drives financial and non-financial business imperatives in a sustainable manner.

FAIR REMUNERATION

- Rational, objective and consistent
- Committed to addressing unfair and/or unjustifiable remuneration differentials
- Impartial, free from discrimination, self-interest, prejudice or favouritism

RESPONSIBLE REMUNERATION

- Approval of remuneration decisions by the appropriate authority
- Discourage inappropriate risk-taking
- Internal and external stakeholders are provided with evidence of the linkage between remuneration and value creation in the remuneration report
- Variable remuneration is contingent on and correlates with the achievement of set performance and value creation
- Performance metrics aligned with EOH's short, medium and long-term value creation and sustainability strategy

REMUNERATION REPORT continued

The Company's approach to fair and responsible remuneration

Remuneration across the Company is designed to reward within the income range associated with the applicable job profile and in accordance with market trends, qualifications, experience, knowledge, and performance of the employee. Remuneration is structured in a manner that is fair and responsible and takes into account levels of responsibility, accountability, competencies, institutional IP, performance and scarcity of skills.

The Company uses salary benchmarks to determine market relatedness. Annual benchmarking is conducted against comparable firms in the market to assess market competitiveness and forms a primary input into the annual salary review process, which is, in all instances, subject to affordability and the sustainability of the Company's remuneration practices.

Salaries are reviewed each year in the context of macro-economic factors, including consumer price index, market and trading conditions, skills shortages in specific areas, and salary surveys/benchmarks. Increases are considered based on market information, organisational performance, affordability, and changes in scope and roles. Increases are recommended by business unit leaders and approved by the Line of Business CEO, with line of sight provided to the Company CEO.

The Company CEO, CFO, and CRO are employed in executive employment contracts with a notice period of three months. All directors sign restraints of trade agreements for a minimum period of 12 months following their resignations as directors. There are no obligations in the executive employment contracts that give rise to payments on termination of employment or office.

We measure performance against our strategic objectives by monitoring predefined KPAs on a bi-annual basis. Performance is weighted by occupational level for KPA.

KPA	Executive	Senior management	Middle management	Junior management/ skilled	Semi-skilled/ unskilled
Business	50%	40%	30%	20%	20%
People	25%	35%	35%	20%	0%
Individual	25%	25%	35%	60%	80%

A malus and clawback policy has been approved and implemented. This policy is designed to give the RemCo the ability to adjust or clawback any incentives paid as part of short or long-term incentives as a result of a breach of a material obligation such as a material misstatement of financials or a breach of the code of conduct that gives rise to reputational damage or legal action.

The full remuneration policy will be made available on our website at www.eoh.co.za, once the EOH 2021 Share Plan has been approved and the remuneration policy has been updated accordingly.

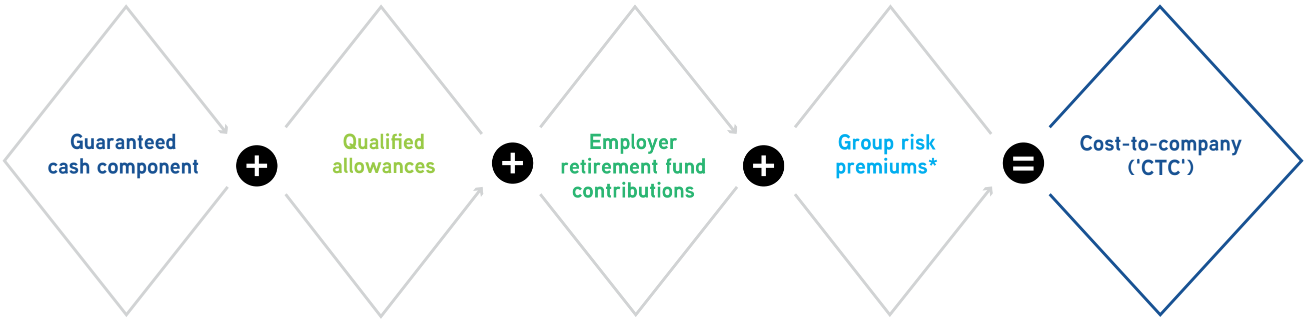
Total remuneration

Total remuneration comprises the sum of:

- guaranteed fixed remuneration;
- short-term incentives (STIs); and
- long-term incentives (LTIs).

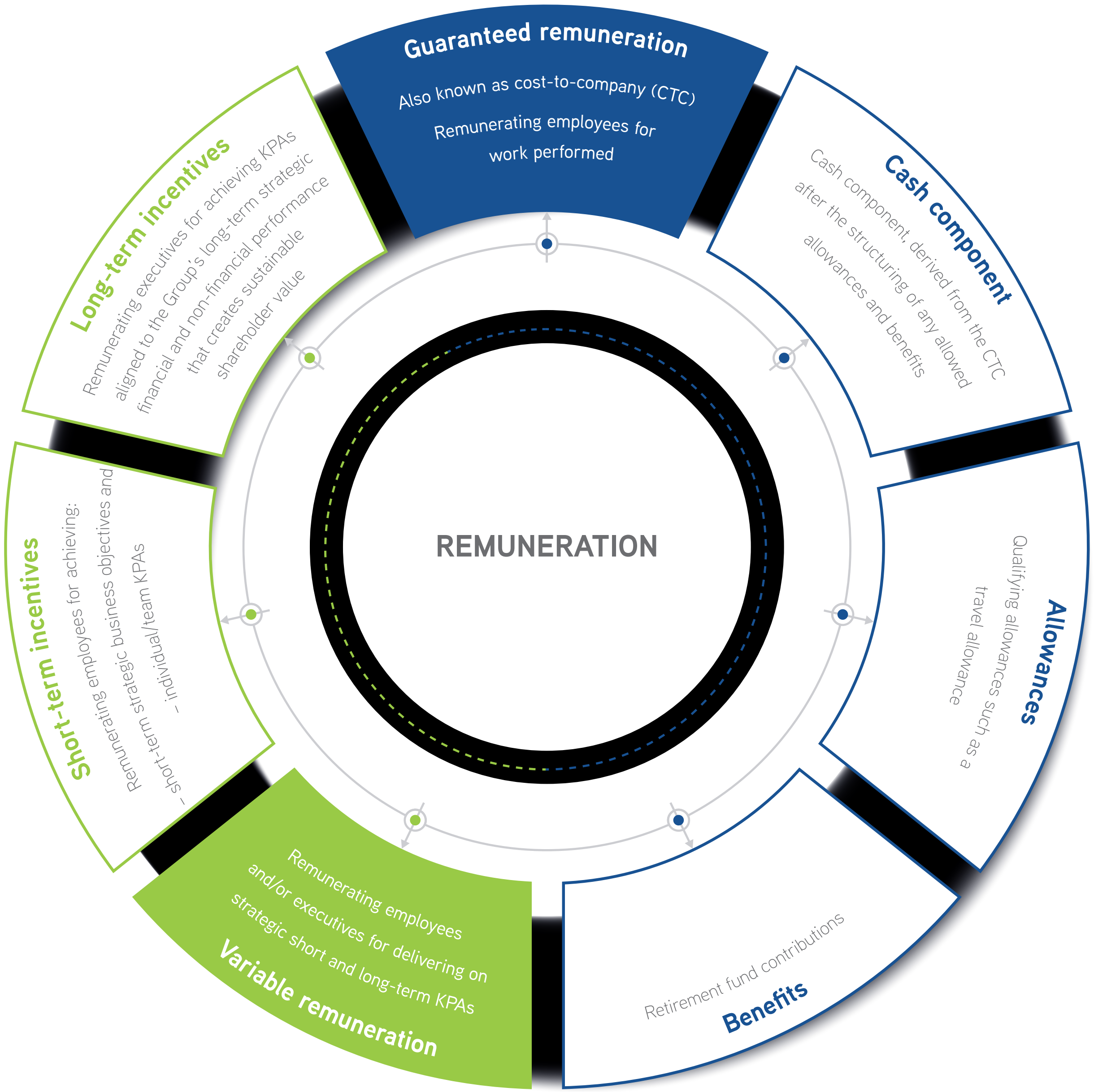
Guaranteed package

The Company's cost-to-company approach provides employees with flexibility and choice regarding compulsory benefits. The cost-to-company structure includes:



* *Ring-fenced schemes may have different arrangements*

REMUNERATION REPORT continued



Cost-to-company is guaranteed and usually paid irrespective of Group performance. The Company seeks to offer competitive remuneration relative to its peers, and internal pay scale medians are set at or close to the local market median as possible but consider affordability.

To ensure aligned and suitable remuneration competitiveness, a review of salaries is conducted annually, taking into account an employee's performance, positioning in the salary scale and pay equity. Annual increase guidelines are presented to the RemCo for review and signoff, and any resultant increase is effective from 1 August each year.

Pay positioning above the maximum of the internal scale may apply for those who hold scarce and critical skills. A market premium or allowance is paid for skills in absolute demand in the Company. As business evolves and skills requirements or availability may change, critical jobs and scarce skills are reviewed annually.

In rare instances, below-median remuneration is provided for people who display high-performance but are new to their role and still need to grow fully into the role.

Total pay mix

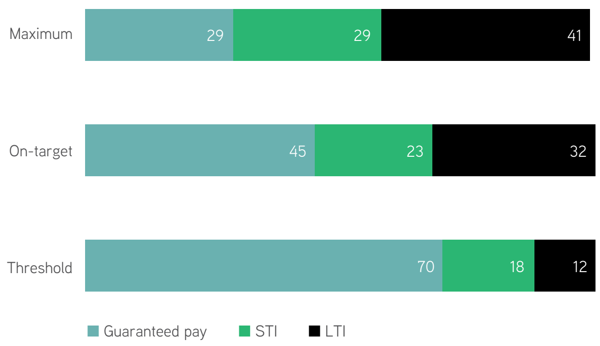
A market-related pay mix is assigned to each job grade and split into guaranteed, STI and LTI elements. The ultimate aim of the pay mix is to find the best pay mix that will enable the recruitment and retention of talent while meeting the Company's economic performance objectives.

The STI and LTI percentage by job grade is inter alia dependent on the line of sight, influence, and accountability. LTIs are generally equity-settled but can be cash-settled with the approval of the RemCo, while STIs are generally cash-settled.

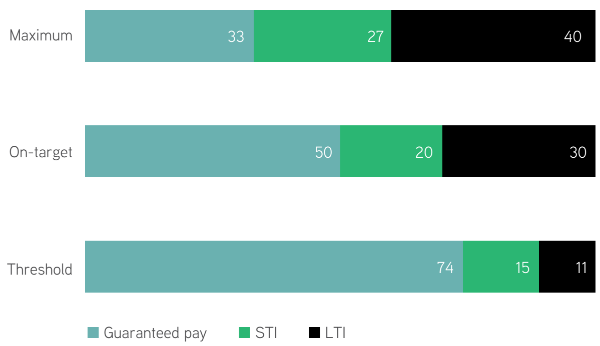
Set out below is the targeted pay mix for Executive Directors under threshold, target and stretch/maximum performance.

REMUNERATION REPORT continued

Chief Executive Officer (%)



Chief Financial Officer and Chief Risk Officer (%)



* *Please note: LTI has reference to the expected % of Annual CTC on vesting as per the proposed 2021 Share Plan given an estimated share price and CTC.*

Short-term incentives (STI plan)

The short-term incentive plan is designed to reward eligible employees for achievement against pre-determined KPAs during the year. It reinforces the alignment of individual KPIs with the overall achievement of the business strategy. Divisional executives, senior managers, and key employees may be selected by the EOH Board to be participants in the STI.

KPA targets for the STI Plan are as follows, subject to the Governance, Risk and Compliance modifier:

EBIT achievement	Debtors' days and cash conversion	Transformation of business (bonus impact measurement)
Divisional and Line of Business earnings before interest and tax (EBIT) incentives are calculated from 80% of target to target on a linear basis. Above target, incentives are calculated on a pro rata basis and capped at 150%. The cap applied remains at the sole discretion of the Company, and where necessary, Group executive management's discretion will be applied. Below 80% of the target, no bonus is payable.	At least 80% of the budgeted EBIT number must be achieved before payment against debtors' days and cash conversion is made. Debtors' days incentives include work in progress and revenue accruals. Incentives are calculated from target days + 10 days to 50% of target days on a pro rata basis. At the targeted debtors' days + 10 days, no incentive is paid, while improving debtors' days to 50% of the target achieves a 200% incentive. Cash conversion incentives are calculated from 100% on a linear basis to the cap at 150%. The cash conversion is calculated by dividing the cash generated from operations by EBITDA. A cash conversion tracker will be made available in a Qlik App (business information reporting tool) to determine achievement at the relevant level during the year.	The transformation score of the relevant line of business/cluster is treated as a bonus impact measurement for the financial year. The score is calculated based on the percentage of black (African, Coloured and Indian) employees of the total line of business/cluster headcount. Should the agreed transformation target not be met, a 10% deduction is applied to the overall incentive payable. No additional incentive payment in lieu of overachievement of the agreed targets will be payable. Consideration will be given to any impact on business due to potential selective rightsizing, sales of businesses, inter-company staff transfers, etc, which could have a direct impact on the targets as communicated. These instances will be reviewed on an individual basis, and Group executive discretion will be applied.

Executive Directors

Based on outcomes required by Board, the following FY2021 key performance areas were agreed upon for the Executive Directors:

REMUNERATION REPORT continued

Key performance areas (KPA)		Chief Financial Officer	Chief Risk Officer	Chief Executive Officer	Chief Financial Officer	Chief Risk Officer	Chief Executive Officer	Note
					KPA weighting (%)			
Financial performance	Refinance the debt and stabilise the capital structure by 31 July 2021 in prevention of over-indebtedness	√		√	40	20	40	
	Meet the normalised EBITDA and PAT targets as budgeted for 2021	√	√	√				
Business sustainability	Significant progress in consolidating and simplifying divisions in the Group	√	√	√	20	20	20	
	Finalise the disposal plan in line with the capital structure requirements and market conditions	√		√				
	Significant progress on implementation of the new ERP system	√		√				
	The order to cash and procure to pay processes have been mapped and have agreement and sign off by business	√		√				
	Complete the cash pooling arrangements	√		√				
	Unqualified audit opinion	√	√	√				
	Significant progress on getting tax filings and AFS up to date	√		√				
Social goals	Improve race and gender profile expressed in levels of seniority and remuneration status	√		√	20	30	20	1
	Improve race and gender profile based on an approved transformation plan		√	√				
	Complete an approved transformation plan for the business	√		√				
	Progress demonstrated on implementation of HRaaS		√	√				
	Show improved performance 10% year-on-year against FY2020 baseline EVP results	√	√	√				
	Succession planning in place across the organisation	√	√	√				
	Learning and Development EVP plan approved and implementation on track		√	√				
	CSI plan approved and implementation on track	√	√	√				
Governance and risk	90% completion on training and declarations	√	√	√	20	30	20	2
	Improvement shown on critical risk items identified		√	√				
	Accurate and timeous close out on audit findings	√	√	√				
	Accurate and timeous close out on Risk Committee actions	√	√	√				
	Accurate and timeous close out on Social and Ethics Committee actions	√	√	√				
Total					100	100	100	

Notes

[1] *Chief Executive Officer: Split 10% EOH and 10% finance team*
Chief Risk Officer: Split 15% EOH and 15% CRO team

[2] *Chief Executive Officer: Split 10% EOH and 10% finance team*
Chief Risk Officer: Split 15% EOH and 15% CRO team

Targets are set at threshold (80%), on-target (100%) and stretched (120%) and will be applicable on each KPA and will be tallied per KPA to give the average achievement.

REMUNERATION REPORT continued

Governance, Risk and Compliance modifier

In line with good governance and corporate processes, employees must meet the following requirements, or no incentive is payable:

1. Full compliance to all Company policies ensured within the employee's business area, including bid processes, disclosures, and signoff requirements. A final determination is made by the Company CEO and CRO regarding policy non-compliance based on the degree of negligence/wilful blindness by the employee, taking into account any appropriate remediation taken by the employee to intervene or stop negligence or non-policy compliance by the relevant employee or other employees, where applicable.
2. All GRC compulsory training completed on time in the relevant LMS Portal, including those of direct employees (where applicable).
3. All attestations completed and updated on the GRC portal, including those of direct employees (where applicable).

STI quantum (potential)

Employees in the STI Plan qualify for a percentage of their annual cost-to-company depending on the weighted KPI scoring in accordance with the performance metrics and the remuneration framework.

Payments in respect of an on-target incentive that have passed the GRC modifier are subject to overall EOH business performance and RemCo approval. In addition, the employee:

- must be in the employ of the Company at the time that the incentive falls due for payment;
- must not be subject to any disciplinary action, misconduct, or forensic investigation;
- must not be subject to any enquiry relating to poor work performance; and
- must not have had their employment terminated or be in the process of serving their notice period.

Long-term incentive plan (LTI)

The LTI aims to align divisional executives and management with the interests of the Company, to attract, retain, motivate and reward excellent performance by employees who are able to influence the performance of members of the EOH Group or divisions on the basis that aligns their interests with those of EOH shareholders and the business's strategy. The LTIP is available to divisional executives, senior managers and key employees selected by the EOH Board to be participants in the LTIP.

Current retention schemes FY2021

The Company currently has three share schemes, the EOH Holding Company Share Participation Scheme (EOH Share Trust), the Mthombo Trust and the Share Ownership Plan 2018 (2018 SOP).

The EOH Share Trust

The scheme is governed by a trust deed approved by shareholders and is a registered Schedule 14 Share Trust approved by the JSE Limited. The primary objective of the share trust is to retain highly skilled and talented individuals and share options are only issued to high-performing individuals based on their contribution to the Company.

Under the EOH Share Trust terms, up to 18 million shares are reserved for share options, which are equity-settled. The option strike price is the share price on the trading day immediately preceding the date on which share options are offered, less a 40% discount. The share options vest in four equal annual tranches, with the first tranche of 25% vesting two years after the initial grant date. The next 25% vest after three years, 25% after four years, and the final 25% after year five. Vested share options will lapse 10 years after the grant date. Should an employee leave EOH, their unvested share options are forfeited.

The last award made by the EOH Share Trust was in October 2018 and is expected to complete vesting in 2023. The EOH Share Trust will not form part of the future remuneration structure and will be terminated once the last award vests.

The Mthombo Trust

The scheme is governed by a trust deed approved by shareholders and is a registered Schedule 14 Share Trust approved by the JSE Limited. It is a B-BBEE scheme introduced to promote black economic transformation, with the only participants being qualifying EOH employees. The option strike price is the share price on the trading day immediately preceding the date when share options are offered less than a 40% discount.

The share options vest in three tranches, with the first tranche of 33.3% vesting three years after the initial grant date, 33.3% after four years, and the final 33.4% after year five. Vested share options will lapse eight years after the grant date if not exercised. Should an employee leave EOH, their unvested share options are forfeited.

The last active awards are expected to conclude vesting in FY2022. The Mthombo Trust is not likely to form part of the future remuneration structure.

The 2018 Share Ownership Plan (2018 SOP)

During FY2018, the Company reviewed the two existing share option schemes, considering the context of local and global practice, shareholder feedback, and the pressing need to attract, retain, and engage critical talent. The outcome of this process was the 2018 SOP, which replaced the EOH Share Trust scheme as the Company's primary long-term incentive plan. The key objectives of this change were to ensure the attraction and retention of key individuals in the Company, to enable a sustainable succession planning strategy and to foster better alignment between executives, staff and shareholders.

The 2018 SOP provides employees with the opportunity of receiving shares in the Company through the award of conditional rights to shares, which vest over a period determined by the RemCo, usually with the first tranche of 25% vesting two years after the initial grant date, 25% after three years, 25% after four years and 25% after year five. These awards are subject to continued employment and the achievement of Company performance conditions, where applicable. All awards to Executive Directors and prescribed officers made in terms of the 2018 SOP are subject to appropriate Company performance conditions as determined by the RemCo and disclosed annually in the remuneration report.

REMUNERATION REPORT continued

Shares to settle 2018 SOP awards will be purchased in the market with no new shares to be issued for settlement; the scheme has no dilutionary impact on shareholders. The RemCo has the authority to direct that an award be cash-settled by making payment of the value of the vested shares. Compared to the previous share option plan, the 2018 SOP awards are less volatile and dilutive and more aligned with the creation of shareholder value (share price growth and dividends).

The 2018 SOP was used as follows:

Awards of conditional shares were made to employees with unvested options under the EOH Share Trust and the Mthombo Trust to address immediate retention risks caused by the fall in the Company's share price by offering to replace employees' unvested options on a fair value exchange basis. Top-up awards were also granted to selected employees on a once-off basis. The 2018 SOP was also used to make annual awards to employees in line with market benchmarks.

During FY2020, shares were allocated under the scheme to employees whose salaries were reduced by 25% for three months to manage the Company's liquidity and sustainability due to COVID-19.

The proposed EOH 2021 Share Plan (Share Plan)

Following the review of the Company's existing incentive schemes and the previously proposed EOH 2020 Share Plan, a new conditional performance share plan has been designed, which will be adopted subject to shareholder approval at the AGM on 2 December 2021.

EOH's remuneration policy governs awards to eligible employees and remuneration framework taking into consideration, inter alia, an employee's status, role, current remuneration, and the desired pay mix at vesting for on-target performance. The malus and clawback policy gives the Remuneration and Nomination Committee the ability the ability to adjust or clawback any incentives paid as part of STI or LTI as a result of a breach of a material obligation

In summary, the salient features of the proposed Share Plan are set out below:

Salient feature	Description
Eligibility	At RemCo's discretion, any executive, senior manager, manager and/or key employee of any employer company, including any Executive Director holding salaried employment or office, may be elected to participate in the Share Plan.
Target setting	* *Performance share vesting matrix:* Below threshold – 0% Threshold – 25% On-target – 100% Stretch – capped at 200% * *Percentages for vesting are based on the desired (market) pay mix at vesting. Quantum awarded is a % of the cost-to-company which will result in the desired pay mix at vesting for on-target performance*
Performance criteria	The performance criteria to govern the vesting will be determined annually for each award. The RemCo, in consultation with the Board, will set appropriate performance conditions and performance periods, as relevant, for each performance award, taking into account the business environment at the time of making the award. The following performance criteria for FY2022 will apply: Return on Invested Capital ('RoIC') (25% weighted): The weighted average cost of capital ('WACC') WACC + 0% for threshold for threshold, WACC + 4% for target and WACC + 6% for stretch. Targeted real growth in Headline Earnings per Share ('HEPS') (25% weighted): CPI + 7.4% threshold, CPI + 8.4% target and CPI + 10.4% for stretch. Earnings before interest, taxes, depreciation and amortisation ('EBITDA') cash conversion ratio, adjusted for legacy payments (25% weighted): 70% threshold; 80% for target and 90% for stretch. Skills development (10% weighted): 16 points threshold; 18 points target and 20 points stretch. Transformation (15% weighted): 15 points threshold, 16 points target and 17 points stretch. As an overarching performance condition aligned to good governance, all compulsory Group risk and compliance training and attestation should be completed.
Performance period	Not earlier than three years from the award date.

REMUNERATION REPORT continued

Salient feature	Description
Targeted pay mix on vesting	As a % of annual guaranteed remuneration on vesting: Chief Executive Officer: 17.5% (Threshold); 70% (On-target); and 140% (Stretch). Chief Financial and Chief Risk Officer: 15% (Threshold); 60% (On-target); and 120% (Stretch). Other exco members: 12.5% (Threshold); 50% (On-target); and 100% (Stretch).
Dividends rights	Awards have rights to dividend equivalents on vesting and is an amount equal to the normal dividends that the Company would have paid in respect of each share during the period from the award date to the vesting date multiplied by the number of vested shares. RemCo, has the prerogative to determine the manner of settlement of the dividend equivalents, ie whether to settle in cash equal to the number of shares.
Settlement	Net settlement method

The settlement of vested shares is envisaged to be net settled in equity, although the Share Plan does allow for either equity or cash settlement at the RemCo's discretion. Equity settlement can be via allotment and issue of new shares, the allocation of treasury shares, or the acquisition of shares in the open market on behalf of participants. RemCo's selection of the settlement method together with the net settlement method will aim to minimise equity dilution when settling the Share Plan as far as possible.

The maximum number of shares in aggregate to be acquired by participants over the duration of the Share Plan is not to exceed 8.8 million shares, currently representing approximately 5% of EOH's issued share capital, and for any one participant, not to exceed 1.7 million shares, currently representing approximately 1% of the issued share capital.

REMUNERATION REPORT continued

Termination of employment

Treatment of benefits under the proposed scheme in the event of termination of employment depends on whether the termination is a 'no-fault' or 'fault' termination, as shown in the table below.

Definition	No-fault termination	Fault termination
	No-fault termination is the termination of employment of a participant by reason of: • death; • injury, disability or ill health, in each case as certified by a qualified medical practitioner nominated by the relevant employer company; • dismissal based on operational requirements as contemplated in the Labour Relations Act 66 of 1995; and • disinvestment of the employer company or retirement on or after the retirement date. In addition, the Company may, in its sole and absolute discretion, determine at the relevant time a specific reason/s that constitute/s 'no-fault determination'.	Fault termination of employment by reason of: • misconduct; • poor performance; and • other dismissible offence; or • resignation by the participant.
Benefits in terms of the conditional performance shares	Performance shares will be prorated for the time period until the termination date and be further adjusted by a performance factor, which RemCo in its discretion apply relating to EOH's performance as at the termination date.	All conditional performance shares will be forfeited.

Malus and clawback

To further align the interest of shareholders, a formal malus and clawback policy was approved and adopted in July 2021 and applied to all incentives in the Company. The right to invoke clawback is applicable for a period of two years after the payment of any STI or settlement of any LTI awards.

The RemCo, in its discretion, shall be entitled to recoup settled and/or paid incentives (clawback) in full or part of and reduce or cancel any unpaid, unvested and unsettled incentives (malus) when trigger event(s) occur. A trigger event is an incident or action of an employee that impacted negatively on or caused reputational damage to the Company, such as:

- there has been misbehaviour or material error by a participating employee or where the actions or conduct of an employee, in the reasonable opinion of the RemCo, have resulted in reputational damage to the Company;
- the Company suffers a material downturn in financial performance or a material failure of risk management;
- awards have been based on misleading statements and/or material misstatements of the Company's financial results, or information arises which would have caused benefits to lapse or would have resulted in the RemCo exercising its discretion differently had the information been known at the time;
- the Company has suffered a material financial loss as a result of actions or circumstances attributable directly to an employee or which could have been avoidable by the reasonable actions of an employee;
- an act or omission of a participant, which in the reasonable opinion of the RemCo amounts to serious misconduct;
- an event or behaviour involving, or attributable to, a participant (and, for the avoidance of doubt, any previous participant who has received an award in the past and has received any shares or cash as a result of such past award which has led or may reasonably lead to censure under laws, regulations or rules of any stock exchange or other applicable regulatory authority applicable to any Group entity; and/or
- RemCo, at its discretion, deems it necessary to apply malus and clawback

Non-executive Director remuneration

Non-executive Directors sign engagement letters with the Company, which set out their duties and remuneration terms. The term of office of Non-executive Directors is governed by the MoI, which provides that one-third of directors retire by rotation.

The remuneration of Non-executive Directors is based on proposals from RemCo, which are submitted to the Board for approval. The committee annually reviews Non-executive Director remuneration and makes recommendations to the Board for approval which is subsequently tabled at the AGM for approval.

The fees of the Non-executive Directors are considered annually and determined in light of market best practices and with reference to the commitment and responsibilities associated with the role. Each non-executive Board member receives a fixed annual retainer and fixed fee per meeting. An additional hourly fee is paid for unscheduled meetings if the meeting lasts less than three hours, or a full meeting fee if the meeting lasts longer than three hours (excluding the chairperson and the lead independent Non-executive Director). The Non-executive Directors' remuneration is paid quarterly in arrears.

Expenses, such as travel and accommodation in relation to normal Board activities, as well as any relevant training, are reimbursed.

There are no post-retirement benefits for Non-executive Directors.

REMUNERATION REPORT continued

IMPLEMENTATION REPORT

The implementation report details the outcome of implementing the approved remuneration policy and framework during the year under review. The remuneration policy and framework were implemented across the Company at all levels, rewarding excellent performance to ensure the retention of key talent and high performers while appropriately addressing poor performance.

Remuneration disclosure of the Chief Executive Officer ('CEO'), Chief Financial Officer ('CFO'), Chief Risk Officer ('CRO') and Non-executive Directors' remuneration:

Executive Directors

2021 guaranteed pay

The independent benchmark data obtained from 21st Century in October 2020 for the Chief Executive Officer's guaranteed remuneration, STI and LTI were considered.

The benchmark was based on the following organisation parameters:

- the type of organisation (industry and structure);
- financial parameters;
- number of employees;
- number of core businesses; and
- the number of locations and geographical areas operated in.

Further benchmark data obtained from the Willis Towers Watson Executive Compensation Multi-Nationals Customer Executive survey and the High-Tech Willis Towers Watson industry-specific survey was also considered.

It should be noted that the CEO has received no value from the LTI schemes in FY2020 and, from a retention perspective, an increase in guaranteed pay in FY2021 was inevitable. The Executive Directors were brought in to salvage a business in serious distress. At the time of the appointment of Stephen van Coller (CEO), there was no sign of the corruption and extent of the actual issues at the time.

In light of the benchmark analysis done, the retention risk with the FY2021 STI potential reduction between 35% – 49%, the Board and RemCo approved the following salary increases on fixed remuneration for the Executive directors:

Executive Director	2020	**2021**
Stephen van Coller (CEO)	R8 000 000	**R10 000 000**
Megan Pydigadu (CFO)	R4 500 000	**R6 750 000**
Fatima Newman (CRO)	R4 100 000	**R6 150 000**

2021 STI performance and pay

In accordance with the malus/clawback clause set out in the remuneration policy, any incentive will be subject to the executive guaranteeing and undertaking that they have not been involved personally, whether directly or indirectly, nor involved EOH in any incident or action that might impact negatively or cause reputational damage to the Group. All incentives are subject to the provisions as set out on the malus and clawback policy.

Taking into account the market benchmarks values and increase on guaranteed remuneration, the following on-target STI potential was awarded and approved by the Board and RemCo:

Executive Director	2020	**2021**
Stephen van Coller (CEO)	R7 000 000*	**R4 539 000**
Megan Pydigadu (CFO)	R4 000 000	**R2 049 000**
Fatima Newman (CRO)	R4 000 000	**R2 030 000**

* *The R7 000 000 STI award was divided into R4 000 000 cash incentive and a R3 000 000 performance-linked STI. Stephen van Coller achieved the set performance targets to qualify for 100% of the R3 000 000 performance STI award but opted not to take the award*

Targets are set at threshold (80%), on-target (100%) and stretched (120%) and will be applicable on each KPA and tallied per KPA to give the average achievement.

REMUNERATION REPORT continued

The graph below shows the extent to which the Executive Directors met the performance measures for FY2021:

Stephen van Coller (CEO)

Key performance area (KPA)	KPA weighting (%)	Award opportunity (R'000)	% achievement (rounded)	STI award (R'000)
Financial performance	40	2 000	80	1 600
Business sustainability	20	1 000	91	914
Social goals	20	1 000	103	1 025
Governance and risk	20	1 000	100	1 000
Total	100	5 000		4 539

Megan Pydigadu (CFO)

Key performance area (KPA)	KPA weighting (%)	Award opportunity (R'000)	% achievement (rounded)	STI award (R'000)
Financial performance	40	900	80	720
Business sustainability	20	450	91	411
Social goals	20	450	104	468
Governance and risk	20	450	100	450
Total	100	2 250		2 049

Fatima Newman (CRO)

Key performance area (KPA)	KPA weighting (%)	Award opportunity (R'000)	% achievement (rounded)	STI award (R'000)
Financial performance	20	410	80	328
Business sustainability	20	410	110	451
Social goals	30	615	103	636
Governance and risk	30	615	100	615
Total	100	2 050		2 030

2021 LTI performance and pay

Stephen van Coller (CEO)

On joining EOH as CEO in 3 September 2018, Stephen van Coller was awarded 1 000 000 share options through The EOH Share Trust at a strike price of R19. At the time the employment contract was concluded, Stephen van Coller was faced with a business in distress as a result of unresolved corruption issues, which led to the EOH share price dropping significantly. It is estimated that the realisable value of the 1 000 000 share options over the next two years will have a zero value.

During FY2020, 452 830 conditional performance shares were awarded on 19 December 2019 at a price of R13.25 per share. These shares vest in four equal tranches equally on 1 August 2021, 2022, 2023 and 2024, respectively, based on continued employment and share price performance on each vesting date.

During FY2021, no awards were made as the award was subject to the approval of the EOH 2020 Share Plan. Unfortunately, the requisite 75% vote for the remuneration report and the authorisation to issue shares for the EOH 2020 Share Plan was not obtained. If the EOH 2020 Share Plan were approved, performance shares with a face value of R6 600 000 would have been awarded.

Megan Pydigadu (CFO)

Megan Pydigadu was awarded 62 021 share options on joining EOH as CFO in FY2019, which were granted on 15 January 2019. These shares will vest in four equal tranches on 15 January 2021, 2022, 2023, and 2024 respectively, and consequently, 15 501 shares vested in FY2021.

During FY2021, no share award was made as the award was subject to the approval of the EOH 2020 Share Plan. If the EOH 2020 Share Plan were approved, performance shares with a face value of R3 000 000 would have been awarded.

Fatima Newman (CRO)

During FY2021, no share award was made as the award was subject to the approval of the EOH 2020 Share Plan. If the EOH 2020 Share Plan were approved, performance shares with a face value of R3 000 000 would have been awarded.

REMUNERATION REPORT continued

Unvested awards and cash flow

				Number of options/shares						
Executive Directors	Scheme	Award date	Opening balance on 1 August 2020	Granted during FY2021	Vested during FY2021	Vesting after FY2021	Forfeited during FY2021	Exercised during FY2021	Closing balance on 31 July 2021	Fair value on 31 July 2021
Stephen van Coller	Share Trust*	13 November 2018	1 000 000		250 000	750 000			1 000 000	–
	Share Ownership Plan**	19 December 2019	452 830			452 830			452 830	R2 943 395
Subtotal			1 452 830		250 000	1 202 830			1 452 830	R2 943 395
Megan Pydigadu	Share Ownership Plan**	15 January 2019	62 021		15 505	46 516		15 505	46 516	R302 352
Subtotal			62 021		15 505	46 516			46 516	R302 352
Total			1 514 851	–	265 505	1 249 346	–		1 499 346	R3 245 747

* *The EOH Share Trust*
** *The 2018 Share Ownership Plan (2018 SOP)*

No payments were made on termination of employment or office during the year.

Tables of FY2021 single total figure of remuneration

Stephen van Coller (appointed 1 September 2018)

Awarded for 2021

	R'000	2020	2021
1	Fixed remuneration	8 000 000	10 000 000
2	COVID-19 salary adjustments	(500 000)	
	TERS payment		6 638
	Short-term incentives (STI)	7 000 000	5 000 000
	STI (non-performance-related)	4 000 000	
3	STI (performance-related)*	3 000 000	5 000 000
4	LTI awarded	6 000 000	
	Other salary expenses allowed	62 240	
	Total reward	20 562 240	15 006 638

Single figure remuneration for 2021

	R'000	2020	2021
1	Fixed remuneration	8 000 000	10 000 000
2	COVID-19 salary adjustments	(500 000)	–
	TERS payment		6 638
	Short-term incentives (STI)	4 000 000	4 539 000
	STI (non-performance-related)	4 000 000	
3	STI (performance-related)*		4 539 000
5	LTI vested	–	
	Other salary expenses allowed	62 240	
	Total reward	11 562 240	14 545 638

* *R3 000 000 performance-related STI in FY2020 was earned and approved by the Board but was declined by the Group CEO*
1 *Cost-to-company, which includes a guaranteed fixed salary and benefits*
2 *Pay cut*
3 *STI payable FY2021, which is derived from the performance for the year ended 31 July 2021, subject to Board approval*
4 *On 13 November 2018, 1 000 000 share options were awarded at a strike price of R19.00*
On 19 December 2019, 452 830 shares were awarded at a price of R13.25 per share
5 *On 13 November 2020, 250 000 share options were exercisable. As the strike price was R19.00 per option, the realisable value was zero*
On 1 August 2021, 113 208 shares are scheduled to vest and will be disclosed in the FY2022 remuneration report

REMUNERATION REPORT continued

Megan Pydigadu (appointed 15 January 2019)

	Awarded for 2021 R'000	2020	2021		Single figure remuneration for 2021 R'000	2020	2021
1	Fixed remuneration	4 500 000	**6 750 000**	1	Fixed remuneration	4 500 000	**6 750 000**
2	COVID-19 salary adjustments	(281 250)	**–**	2	COVID-19 salary adjustments	(281 250)	**–**
	TERS payment	–	**6 638**		TERS payment	–	**6 638**
	Short-term incentives (STI)	4 000 000	**2 250 000**		Short-term incentives (STI)	4 000 000	**2 049 000**
	STI (non-performance-related)	2 000 000			STI (non-performance-related)	2 000 000	**–**
3	STI (performance-related)	2 000 000	**2 250 000**	3	STI (performance-related)	2 000 000	**2 049 000**
	LTI awarded	–	**–**	4	LTI vested	–	**144 197**
	Other salary expenses allowed	52 645	**–**		Other salary expenses allowed	52 645	**–**
	Total reward	8 271 395	**9 006 638**		**Total reward**	8 271 395	**8 949 835**

1 *Cost-to-company, which includes a guaranteed fixed salary and benefits*
2 *Pay cut*
3 *STI payable FY2021, which is derived from the performance for the year ended 31 July 2021, subject to Board approval*
4 *On 15 January 2021, 15 505 shares vested at a share price of R8.30*

Fatima Newman (appointed 31 July 2019)

	Awarded for 2021 R'000	2020	2021		Single figure remuneration for 2021 R'000	2020	2021
1	Fixed remuneration	4 100 000	**6 150 000**	1	Fixed remuneration	4 100 000	**6 150 000**
2	COVID-19 salary adjustments	(256 250)	**–**	2	COVID-19 salary adjustments	(256 250)	**–**
	TERS payment	–	**6 638**		TERS payment	–	**6 638**
	Short-term incentives (STI)	4 000 000	**2 050 000**		Short-term incentives (STI)	4 000 000	**2 030 000**
	STI (non-performance-related)	2 000 000	**–**		STI (non-performance-related)	2 000 000	
3	STI (performance-related)	2 000 000	**2 050 000**	3	STI (performance-related)	2 000 000	**2 030 000**
	LTI awarded	–	**–**		LTI vested	–	**–**
	Other salary expenses allowed	6 762	**–**		Other salary expenses allowed	6 762	**–**
	Total reward	7 850 512	**8 206 638**		**Total reward**	7 850 512	**8 186 638**

1 *Cost-to-company, which includes a guaranteed fixed salary and benefits*
2 *Pay cut*
3 *STI payable FY2021, which is derived from the performance for the year ended 31 July 2021, subject to Board approval*

REMUNERATION REPORT continued

Non-executive Director fees

Non-executive Director fees are reviewed by the RemCo and the Board and proposed to shareholders for approval at the AGM. Fees paid to Non-executive Directors during 2021 are shown in the table below, and the proposed fees for FY2022 are set out in the notice of the AGM.

	Directors' fees FY2021 (R'000)	Directors' fees FY2020 (R'000)
Sipho Ngidi (appointed 20 February 2020)	**883**	522
Xolani Mkhwanazi (deceased 4 January 2020)	**–**	333
Jesmane Boggenpoel	**850**	1 360
Ismail Mamoojee (resigned 20 January 2021)	**403**	1 389
Moretlo Molefi (resigned 20 January 2021)	**186**	1 019
Anushka Bogdanov (resigned 28 July 2020)	**–**	1 004
Andrew Mthembu (Chairman)	**1 200**	1 265
Mike Bosman	**1 220**	1 594
Andrew Marshall (appointed 21 May 2020)	**758**	139
Jabu Moleketi (appointed 1 September 2020)	**543**	–
Nosipho Molope (appointed 1 January 2021)	**499**	–
Bharti Harie (appointed 1 January 2021)	**504**	–

Note: Extraordinary Board and/or committee meetings were held during FY2021 which impacted the above Directors' fees.

Compliance with policy

The remuneration disclosure presented in this report is based on remuneration decisions that have been made in compliance with the shareholder approved remuneration policy. There have been no known deviations from the policy in the current financial year.

Remuneration for FY2022

In determining the Executive Directors' remuneration for FY2022, benchmarks that consider the level and complexity of the role, job grade, and organisational parameters such as the size, type, and structure of EOH will be considered.

For the FY2022 year, the STI performance measures and weightings will not significantly differ from FY2021.

Key performance area (KPA)	KPA weighting
Financial performance	40%
Business sustainability	20%
Social goals	20%
Governance and risk	20%
Total	100%

It is envisaged that LTI allocations will be made under the 2021 Share Plan that is still subject to shareholder approval at the upcoming AGM. Following approval of the 2021 Share Plan, any LTI allocations will be linked to long-term performance measures, weightings, and achievement levels determined by the RemCo and approved by the Board.

As the Executive Directors' share allocation was due on 1 August 2021, the award of shares will not be backdated prior to the 2021 Share Plan approval.

NOMINATION AND REMUNERATION COMMITTEE REPORT

"Reflecting on FY2021, we have come a long way in establishing remuneration practices in EOH that are well-governed, transparent, fair and responsible. Given the diverse workforce and complex business offerings in various industries and regions, we have commenced with foundational principles that can be consistently applied. Our short-term focus will be to embed these practices and we will continue to reward fairly and align to sustainable corporate governance and long-term value creation for all shareholders."

Sipho Ngidi Chairman of the Nomination and Remuneration Committee

FOCUS FOR 2022

Our primary focus area for the next financial year will mainly be on fair and equitable remuneration and will drive a pay for performance philosophy. In accordance with section 6(2) of the Employment Equity Act, a comprehensive analysis on fixed remuneration of employees will be conducted to identify potential unfair pay practices, investigate these occurrences, and conclude on a remedial strategy.

COMMITTEE COMPOSITION

The committee comprises three Independent Non-executive Directors and one Non-independent Non-executive Director. It is chaired by an Independent Non-executive Director.

The membership of the committee is as follows:

- Mr Sipho Ngidi (Chairperson of the committee)
- Mr Mike Bosman
- Ms Bharti Harie*
- Mr Jabu Moleketi*

Attendees at committee meetings include the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the HR Director, the Company Secretary and other persons with specific skills and expertise to assist the committee in discharging its functions.

The number of meetings and attendance per committee member is shown on page 85.

The Board is satisfied that the members of the committee have the necessary skills and experience to enable the committee to fulfil its duties.

Summaries on page 78 provide an overview of the directors' qualifications and experience.

* *Appointed 2 February 2021*

ROLE OF THE COMMITTEE

The committee assists the Board in exercising its function to ensure that the Company remunerates its employees fairly, responsibly and transparently by, among others, implementing affordable, competitive and fair reward practices so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Role and responsibilities – remuneration:

- ensure that the remuneration policy promotes the achievement of strategic objectives and encourages individual and team performance;
- annually review the remuneration strategy and policy (including higher-level strategic principles that would inform the policy and implementation thereof) and oversee the implementation of the policy over an annual cycle to ensure its continued relevance;
- ensure that Executive Directors are remunerated for their contribution to the Company's overall performance, after giving due regard to the interest of the shareholders and to the financial and commercial health of the Company;
- advise on the remuneration of Non-executive Directors;
- ensure that the Company remunerates directors, management, and employees fairly, responsibly and transparently and oversees the setting and administering of remuneration at all levels in the Company;
- approve material human resources policies for the EOH Group;
- approve proposals on new short and long-term incentive schemes and, where appropriate, make recommendations to the Board for approval by shareholders;
- oversee the preparation of the Remunerations Committee's report, which includes a background statement, the overall remuneration policy and the implementation report, which forms part of the integrated annual report;

NOMINATION AND REMUNERATION COMMITTEE REPORT continued

- review the outcome of the implementation of the remuneration policy as to whether the policy promotes the achievement of strategic objectives and encourage individual performance;
- ensure that the remuneration policy is put to a non-binding advisory vote at the annual general meeting of shareholders once every year; and
- ensure that the process set out in King IV relating to shareholders' engagement if the remuneration policy or the remuneration report (or both) have been voted against by 25% or more of the voting rights at the annual general meeting of shareholders is followed.

The committee will recommend the necessary improvements to the Board in this regard.

Role and responsibilities – nomination of directors:

- Regularly review the Board and Board committees' skill, knowledge, expertise, structure, size and composition, and make recommendations to the Board with regard to any adjustments and/or appointments and/or establishment that are deemed necessary.
- Establish a formal and transparent procedure for the appointment of directors:
  - identifying and participating in the selection of suitable candidates to be recommended to the Board for appointment as Executive and Non-executive Directors; and
  - review the results of background checks on potential candidates prior to their nomination, taking into account the provisions of section 69 and 162 of the Companies Act and the recommendations of King IV on Corporate Governance for South Africa, 2016 (King Code) relating to the attributes of directors in general.
- Make recommendations to the Board on the appointment, removal, and resignation of Executive and Non-executive Directors.
- Review and report to the Board on the adequacy of the succession planning policies for the Board Chairman, Chief Executive and Executive Directors.
- Identify individuals qualified to be elected as members of the Board and Board committees and recommend such individuals to the Board for appointment in terms of the Company's MoI and establish a procedure to ensure that the selection of individuals for such recommendation is transparent.
- Annually review the independence of Non-executive Directors, taking into account all applicable corporate governance requirements and make recommendations to the Board.
- Ensure that directors undergo proper 'on-boarding'/induction.
- Ensure that directors receive ongoing training as and when required.
- Assist the Chairperson and the Board in evaluating the performance of the Board, its committees and individual directors.

TERMS OF SERVICE

Executive Directors

- The minimum terms and conditions applied to South African Executive Directors are governed by legislation. The notice period for these directors is three months. In exceptional situations of termination of the Executive Directors' services, the Remuneration Committee (assisted by independent labour law legal advisers) oversees the settlement of terms.
- Executive Directors are permitted to serve as Non-executive Directors on one other public company board with the express permission of the Chief Executive and the Remuneration and Nomination Committee. This excludes directorships where the Company holds a strategic investment in that public company (ie nominee directorship).
- Fees paid to nominee directors accrue to the Company and not to the individual directors concerned.

Non-executive Directors

- Non-executive Directors are appointed by the shareholders at the AGM. Interim Board appointments are permitted between AGMs. Appointments are made in accordance with Group policy. Interim appointees retire at the next AGM when they may make themselves available for re-election.

REMUNERATION POLICY

In line with our commitment to fair and responsible remuneration and governance objectives, the committee reviewed the remuneration policy and practices and is satisfied with its relevance and that remuneration practices were aligned with the policy objectives. However, the committee will further assess the impact of COVID-19 over time and will, when necessary, consider the performance metrics for incentive pay in the Group.

SHAREHOLDERS' VOTE ON THE REMUNERATION POLICY AND THE IMPLEMENTATION REPORT

At the AGM on 20 January 2021, the Company did not receive the required votes in favour of the remuneration policy and the implementation report.

The below voting results is a testimony of a significant improvement in the remuneration policy and the execution of fair and responsible pay.

The results of the voting were as follows:

- Remuneration policy 70.65% compared to 34.64% (5 December 2019) in favour.
- Implementation report 84.55% compared to 34.64% (5 December 2019) in favour.

The voting results are indicative of remnant shareholders' concerns that we aimed to adequately address to achieve the required threshold votes for the remuneration policy.

Furthermore, the Company obtained a 73.66% vote to authorise the issue of shares in terms of section 41(1) of the Companies Act in respect of the EOH 2020 Share Plan:

Our engagements with shareholders revealed the following shareholder concerns regarding the EOH 2020 Share Plan:

- insufficient level of disclosure and transparency in respect of the performance targets;
- the dilutionary impact on shareholders; and
- insufficient detail in relation to the malus and clawback principles to be applied, which made it difficult to assess the reasonability of variable remuneration outcomes of the EOH 2020 Share Plan.

NOMINATION AND REMUNERATION COMMITTEE REPORT continued

The Board has considered these concerns in its detailed review of the EOH 2020 Share Plan, resulting in the formulation of the new 2021 Share Plan. The salient features of this plan are explained in more detail in the remuneration policy section of this report.

During FY2021, no long-term incentive share awards were made to the Executive Directors, as these awards were subject to the approval of the EOH 2020 Share Plan. Unfortunately, the requisite 75% vote for the remuneration report and the adoption of the 2020 EOH Share Plan were not obtained.

In the unfortunate event of not receiving the required number of votes in favour of the 2021 Share Plan at the AGM on 2 December 2021, the Remuneration and Nomination Committee will consider other long-term incentive alternatives to compensate the executives to mitigate the retention risk.

Other than the abovementioned, no further shareholder concerns were received by the Remuneration and Nomination Committee

We are committed to building and maintaining a strong relationship with our shareholders.

ACTIVITIES DURING THE YEAR

The committee met three times during the year to discharge its responsibilities.

The committee's key focus areas for the 2021 financial year included:

Focus areas	Response
Remuneration	• A grading system was implemented across the Group to inform pay scales. A subsequent analysis of equal pay for work of equal value will be conducted and reviewed by the committee • Reviewed the fees payable to Non-executive Directors and resolved to call a general meeting to seek shareholder approval for adjustments to the fees
Incentive scheme	• The committee considered a new incentive scheme for executives and senior management, which includes short and long-term incentives. The long-term incentive is supported by a new share ownership plan detailed in the remuneration report • Approved the new share ownership plan • The committee signed off the remuneration policy, including the short and long-term incentives
Succession plan	• The committee reviewed and signed off the succession plan for each of the Executive Committee members
Nomination of directors	• Recruited two new Non-executive Directors • Revised the membership of the Board's committees • Satisfied itself in regard to the independence of the Non-executive Directors

CONCLUSION

The committee is satisfied that it discharged its responsibilities in accordance with its terms of reference during the year.

Mr Sipho Ngidi
Chairperson, Nomination and Remuneration Committee

26 October 2021

AUDIT COMMITTEE REPORT

"The control environment continues to mature with the implementation of a combined assurance model during the year and a combined assurance forum established. The in-house internal audit function has grown and scaled up its resourcing with skilled and highly experienced people. Significant progress was made on the 2021 internal audit plan despite the resource constraints caused by COVID-19."

Mike Bosman Chairperson, Audit Committee

FOCUS AREAS FOR 2022

To ensure continuity and stability, the committee will continue its oversight with specific focus on the following areas:

- Adequacy of the internal control environment, particularly in the preparation of annual financial statements
- Compliance with technical IFRS, as well as SARS requirements
- Group liquidity and solvency
- Group capital structure
- Embedding on the combined assurance model
- Maturation of the internal audit function, as well as external audit reliance

In addition to the above, the committee will also monitor the implementation of the new target operating model, ensuring that the envisaged governance and efficiency improvements are realised.

COMMITTEE COMPOSITION

Two new members of the committee were appointed to the committee, following the resignation of Mr Ismail Mamoojee:

- Mike Bosman (Chairperson of the committee)
- Ismail Mamoojee Resigned as a Board and committee member with effect from 20 January 2021
- Nosipho Molope Appointed effective 20 January 2021
- Andrew Marshall Appointed effective 20 January 2021
- Jesmane Boggenpoel

The EOH Audit Committee ('the committee') is pleased to submit its report for the year ended 31 July 2021, which has been approved by the Board. This report has been prepared in compliance with section 94(7)(f) of the Companies Act and in accordance with the mandate given by the Board.

The number of meetings and attendance per committee member are shown on page 85.

The Board is satisfied that the members of the committee have the necessary skills and experience to enable the committee to fulfil its duties.

The appointment of committee members will be subject to approval by shareholders at the next AGM to be held on Wednesday, Thursday, 2 December 2021. The biographies of the directors who have made themselves available for election to the committee can be viewed in the AGM notice.

COMMITTEE PURPOSE

The main role of the committee is to provide independent oversight of:

- the integrity of the annual financial statements and other external reports issued by the Company; and
- the effectiveness of the organisation's assurance services and functions, particularly focusing on combined assurance arrangements, the finance function, external assurance service providers and the internal audit function.

TERMS OF REFERENCE

The committee terms of reference, which were approved by the Board in 2019, remained unchanged in 2021, and are aligned with King IV.

MEETINGS

Six meetings of the committee were held during the year under review.

The Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Company Secretary and other members of senior management as required, attend committee meetings by invitation, but have no voting rights.

Similarly, external and internal auditors attend committee meetings by invitation, but have no voting rights.

The Chairperson of the committee reports to the Board at all Board meetings on the activities and recommendations of the committee.

The Chairperson of the committee periodically meets separately with the external auditor and the internal audit executive without members of executive management being present.

AUDIT COMMITTEE REPORT continued

PROGRESS ON 2021 FOCUS AREAS

The committee's key focus areas for the 2021 financial year included:

Focus areas	Response
Overseeing the implementation of the combined assurance model and the embedding of the internal audit charter	The committee received and reviewed reports from all assurance providers, including internal and external auditors, and continued its oversight over the governance of the organisation and the continuing maturity of the control environment. The combined assurance forum was implemented, with governance and operational activities, as well as key stakeholders, being mapped out by assurance champions.
Ensuring compliance with the JSE guidance letter on financial controls to assist the CEO and CFO in meeting the new requirements	In compliance with JSE requirements, the committee considered a detailed assessment of the entity level controls ('ELCs') and a risk assessment control model ('RACM') on the financial statement close process ('FSCPs'). Progress has been detailed below.
Monitoring progress on the deleveraging plan to ensure that the appropriate capital structure is attained without erosion of value	Due to the strategic and long-term sustainability strategic importance of the deleveraging plan, it was decided to create a Board subcommittee to focus on monitoring the plan. Consequently, the Assets Disposals and Strategic Acquisitions ('ADASA') Committee was formed towards the end of the 2020 financial year. The committee's report is outlined on page 114. The Audit Committee continued, however, to monitor the liquidity and capital structure of the organisation by reviewing reports from the Treasury department.
Review relevant submissions and reports issued by internal and external assurance providers	The committee continued to receive and review reports from both PwC and the internal audit function.
Monitoring the organisation's control environment and engaging with relevant people – both internal and external – as required, to effectively discharge its responsibilities	Outcomes of assurance activities by both PwC and internal audit were presented to and reviewed by the Internal Audit Committee. The progress on the audit action plans was also monitored to ensure that management was taking appropriate remedial steps where required.
Reviewing relevant reports and position papers prepared by management relating to technical accounting standard changes to ensure that all material risks are addressed	• Reviewing relevant reports and position papers prepared by management relating to accounting standard changes to ensure that all material risks are addressed. • Reviewing management submissions on technical accounting and tax matters such as IFRS 15, IFRS 9, IFRS 16, IAS 36, IFRS 5 and transfer pricing policy.
Oversight over Group tax matters	• Reviewed the Group tax exposures and assessed the appropriateness of the Group tax policies.
Review of the adequacy and appropriateness of provisions	• Reviewed progress on litigation and legal exposures and the related accounting applied and disclosure included in the annual financial statements, note 26.
External audit considerations	• Determined the auditors' terms of engagement and fees for 2021. Fees paid to auditors for the year under review are disclosed in note 26 of the annual financial statements. • Satisfied itself with the performance of the external auditor and designated registered auditor and further that they are accredited on the JSE's list of auditors and advisers. • Satisfied itself that the designated registered auditors are within their tenure and rotation requirements. • PwC raised a reportable irregularity relating to the supply of certain equipment and software by a subsidiary within the Group. PwC concluded that this matter was no longer occurring as the Company had acted on this matter. The Company's actions are set out in the Directors' report and in note 34 of the consolidated financial statements. • The committee recommends the reappointment of PwC at the AGM.
Key audit matters	• The committee reviewed and considered the key audit matters relating to goodwill and intangibles, as well as the indirect tax exposures for the Group.

AUDIT COMMITTEE REPORT continued

INTERNAL AUDIT

The in-house internal audit function, which was established in 2019, has grown and scaled up its resourcing with skilled and highly experienced individuals. The growth in the effectiveness of the function has contributed significantly to the audit charter becoming embedded in the committee and the Group. The Chief Audit Executive reports directly to the Audit Committee Chair, in line with best practice. Summaries of the internal audit reports were reviewed and discussed at committee meetings and, where appropriate, recommendations were made to the Board. The audit action plans are monitored on a monthly basis with management, and the Group Executive Committee is informed regarding the progress of implementation.

Notwithstanding the resource constraints caused by COVID-19, significant progress was made on the 2020 internal audit plan. In addition, the internal audit universe was finalised after intensive engagement with key stakeholders in the Group, resulting in the finalisation of the three-year audit plan and budget. The function was instrumental in establishing and embedding the combined assurance model across the organisation. Some of the activities in 2021 include:

- Engaging first and second-line assurance providers
- Conducting workshops and training
- Performing the assurance mapping
- Publishing an assurance of gap assessment reports.

The focus in 2022 will be on implementing control strategies and embedding continuous awareness and reporting.

The medium-term goal is to obtain PwC audit reliance on some assurance areas. Internal audit is also pleased to be rolling out its CA training programme in partnership with SAICA.

JSE REQUIREMENTS FOR CFO/CEO RESPONSIBILITY OVER FINANCIAL CONTROLS

The EOH Group CEO and CFO have, in compliance with the new JSE requirements, made an undertaking on the adequacy and reliability of internal controls around the preparation of annual financial statements. This includes an undertaking by management that where deficiencies and weaknesses have been identified, these have been reported to the Audit Committee. In compliance with this requirement, the committee considered a detailed assessment of the ELCs and well as an RACM on the FSCPs. The primary objective of this assessment was to conduct a gap analysis review to identify shortcomings in the current process, as well as to enable the committee to:

- Identify and define the critical internal controls and understand the impact of control failure on the organisation;
- Determine which existing evaluations are performed and who provides the assurance over the adequacy and effectiveness of these controls; and
- Develop a standard consolidated report of the critical controls identified.

This process was conducted with the participation of the first, second and third-line assurance providers.

The committee has satisfied itself that there are adequate and effective entity level controls relating to the risk assessment, control activities, information and communication and monitoring of the control environment. These pillars of controls are mainly predicated on the oversight and monitoring role played by the Board subcommittees, the combined assurance model, as well as the control self-review through the management attestation process.

While no significant gaps were identified with the entity level controls, several internal control deficiencies were identified by various combined assurance players across various areas relating to this process. However, the committee has satisfied itself that none of these deficiencies have a material effect for the purposes of the preparation and presentation of financial statements for the year under review. The committee is also not aware of incidents of fraudulent activities that would render the financial statements unreliable.

The committee is also cognisant of the target operating model initiative that is being put in place by management. Management has in the past been constrained by an ERP system that was not fit for purpose. This technological environment has resulted in control activities that are largely reactive and not proactive. Significant progress has already been made in implementing a new ERP system that will not only deliver efficiencies, but also enable the control activities that are challenging under the current technology. This will also be enabled by a data strategy that will ensure that all financial reporting information is accurate, reliable and complete. The benefits of this are expected to be realised in the latter part of the 2022 financial year. The committee is satisfied that this initiative will remediate the identified material control deficiencies in a sustainable manner.

The committee looks forward to the journey towards control maturity which will be enabled by the new target operating model, as well the combined assurance model.

DISCHARGE OF RESPONSIBILITIES

The committee is satisfied that it has conducted its affairs, discharged its legal and other responsibilities as outlined in its charter, the Companies Act and King IV. The Board concurred with this assessment.

CONCLUSION

The committee has had due regard to the principles and recommended practices of King IV in carrying out its duties and is satisfied that it has discharged its responsibilities in accordance with its terms of reference.

The full Audit Committee report can be found on pages 4 to 7 of the annual financial statements.

Mike Bosman
Chairperson, Audit Committee

26 October 2021

GOVERNANCE AND RISK COMMITTEE REPORT

"The CODE team has continued to entrench the GRC framework throughout the organisation, using technology to strengthen and extend oversight of processes and systems and to mitigate future risk. Good progress is being made in digitising GRC platforms and the committee is satisfied that the risk management function is operating effectively."

Jesmane Boggenpoel Chairperson, Governance and Risk Committee

FOCUS FOR 2022

- Maturing business resilience across all businesses and business units
- Continued emphasis and maturity of business interruption plans across the Group
- Solving for the challenges posed by hybrid working arrangements both from a technology and human capital perspective
- Enhance the control environment by providing input into the new ERP solution
- Overseeing the roll-out of the new Group ERP system to monitor risk of business interruption
- Continue implementing innovative tools and technology working towards GRC as a service
- Enhancing risk quantification metrics and appetite into a tool, to enable early warning indicators
- Moving from a rules and risk-based approach to a principles and intelligence lead approach
- Introducing robotic process automation into our compliance controls and processes

COMMITTEE COMPOSITION

- Jesmane Boggenpoel (Chairperson of the committee)
- Sipho Ngidi
- Mike Bosman
- Nosipho Molope*

The number of meetings and attendance per committee member are shown on page 85.

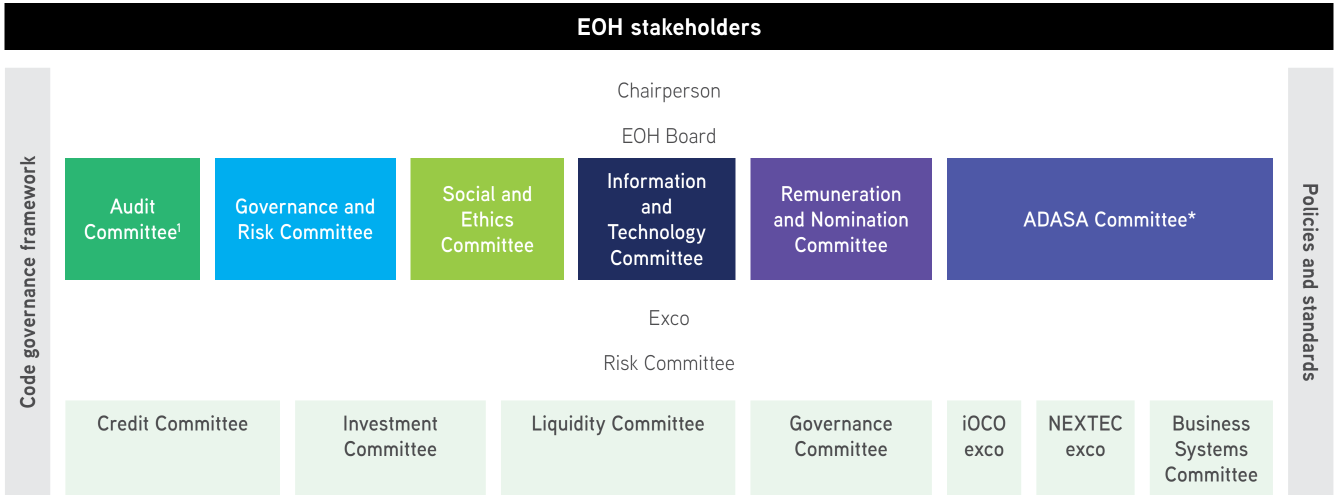
Attendees at committee meetings include the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Head of Legal, the Head of Risk, the Head of Compliance and Governance and other persons with specific skills and expertise to assist the committee in discharging its functions.

The summaries on pages 78 and 79 provide the directors' qualifications and experience.

* *Appointed 1 January 2021*

GOVERNANCE AND RISK COMMITTEE REPORT continued

How we manage governance and risk



Note: The structure of committees has been updated in line with King IV.

[1] *Audit Committee responsibilities include oversight of internal audit*

* *Assets Disposals and Strategic Acquisitions Committee*

COMMITTEE PURPOSE

The Governance and Risk Committee ('the committee') ensures the ethical and effective implementation of the EOH Corporate Governance Framework to deliver on the framework's objectives of an ethical leadership culture, sustainability and growth, stakeholder engagement, statutory compliance and responsible citizenship. The committee's responsibilities include championing the vision and strategy of EOH, overseeing of governance structures and accountability, sustainability and resilience, corporate citizenship, enterprise risk management and compliance, transparency and disclosure. Effective oversight of these areas ensures leadership and excellent business decisions that manage risk and take opportunities to create and protect value.

The committee is responsible for:

- overseeing and leading the process of embedding the EOH Governance Framework;
- developing and reviewing the EOH risk policies, standards and procedures and overseeing EOH Enterprise Risk Management and Compliance;
- the effective mitigation of strategic, financial, technology and operational risks to all EOH stakeholders;
- liaison with the Audit Committee to exchange information and knowledge relating to risk and opportunity;
- providing opinions and recommendations to the Board on risk assessment, appetite and mitigation approaches; and
- overseeing the establishment of business continuity arrangements and mitigation strategies to ensure sustainable value creation.

ACTIVITIES DURING THE YEAR

The committee met three times during the year to review the Company's top risks and mitigating actions as well as the progress that has been made in rolling out and embedding the new EOH Governance, Risk and Compliance Framework that was developed in 2019. In the prior year, effort was put into appropriate resourcing of the team; however, this needed to be balanced against the cost saving initiatives and restructuring processes underway. To this end, the relatively small CODE team has leveraged technology to enable the necessary oversight of processes and systems; and to mitigate future risk.

Risk management

The Group Risk Committee reviews the effectiveness of risk mitigation programmes, business continuity and forensic services, and provides feedback to the Governance and Risk Committee through the Chief Risk Officer. The top risks facing the organisation are reported to the committee at each meeting. Additional information as it pertains to the top risks are contained in the risk overview on page 42.

The Bid Risk Committee ('BRC') has operated effectively during the year with a total number of 744 bids being reviewed since it was established in January 2019.

The Group Risk Committee renewed the Group insurance programme in difficult market conditions, ensuring sufficient coverage for the Group. In addition, the function also plays an instrumental role in the combined assurance.

As a result of the progression in the risk and governance maturity, the committee is satisfied that the risk management function is operating effectively.

Compliance management

The committee oversees the compliance programme, under which a number of activities took place during the year. These focused on:

- Digitisation of GRC processes in Cerebro
- EOH as a whole achieved 100% completion rate on the FY2021 OBI declaration project and compliance actively managed all of the declared OBIs. The OBI tool was then developed and transitions into annual business as usual ('BAU') declarations from FY2022
- Compliance drove the successful implementation of POPIA across the Group
- The EOH Ethics League, a well-received and successful learning management project that helped embed the key GRC principles across the organisation, was successfully implemented.

GOVERNANCE AND RISK COMMITTEE REPORT continued

In addition to the committee's key focus areas discussed in the report, key activities for the 2021 financial year included:

Focus areas	Response
Continued implementation of innovative tools and technology across the GRC function	• Case management tool, mime cast tool, know your supplier ('KYS') tool, bank verification tool, CIPC checklist, OBI tool, breach management tool, travel request tool, insurance claims tool.
Implementation of a contract management system	• A new legal contract management system is being implemented across the business
Ongoing mitigation of COVID-19 and vaccination roll out	• As a business we continued to improve and adjust our COVID-19 mitigation measures throughout the year. Assistance provided specifically to our reception and facilities staff included: – free transport to the vaccination sites – two-day boot camp with all our frontline employees where we emphasised the value and importance of vaccination – on-site vaccination days at designated EOH office sites

CONCLUSION

The committee is confident that the CODE team will continue to entrench the risk, compliance and governance framework though the organisation. Based on the work performed and the oversight of governance and risk during the year, we believe that the committee effectively fulfilled the responsibilities set out in its terms of reference.

Jesmane Boggenpoel
Chairperson, Governance and Risk Committee

26 October 2021

INFORMATION AND TECHNOLOGY COMMITTEE REPORT

"As a technology services business, catering for a hybrid workforce, we successfully navigated the new normal by empowering our end users to work securely from anywhere. To effect this, EOH established a solid central IT governance and standards foundation which set the scene to further enhance digital solutions that are fit for business."

Mike Bosman Chairperson, Information and Technology Committee

FOCUS FOR 2022

- Executing on the approved Group IT strategy
- Enabling execution of the Group business strategy by providing strategic and tactical IT support
- Control cost of ownership to ensure efficient provision of IT services
- Implementing Zero Trust Architecture and Controls
- Empowering end-users' empowerment through digital transformation and productivity solutions
- Establishing information and records management for POPIA compliance

COMMITTEE COMPOSITION

- Mike Bosman (Chairperson of the committee)
- Andrew Mthembu
- Jesmane Boggenpoel
- Andrew Marshall

The number of meetings and attendance per committee member are shown on page 85.

Regular invited attendees: Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Information Officer and Chief Commercial Officer.

The summaries on pages 78 and 79 provide an overview of the directors' qualifications and experience.

COMMITTEE PURPOSE

The Information and Technology Committee ('the committee') is mandated by the Board to ensure that information and technology is managed, appropriately resourced, and sufficiently defined to enable operations and to achieve the Group's strategic objectives. The committee is responsible for ethical and effective risk and compliance systems for Information, Communication and Technology ('ICT') as defined by King IV principle 12. The EOH exco is accountable to the committee for the implementation, effectiveness of, and adherence with, the EOH Governance Framework.

EOH constituted an IT Council that reports into the IT committee and is responsible for the delivery of the Group IT internal strategy within which the organisation operates. This includes the digitisation of the organisation, compliance with the regulatory framework, policy setting and oversight of the costs of the IT function. The IT Council meets monthly and provides updates to the committee at committee meetings.

The committee is responsible for:

- the effectiveness of the EOH Group IT strategy, ensuring that ICT capabilities support the EOH Group business strategy;
- leading the delivery of ICT capabilities that enable the integration of people, technologies, information and processes across EOH entities;
- ensuring sufficient ICT management capacity, resources and IT systems, including applications, hardware, software and networks;

INFORMATION AND TECHNOLOGY COMMITTEE REPORT continued

- enterprise-wide management of information and technology risk, in line with the EOH Governance Framework, ensuring a road to ISO 27001 compliance;
- proactive monitoring and management of systems to identify and respond to incidents, including cyber-attacks and data security;
- managing the performance of, and the risks pertaining to, third-party and outsourced ICT service providers;
- reviewing ICT capital and operating budgets, assuring value delivered from investments made by the EOH Group in information and technology;
- ensuring the effectiveness of governance relating to systems, programming, network and operations activities;
- ensuring ICT backup procedures, including periodic testing, and disaster recovery planning, to ensure business continuity and resilience;
- ensuring the responsible disposal of obsolete technology and the confidentiality of information, with minimal impact on the environment;
- ensuring that an effective disaster recovery plan is in place; and
- ensuring the responsible use of information and technology, including compliance with statutory and regulatory obligations.

ACTIVITIES DURING THE YEAR

The committee is aligned to deliver against the EOH Governance Framework, which contains measures relating to the ethical and effective oversight of the EOH Group's ICT matters. The committee is required to meet three times a year in terms of its terms of reference. However, in the year under review, the committee met four times due to increased workload given the disruptions during the year and the time taken to establish EOH's first Group IT strategy.

The committee's key focus areas for the 2021 financial year included:

Focus areas	Response
Enhancing IT governance	• Reviewing and refreshing the committee's terms of reference together with the work plan. • Reviewing and approving the IT services model and governance model. • Reviewing and providing guidance on the development of the Group IT strategy and approval of the FY2022 IT strategy. • Reviewing the implementation of major IT projects implemented over the past year (this responsibility lies with the Group Risk and Compliance Committee with input from Group IT). • Reviewing technology and business system disaster recovery testing and processes and overseeing the commencement of the development of a disaster recovery plan. • Ensuring IT services are delivered cost-effectively through standardisation, consolidation and leveraging resources.
Ensuring business continuity while navigating continual COVID-19 regulations	• Empowering our hybrid workforce to work from anywhere through productivity and digital solutions. • It is important to note that the Group reported significant savings in telecommunications, optimisation licensing agreements with vendors and printing-related costs during the 2021 financial year.
IT security/cyber threats	• Established a central cybersecurity operations centre to monitor, manage and report on all security-related incidents resulting in a more security aware and security mature organisation.
Risk management	• Mitigation of audit findings and identified gaps. • Reviewing risks within the IT landscape and ensuring the level of risk is mitigated to tolerable levels. • Although an increase in global cyber-attacks was reported, EOH's security controls and employee awareness training resulted in minimal breaches for the year and impact on the business. • EOH established a project to on-board all businesses onto the central IT standards and security controls.

CONCLUSION

The committee is satisfied that it has discharged its responsibilities during the year, as set out in the terms of reference.

Mike Bosman
Chairperson, Information and Technology Committee

26 October 2021

SOCIAL AND ETHICS COMMITTEE REPORT

"EOH recognises that social transformation is critical for the sustainability of the Group and a number of initiatives to promote diversity and inclusion were implemented during the year. Entrenching an ethical culture remains a priority and we provided further support for employees through an employee assistance programme."

Bharti Harie Chairperson, Social and Ethics Committee

FOCUS FOR 2022

- Socialise and embed the integrated sustainability strategy and supporting activities across the Group
- Review and update the stakeholder engagement analysis and plan
- Reskilling and upskilling in technology-related fields
- Drive phase two of the diversity and inclusion strategy across the business
- Build on and deliver on commercial solutions driving social good
- Implementing of initiatives to holistically and broadly address thematic issues identified from the whistleblowing and forensic investigations
- Embed an ethically driven public sector engagement framework with the view to increasing business at the same time as learning from the lessons of the past
- Continued automation and digitisation of controls to drive ethical behaviour
- New socioeconomic development strategy to be developed

COMMITTEE COMPOSITION

- Bharti Harie*** (Chairperson of the committee)
- Sipho Ngidi
- Jabu Moleketi
- Nosipho Molope***
- Dr Lynette Moretlo Molefi*
- Ismail Mamoojee**

** Resigned 23 October 2020*
*** Resigned 20 January 2021*
**** Appointed 1 January 2021*

The number of meetings and attendance per committee member are shown on page 85.

Regular invited attendees: the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer.

The summaries on pages 78 and 79 provide the directors' qualifications and experience.

COMMITTEE PURPOSE

The responsibilities of the Social and Ethics Committee ('the committee') include monitoring EOH's activities in terms of legislation, regulations and Codes of Best Practice relating to ethics, stakeholder engagement, strategic empowerment and compliance with transformation codes.

The committee provides guidance to management regarding international best practice in respect of its duties relating to social, ethics, transformation and sustainability issues.

The committee is responsible for:

- the ethical conduct of the Company, its executives and senior officials, including review and approval of the EOH Code of Conduct;
- review and approval of anti-corruption policies to ensure a zero-tolerance approach that is futureproof;
- policy for sustainable development, including targets and recommendations to the Board of directors, aligned to the UN 2030 Agenda;
- policy for B-BBEE, Employment Equity (EE), diversity and transformation, including principles, targets, initiatives, programmes, and implementation;
- compliance and alignment with the B-BBEE Act 53 of 2003 as amended by the B-BBEE Act 46 of 2013, monitoring achievement;
- Company performance as a good corporate citizen, as defined in the King IV Report on Corporate Governance for South Africa 2016 (King IV);
- guidance on the social and economic development activities of the Company including health, public safety, and the environment;
- guidance regarding stakeholder engagement, including the development of communities and associated sponsorships and donations;

SOCIAL AND ETHICS COMMITTEE REPORT continued

- the responsible management of data and compliance with the PAIA Manual and the Protection of Personal Information Act ('POPIA'); and
- monitoring changes in legislation and to social and ethical codes, to ensure that the Company is compliant.

ACTIVITIES DURING THE YEAR

The Social and Ethics Committee was re-established in September 2019, with a refreshed membership. It has been mobilised to deliver governance of all relevant aspects of section 72 of the Companies Act, read in conjunction with Regulation 43 of the Companies Regulations, 2011.

Focus areas	Response
Diversity and inclusion	• Monitoring the implementation of B-BBEE in terms of employment equity, ownership, enterprise development, and skills development • Inclusion strategy roll-out, including training and roundtables on unconscious bias, psychological safety, allyship and gender diversity • Implementation of the Youth Solvers programme focusing on generational diversity • Signatory of the United Nations Women Empowerment Principles and 30% club • Women in leaders' programme • Talent management implementation
Sustainability	• Identified eight SDGs aligned to EOH's six sustainability themes • Developed and implemented a Group sustainability policy and strategy • Development and roll-out of Group EHS operating standard • Group EHS Committee established • Build of an OHS application in progress • Mission 1.5 – project aimed at setting reduction targets to reach net zero carbon footprint • Emissions dashboard developed and tracked
Ethical culture	• Detailed ethics programme developed and implemented across the Group • Focus on ethics programme training including, but not limited to, the Code of Conduct • Programme designed to move EOH up on the corporate governance maturity curve • Second organisation-wide ethics survey conducted and results compared against the first to identify improvements and developmental areas • Improvements in technology to drive ethical behaviour
Employee wellness	• Implementation of integrated employee wellness • Roll-out of bimonthly wellness Wednesdays • Home-based medical assessments • New service provider appointed for employee wellness • Employees granted five duvet leave days

TRANSFORMATION AND B-BBEE

The Board recognises that social transformation is critical for the sustainability of the Group and the committee continued the ongoing drive towards economic and social equity through the process of B-BBEE. The best measure of EOH success in this regard is the ongoing attainment of a Level 1 contributor rating, under the South African Department of Trade, Industry and Competition ('dtic') Code of Good Practice, the highest rating of its peers on the JSE.

The committee is focused on the status of the company's B-BBEE rating and each of the pillars has a nominated business champion responsible for implementing and monitoring performance against stated targets. These champions form the B-BBEE Council that meets on a quarterly basis. In the year the Company recruited a Group Transformation Manager whose mandate is to ensure alignment and achievement of targets.

The Group recognises the importance of culture in sustainable transformation and in the year has engaged in activities that build on the strategic principle that an inclusive culture is an enabled culture. Through focused interventions on unconscious bias, allyship, gender and generational diversity roundtables, a platform for courageous conversations is supported across the business. Employment equity committee members were the first to participate in a programme designed around psychological safety, microaggressions and unconscious bias.

REPORTING AND COMPLIANCE

With the implementation of lockdown regulations the business ensured full compliance and delivered on a solution to assist employees.

EOH complies with the relevant environmental, social and governance regulatory reporting requirements. Such reporting is guided by the Global Reporting Initiatives ('GRI') Standards.

CONCLUSION

EOH has the necessary policies and programmes in place to advance social and economic development, sound ethical behaviour, fair labour practices, responsible environmental practices and good customer relations. The Company continues to work diligently to ensure justice and root out wrongdoing. The committee confirms that EOH gives the necessary attention to its transformation, social and ethics responsibilities and has complied with the required regulatory requirements. The committee is satisfied that it discharged its responsibilities set out in its terms of reference during the year.

Bharti Harie
Chairperson, Social and Ethics Committee

26 October 2021

ASSET DISPOSALS AND STRATEGIC ACQUISITIONS COMMITTEE

"The committee oversees asset disposals and progress in the Group's deleveraging plan, with the goal of implementing a business structure that balances both current operational success and long-term sustainability. The desired end result remains a focused, efficient business capable of becoming the digital-transformation enabler for our customers. Achieving an optimal capital structure will be key in achieving this."

Andrew Marshall
Chairperson, Asset Disposals and Strategic Acquisitions Committee

FOCUS FOR 2022

- Monitor the Group's capital structure
- Monitor the execution of the deleveraging plan.

COMMITTEE COMPOSITION

The committee has been constituted to include independent Non-executive Directors and the CEO, and is made up as follows:

- Andrew Marshall (Chairperson of the committee)
- Mike Bosman
- Andrew Mthembu

The number of meetings and attendance per committee member are shown on page 85.

The summaries on pages 78 and 79 provide an overview of the directors' qualifications and experience.

COMMITTEE PURPOSE

The Asset Disposals and Strategic Acquisitions Committee ('the committee') was established in July 2020 with the following mandate:

- Monitoring the progress of the Group's deleveraging plan.
- Commissioning research into processes to follow in the disposals of assets, mainly looking at the asset and liability management of the Group, the changing economic circumstances over time and recommending action cognisant of the impact this would have on the Group's liabilities.
- Providing strategic scrutiny of the Group's efforts to reorganise the businesses into coherent entities.
- Streamlining the role(s) currently played by the Mergers and Acquisition ('M&A') team(s) within EOH.
- Recommending the ideal business structure of EOH, ensuring a balance between the dynamics of operational success now with the challenges of a sustainable business going forward.
- Coordinating divisional business research initiatives of the divisions and setting a coherent outline for the Group to debate and articulate.
- Monitoring and overseeing the optimisation of the Group's capital structure.
- Advising management on the structuring of the Group's debt.
- Monitoring of the Group's liquidity and solvency.

TERMS OF REFERENCE

The committee finalised the terms of reference that will govern its mandate and activities.

ACTIVITIES DURING THE YEAR

The committee was able to execute on its mandate as per the terms of reference.

The committee's key focus areas for the 2021 financial year included:

Focus areas	Response
Finalisation of the terms of reference	Terms of reference for the committee were finalised and approved by the Board, with the object of optimising the capital structure.
Approval of disposals	The committee reviewed and approved the disposals commissioned as part of the deleveraging plan, the most significant of which was the sale of Syntell and Sybrin.
Advising management on the debt structuring	The term sheet with the lender group was signed and finalised.

MEETINGS

There were four meetings held during the 2021 financial year.

Andrew Marshall
Chairperson, Asset Disposals and Strategic Acquisitions Committee

26 October 2021

GLOSSARY

Financial

Adjusted EBITDA	Profit/(loss) before depreciation, amortisation, share-based payment expense, gain/loss on disposal of subsidiaries and equity-accounted investments, impairments of non-financial assets, share of profit/loss of equity-accounted investments, remeasurement gains/losses on VFA liability, interest income, interest expense and current and deferred tax.
B2B2C	Business-to-Business-to-Consumer.
Cash realisation rate	This ratio is calculated by expressing cash generated by operations as a percentage of core normalised EBITDA and reflects the proportion of cash operating profit realised after working capital movements.
Core normalised EBITDA	Normalised EBITDA adjusted for non-core business lines to be closed.
Dividend cover	Headline earnings per share divided by dividends per share declared out of earnings for the year.
Dividend yield	Dividend per share as a percentage of market value per share at year end.
Earnings per share	Net profit/(loss) for the year attributable to the owners of EOH Holdings Limited divided by the weighted average number of ordinary shares in issue during the year.
Earnings yield	Headline earnings per share as a percentage of market value per share at year end.
Headline earnings	Net profit for the year adjusted for profit/loss on sale of property, plant and equipment, investments and impairment losses on non-financial assets.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
Headline earnings per share	Headline earnings divided by the weighted average number of ordinary shares in issue during the year.
HEPS	Headline earnings per share.
Net asset value per share	Ordinary shareholders' equity divided by the number of ordinary shares in issue.
Normalised EBITDA	Adjusted EBITDA adjusted for write-off of inventories, other financial assets write-off and specific provisions, advisory and other, retrenchment and settlement costs, and onerous contracts and other provisions.
Operating profit before interest and impairments	Profit before impairment losses, interest and taxation.
Operating profit margin	Operating profit as a percentage of revenue.
Price to earnings ratio	Market value per share divided by headline earnings per share at year end.
Price to net asset value ratio	Market value per share divided by net asset value per share at year end.
RoIC	Return on invested capital is operating profit after marginal tax divided by equity plus other financial liabilities less cash.
Return on total assets	Operating profit/(loss) before interest and net financial assets impairment as a percentage of average total assets.
Return on total equity	Operating profit/(loss) before interest and net financial assets impairment as a percentage of total equity.
WACC	The weighted average cost of capital.

Non-financial

OEM	Original Equipment Manufacturer ('OEMs') (pronounced as separate letters), are typically manufacturers who resell another company's product under their own name and branding.
AI	Artificial intelligence ('AI') refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits associated with a human mind such as learning and problem solving.
IOT	The internet of things, or IOT, is a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers ('UIDs') and the ability to transfer data over a network without requiring human to human or human to computer interaction.

CORPORATE INFORMATION

EOH HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/014669/06
JSE share code: EOH
ISIN: ZAE000071072
(EOH or the Company or the Group)

DIRECTORATE

Non-executive

Andrew Mthembu (appointed 6 February 2020 as Chairman)
Andrew Marshall (appointed 21 May 2020)
Bharti Harie (appointed with effect from 1 January 2021)
Ismail Mamoojee (resigned 20 January 2021)
Jabu Moleketi (appointed 1 September 2020)
Jesmane Boggenpoel (appointed 1 July 2018)
Mike Bosman (appointed 20 June 2019)
Nosipho Molope (appointed with effect from 1 January 2021)
Sipho Ngidi (appointed 20 February 2020)
Dr Moretlo Molefi (resigned with effect from 15 December 2020)

Executive

Stephen van Coller (Group Chief Executive Officer)
Megan Pydigadu (Group Chief Financial Officer)
Fatima Newman (Group Chief Risk Officer)

COMPANY SECRETARY

Thiroshnee Naidoo

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