



AFRICAN EQUITY
EMPOWERMENT
INVESTMENTS
LIMITED

2021

CORPORATE
GOVERNANCE
REPORT

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HOW TO NAVIGATE OUR REPORT



OUR STAKEHOLDERS

- Shareholders, the investment community and capital providers
- Employees
- Business partners
- Regulators
- Communities and NGOs

NAVIGATIONAL TOOLS

The following icons have been applied throughout the report to direct the reader to additional information or cross-referenced sections

- Online reference for further information
- Page reference for information elsewhere in the report
- King IV™
- COVID-19

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We have prioritised the following three capitals with the SDGs that are relevant and aligned with our business strategy

Human capital	
Social and relationship capital	
Natural capital	

FEEDBACK

Your feedback is important to us and we welcome your input and comments on the integrated report to enhance the quality of our reporting. Please address any queries to info@aeei.co.za.

All COVID-19 precautions, screening and safety measures were adhered to during the photography session.

OUR REPORTING SUITE



Our integrating reporting suite is available online at www.aeei.co.za in PDF format.

This corporate governance report is supplemented by our full suite of online publications, which caters to the diverse needs of our stakeholder base and includes the following:

Integrated report	Corporate governance report	Sustainability report	Investment portfolio report	Annual financial statements	Notice of AGM and proxy
Print & Online	Online	Online	Online	Online	Print & Online

Our reporting suite is compliant with:

- The International Integrated Reporting <IR> Framework
- The Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)
- SAICA Financial Reporting Guides as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by Financial Reporting Standards Council
- The JSE Listings Requirements
- King IV™ Report on Corporate Governance for South Africa 2016 (King IV™)
- International Financial Reporting Standards (IFRS)
- Protection of Personal Information Act, No. 4 of 2013 (POPI)
- Independent Third-Party Assurance from Integrated Assurance & Reporting Services (IRAS)

Our report is informed by:

- The Global Reporting Index (GRI) but not aligned to the GRI standards.

INTRODUCTION



This Corporate Governance Report was approved by the Board of directors of AEEI ("the Board") and provides our stakeholders with information on how the AEEI Group is governed and how we responded to governance developments during the year. Stakeholders and changes in regulatory requirements informed these developments.

AN OVERVIEW

AEEI is a leading black economic empowerment Company listed on the JSE. We strive to ensure that our Board composition and employees are represented in terms of race and gender diversity.



OUR GOVERNANCE AT A GLANCE



Effective corporate governance is critical to delivering on our strategic objectives and creating short, medium and long-term value for our shareholders. Accordingly, our governance framework is clear and consistent in terms of delegation of authority from our Board of directors to senior levels within our Group and is continuously refined.

VALUE-CREATING GOVERNANCE

At AEEI, our governance structures and processes ensure that our business is well-managed and controlled. As a result, we create value for our stakeholders through our innovative and sustainable business model, concise strategy, diverse product portfolio, subsidiaries, associates and strategic investments - complemented by our experienced and empowered leadership team that focuses on our communities and stakeholder wealth creation.

We have an inclusive strategy review process that considers the risk and opportunities connected to the broader context in which we operate. Our sound corporate governance and ethics processes ensure that we deliver against our strategy to create long-term value for our stakeholders. To achieve sustained value, we need to establish and maintain trust with our stakeholders.

We have adopted a stakeholder-inclusive approach to the execution of our governance role and responsibilities. We are guided by our commitment to the principles of King IV™ recommendations entrenched in our policies, internal controls, terms of reference and procedures and processes. Our delegation structures ensure that the Board retains effective control by delegating authority to the relevant Board committees with clearly defined mandates.

Our governance structures, leadership and processes supports our value creation process. We have an inclusive strategy review process that considers the risks and opportunities connected to the broader context in which we operate. To achieve sustained value, we need to establish and maintain trust with our stakeholders. Our structure enables the Board to retain effective control while delegating authority to relevant committees.

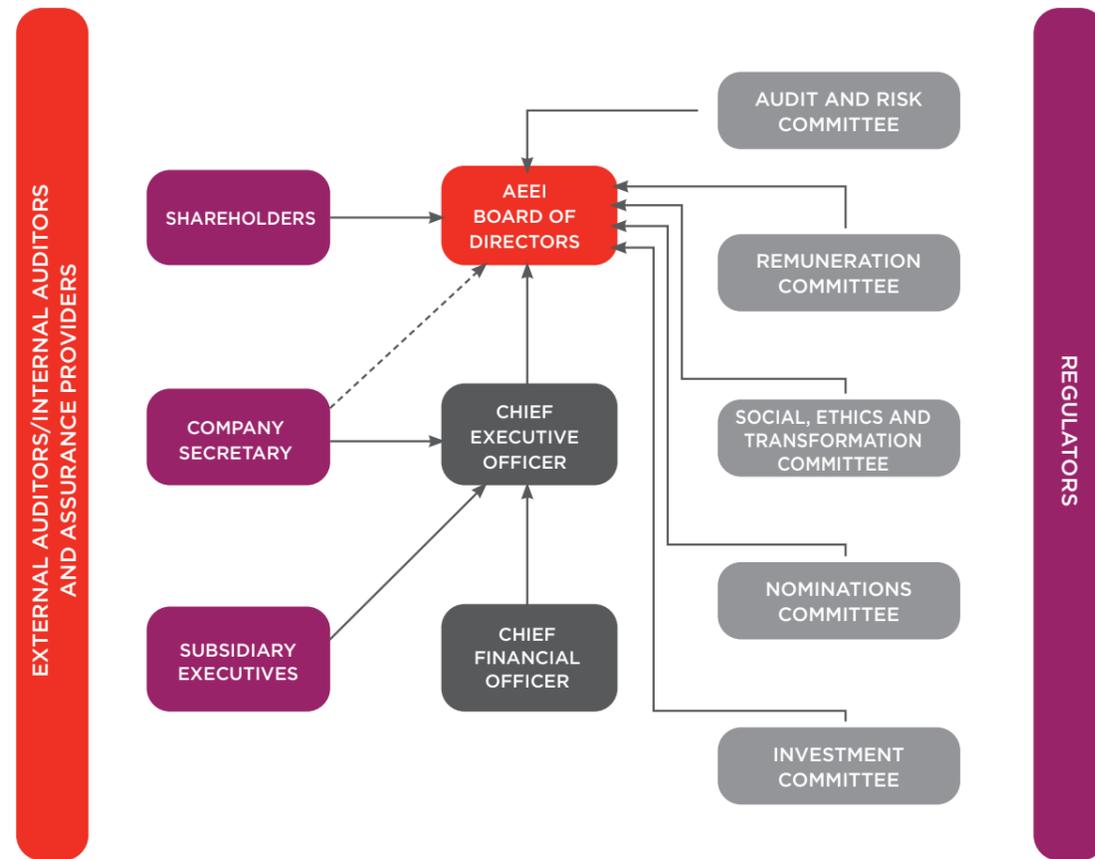
During the year, we had to re-align our operational plans and business model due to the unprecedented challenges of the COVID-19 pandemic to retain financial stability, business continuity and liquidity, risks and opportunities, and the short, medium and long-term effects on our business. This included a stakeholder-inclusive approach to the execution of our governance role and responsibilities while remaining committed to the principles of King IV™ recommendations, which is entrenched in our policies, internal controls, terms of reference and procedures and processes.

OUR GOVERNANCE PHILOSOPHY

Sound corporate governance and ethics form AEEI's business foundation and are pivotal to delivering long-term value to our stakeholders.

HOW TO NAVIGATE OUR REPORT | OUR REPORTING SUITE | INTRODUCTION | OUR GOVERNANCE AT A GLANCE | CUSTODIANS OF GOVERNANCE | NOMINATIONS COMMITTEE | AUDIT AND RISK COMMITTEE | TECHNOLOGY AND INFORMATION | REMUNERATION COMMITTEE | SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE | INVESTMENT COMMITTEE

OUR GOVERNANCE STRUCTURE



OUR GOVERNANCE FRAMEWORK

The Board is the principal decision-maker and has a formal charter setting out, among other things, its composition, frequency of meetings, powers and responsibilities concerning statutory, financial, administrative, regulatory and human resource matters.

The governance framework supports the Company's strategic matters. The framework flows to the subsidiaries and divisional levels to ensure that the business has a structure within which management can operate effectively.

The Board is supported by various committees and the executive management team with clear terms of reference to discharge its responsibilities. The Board is responsible for the strategic direction of the Company's governance framework.

The Board assumes collective responsibility for the performance of the Company through:

Strategy	Policy	Oversight	Accountability

This leads to good governance practices through:

Defined roles and responsibilities	A diverse and competent Board	Application of strategies	Compliance with applicable laws and regulations	Ethical and effective leadership
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The Group's governance framework focuses on the following:

- Vision, strategy and performance
- Ethical and responsible leadership
- Finance, including budgets and forecasts
- Corporate citizenship
- Risk management
- Information technology
- Investment
- Products - quality, cost, delivery and competitiveness
- Human capital - health, safety, employee wellness and the environment
- Transformation
- Sustainability
- Stakeholder relations

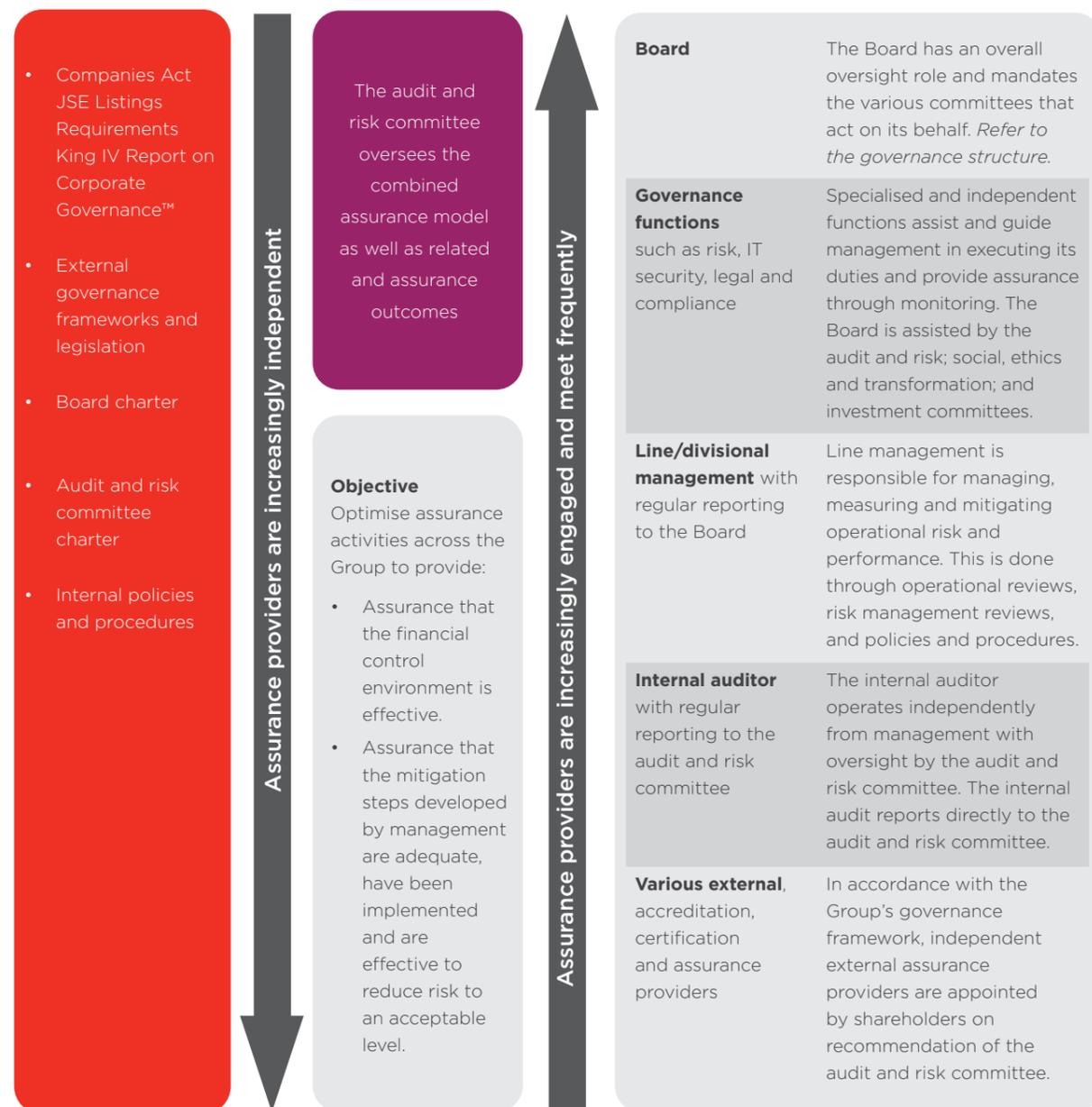
OUR COMBINED ASSURANCE MODEL AND INTERNAL CONTROL FRAMEWORK

AEEI has a combined assurance model, which includes internal and external assessments of key strategic risks, internal controls and other material areas to support the integrity of managing, monitoring and reporting data. Crowe JHB (Crowe) and THAWT Inc., a member of Crowe Global, audited our 2021 consolidated annual financial statements and provided an unmodified opinion thereon.

The Board paid attention to the combined assurance, ensuring that our combined assurance model adequately addressed the Group's risk and material matters. The audit and risk committee provides internal assurance to the Board quarterly on the execution of the combined assurance plan. The Group's financial, operating, compliance and risk management controls are assessed by the Group's internal audit function, which is overseen by the audit and risk committee.

We continually optimise our combined assurance model to avoid duplication of efforts, rationalise collaboration and manage assurance costs. This enables an effective control environment and ensures the integrity of the information used for reporting and decision-making.

COMBINED ASSURANCE MODEL



OUR STATEMENT OF COMPLIANCE AND COMMITMENT

The Board is pleased to report that for the year ended 31 August 2021, the Company has fully complied with the provisions as set out in its Memorandum of Incorporation (MOI), the Companies Act, JSE Listings Requirements and all relevant legal and regulatory laws. As AEEI is listed on the JSE, it is subject to and has implemented controls to provide reasonable assurance with all relevant regulatory requirements.

The Board is committed to the highest standards of ethics, governance and business integrity and has adopted an integrated approach to managing the Group. This ensures that the governance structure actively identifies, communicates and responds to material matters that impact the Group's capacity to create value. The Board believes that it has addressed all material matters appropriately and that it fairly represents the integrated performance of the Group. The Board continuously reviews the Group's governance structures and processes to incorporate and accommodate new corporate developments. This includes facilitating effective leadership, provide sustainable corporate citizenship supporting the Group's strategy, and reflect national and international corporate governance standards, developments and best practices.

The Board is satisfied that effective controls have been implemented and complied with throughout the Group and that the Company fully complies with the spirit and form of the continuing obligations of the JSE Listings Requirements, King IV™ and the Companies Act 2008 (Act 71 of 2008), as amended ("Companies Act"). (☞ - Principle 6)

OUR APPLICATION AND APPROACH TO KING IV™

In supporting King IV™, the Board recognises that it is the custodian of corporate governance for the Company and ensures that directors:

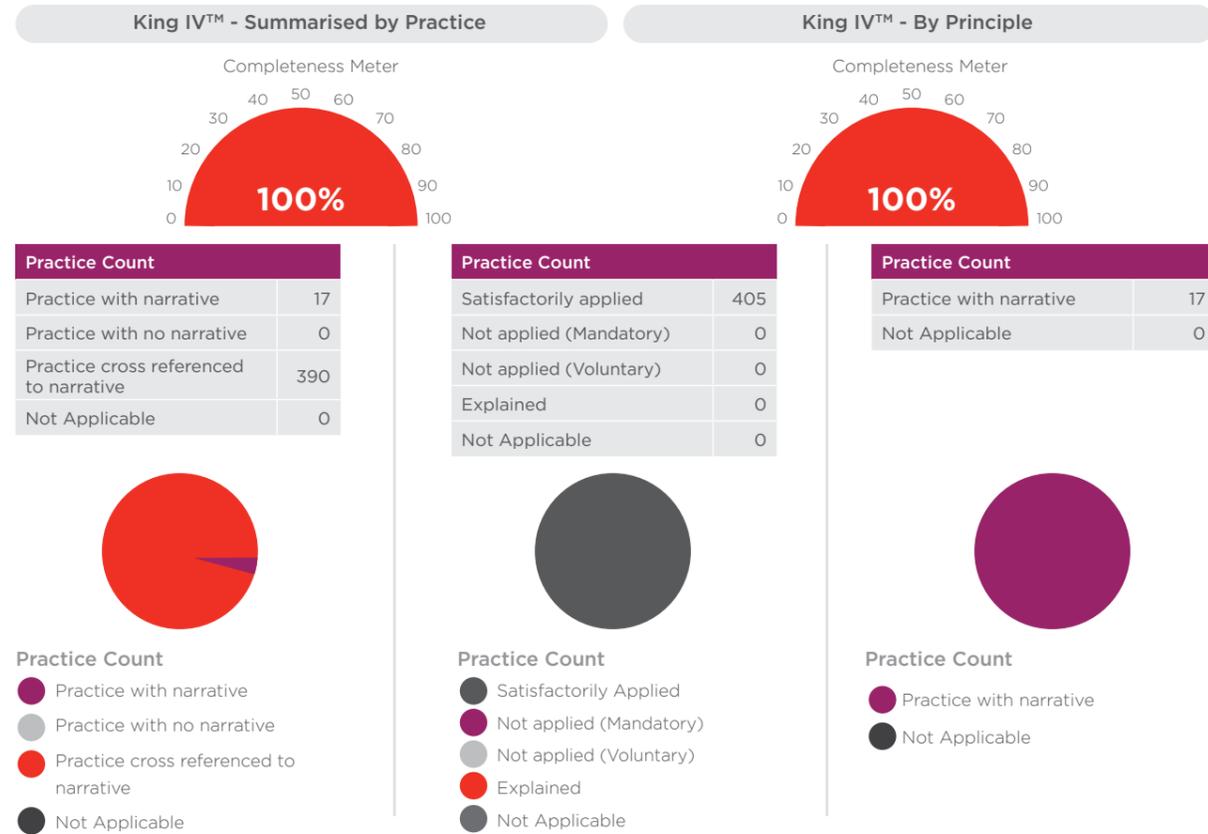
- lead ethically and effectively;
- support an ethical culture;
- set the strategic direction for the Company for the year ahead;
- approve policies and planning; and
- administer and monitor the Group's risks and opportunities, strategy, business model, performance and sustainable development.

The Board remains committed to the principles of King IV™ and ensures that its recommendations are diligently applied to policies, terms of reference, procedures, processes and controls.

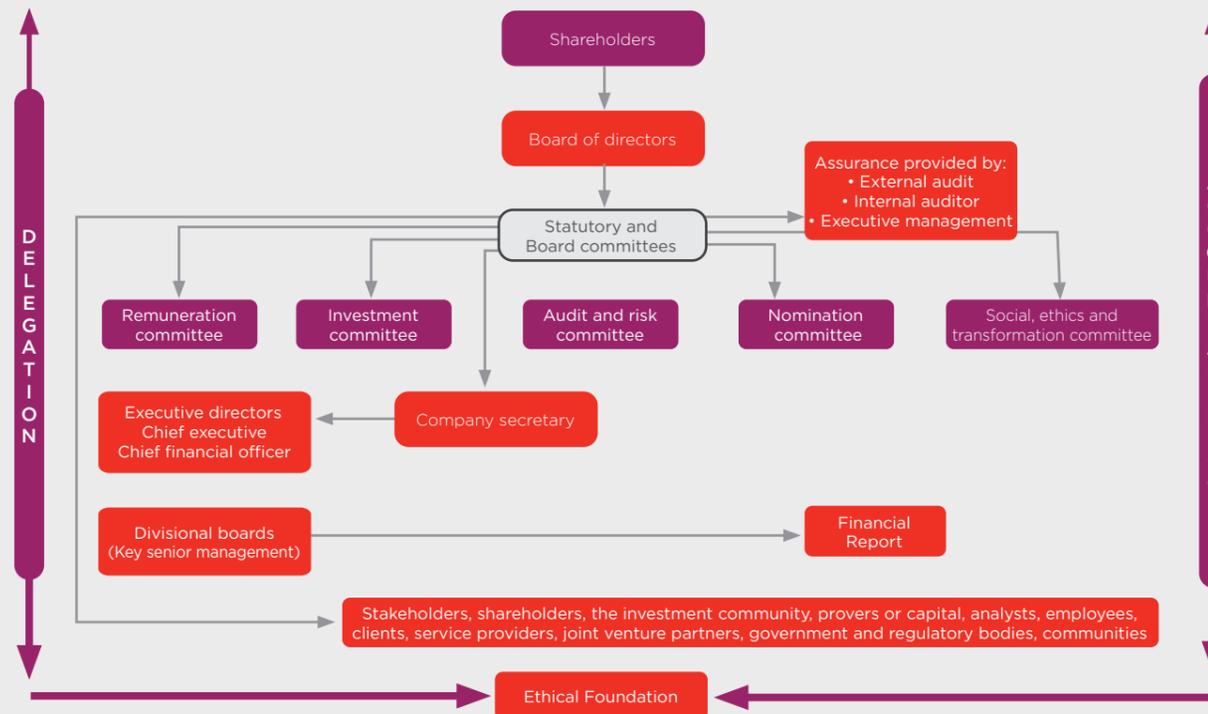
A statement of AEEI's application of the principles of King IV™ is available <http://aeei.co.za/king-iv-on-corporate-governance/>.



KING IV™ GOVERNANCE PERFORMANCE



DELEGATION AND ACCOUNTABILITY



EFFECTIVE CONTROL

In terms of our MOI and Board Charter, the Board is responsible for the strategic direction and ultimately controls the Company.

EFFECTIVE AND ETHICAL LEADERSHIP

The Board is satisfied that its composition contains the appropriate knowledge, skills, experience, independence and diversity. The Board operates in terms of a Board-approved charter and there is a clear division of responsibilities at Board level to ensure a balance of power and authority. No one individual has unfettered powers of decision-making.

The Board provides effective leadership based on a principled foundation, and the Group subscribes to the highest ethical standards. Responsible leadership, instilled by the values of responsibility, transparency, accountability and fairness, has been a defining characteristic of the Company since its inception.

Our fundamental objective has always been to conduct business ethically while building a sustainable company that recognises the short and long-term impacts of its activities on the economy, society and the environment.

The Group is governed by its Code of Ethics and Code of Conduct. The Code of Ethics requires all directors, management, and employees to obey the law, respect others, be honest and fair, and protect the environment. The Code of Conduct articulates AEEI's commitment to doing business according to best practices - the right way and guided by our values.

(☞ - Principles 1 and 2)

The Board is satisfied that it has discharged its duties and obligations as described in the Board Charter.

WHO GOVERNS AND LEADS US

 NON-EXECUTIVE CHAIRPERSON Aziza Amod	 LEAD-INDEPENDENT NON-EXECUTIVE DIRECTOR Willem Raubenheimer
 CHIEF EXECUTIVE OFFICER Valentine Dzvoza	 CHIEF FINANCIAL OFFICER Jowayne van Wyk
 NON-EXECUTIVE DIRECTOR Gaamiem Colbie	 INDEPENDENT NON-EXECUTIVE DIRECTOR Bongikhaya Qama
 INDEPENDENT NON-EXECUTIVE DIRECTOR Ambassador Membathisi Mdladana	 INDEPENDENT NON-EXECUTIVE DIRECTOR Stephen Nthite

EXPERTISE OF OUR BOARD

Aziza Amod (59) Non-executive chairperson	Willem Raubenheimer (62) Lead-independent non-executive director	Valentine Dzvova (38) Chief executive officer	Jowayne van Wyk (35) Chief financial officer
<p>Appointed: 12 November 2012</p> <p>BCom (Hons) CA(SA) Diploma in Forensic Accounting Appointed: 9 July 2020</p>	<p>CA(SA), ACMA, CGMA (Charter Global Management Accountant), Certified Internal Auditor Postgraduate Diploma in Accounting BCom Accounting Appointed: 12 March 2020</p>	<p>CA(SA) BAcc Hons BCom Accounting SAICA Independent Reviewer Certificate Appointed: 1 August 2020</p>	<p>CA(SA) BCom Accounting SAICA Independent Reviewer Certificate Appointed: 1 August 2020</p>
Gaamiem Colbie (32) Non-executive director	Bongikhaya Qama (44) Independent non-executive director	Ambassador Membathisi Mdladlana (69) Independent non-executive director	Stephen Nthite (50) Independent non-executive director
<p>BTech Cost and Management Accounting Postgraduate Diploma: Professional Accountant in Practice Professional Accountant (SA) Appointed: 30 August 2019</p>	<p>Project Management Finance for Non-Financial Managers Certificate Customer Relations Certificate Facilitation and Data Management Certificate Appointed: 2 July 2020</p>	<p>BA Majors in Education and IsiXhosa Appointed: 27 August 2021</p>	<p>Bachelor of Jurisprudence (BJuris) Bachelor of Law (LLB) Admitted Attorney Appointed: 26 August 2021</p>

EXPERTISE

- Leadership
- Finance
- Compliance and governance
- Risk and opportunity management
- Taxation
- Asset management
- Technology and information governance
- Environmental sustainability
- Human resources - people management and remuneration
- Mergers and acquisitions

PRESCRIBED OFFICER

Valentine Dzvova is the prescribed officer of the Company. The prescribed officer must perform her function and exercise her duties to the same standard of conduct applicable to all directors and is subject to the same liability provisions.

Since her appointment, she exercised executive control over the management of the Group's subsidiaries. In addition, she regularly participated in the general executive control of the Group's business units and activities.

She is not remunerated separately for this function.

COMPANY SECRETARY

Damien Terblanche is the company secretary and is accountable to the Board.

During the year, the company secretary:

- Guided the directors in terms of their duties, powers and responsibilities; and responsibilities and liabilities under the Companies Act and King IV™.
- Made the Board aware of changes to any relevant laws affecting the Company.
- Prepared Board and committee packs and recorded detailed minutes of meetings.
- Ensured that Board and committee meetings, including the AGM of the Company were conducted in a proper and orderly manner.
- Disclosed the corporate actions, SENS announcements and directors' dealings in securities and ensured compliance with the JSE Listings Requirements and the Companies Act.
- Reviewed agreements and made recommendations to the executive management team.

The Board has considered the company secretary's competence, qualifications and experience and is satisfied that they are appropriate. All directors have unlimited access to the services of the company secretary. The company secretary's appointment and removal is a matter for the whole Board.

The Board is satisfied that an arm's length relationship exists between the company secretary and the Company. He is not a Board member, is not involved in the Company's day-to-day operations, and is not a prescribed officer.



Regulatory

Due to the ever-changing regulatory landscape, the Board amended policies and charters. In addition, it implemented new policies and charters to take into account the changes in regulatory compliance and stay abreast of trends this year.

- The following Policies were implemented to take into account legislative changes:
 - Protection of Personal Information Policy Act, 2013 (POPI Act);
 - Data Privacy;
 - Vendor due diligence; and
 - Materiality Policy
- The following Charters and Policies were updated to take into account legislative changes:
 - Code of Conduct;
 - Code of Ethics;
 - Confidential Information Agreement;
 - Consent to act as a director;
 - Consent to act as non-executive director;
 - Divulging Group Information;
 - Electronic Communications Policy and Procedure;
 - Governing Technology and Information Policy;
 - The Promotion of Access to Information Manual (PAIA Manual);
 - Records, Storage, Retention & Destruction Policy
 - Technology and Information Governance Framework;
 - The Way We Work

BOARD COMPOSITION AND SKILLS

The Board comprises eight directors, of whom four serve as independent non-executive directors, two non-executive directors and two as executive directors who have the appropriate balance of knowledge, skills, experience, diversity and independence to discharge their duties effectively and objectively.

KNOWLEDGE, SKILLS AND EXPERIENCE

The Board is well-diversified to add value to the Group.

The Board determines the required composition of skills in response to the rapidly changing environment. Having the appropriate mix of skills and experience ensures that the Board is well-equipped to guide the Company's strategy and to create value.

During the year, the Chairperson led a review of the Board's composition, focusing on diversity, independence, skills, experience and expertise, regarding the Company's strategy, purpose, changing external environment and future prospects.

BOARD EFFECTIVENESS

As of 31 August 2021, the Board comprised of eight directors. The size gives the Board adequate membership for its five committees while maintaining adequate levels of independence. Accordingly, in terms of the Company's MOI, the Board shall consist of a minimum of four directors and a maximum of twenty directors. This ensures the Board and management have the capacity and time to guide the Group's strategy. With the evolution of reporting requirements and changes in the Company's environment, it was essential to review the Board's agenda items before each meeting to ensure that it stays aligned with good governance and ethics and meets current needs, best practices and matters of strategic importance.

Our Board and committees are monitored annually for effectiveness and transparency. In addition, the internal valuations of the Board and committees are conducted annually and reviewed for the value that directors add to the Company. It was concluded that the Board and committees operate efficiently, openly and transparently, and there is a good level of discussion between members and attendees.

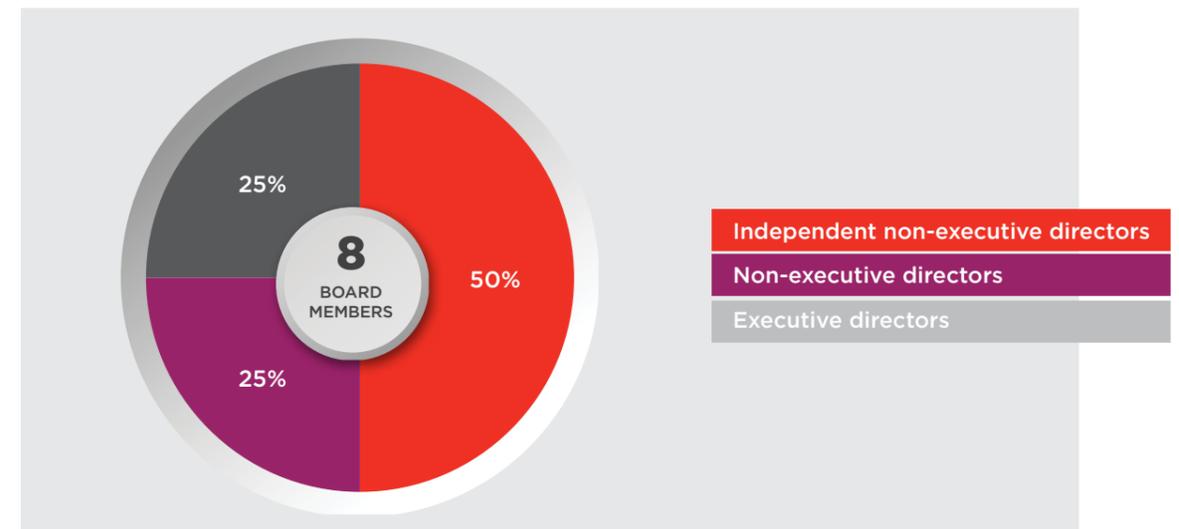
INDEPENDENCE

Protecting the interest of all shareholders.

The majority of Board members are independent non-executive directors in compliance with .

Non-executive directors bring independent judgement and experience to the Board's deliberations and decisions. None of the non-executive directors have served on the Board for nine years or longer.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS %



AEEI's policy is to maintain a Board structure comprising a majority of independent non-executive directors.



BOARD DIVERSITY

AEEI is committed to promoting diversity at Board level and remain transformed and continue to meet diversity targets. AEEI's Diversity Policy considers and promotes the validity of the voluntary diversity targets having due regard for the demographics of South Africa and the Group's customer profile. In considering the new appointments, the nominations committee considered the Board's current composition regarding the voluntary diversity targets and gaps identified in the Board's fields of knowledge, skills and experience. The Board continues to look at promoting diversity in terms of further gender equity representation.

DIVERSITY AT BOARD LEVEL - POLICY STATEMENT

The Company believes that the promotion of broader diversity at Board level maximises opportunities to achieve its business goals through an informed understanding of the diverse environments in which we operate. A truly diverse Board will include and make good use of differences in age, gender, race, culture, the field of knowledge, skills and experience and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and, when possible, should be balanced appropriately.

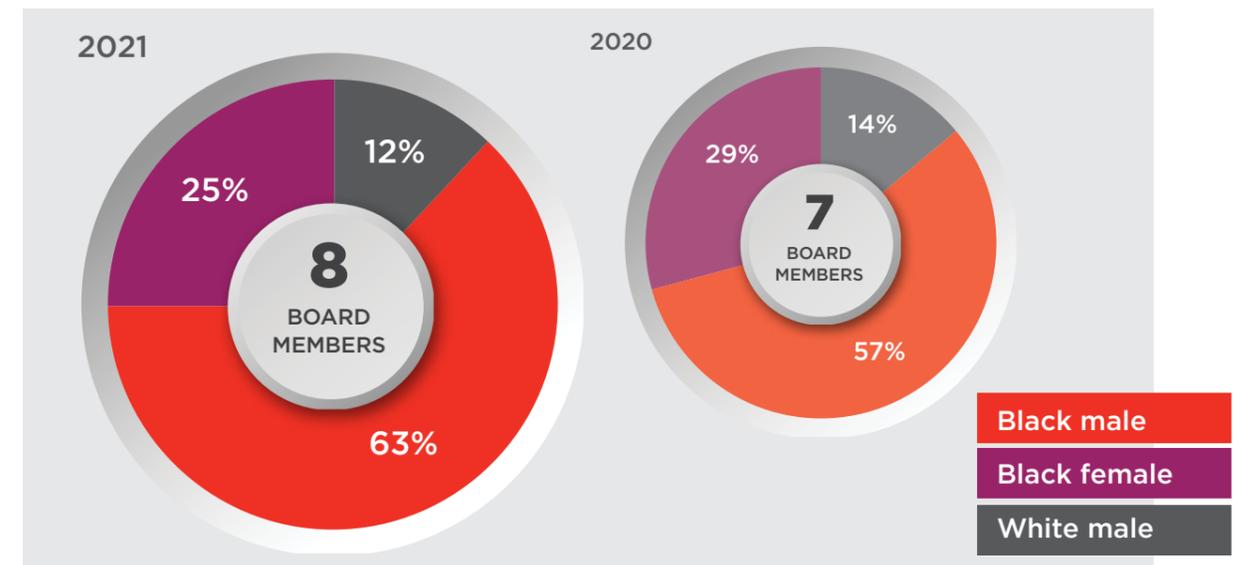
Non-executive directors bring independent judgement and experience to the Board's deliberations and decisions, with the structure of the Board ensuring that no one individual or group of individuals has unfettered powers of decision-making. The selection of Board members is made on merit, in the context of the skills, experience, independence and knowledge, which the Board as a whole requires to be effective.

A copy of the policy may be viewed at the Company's head office or requested from the company secretary, Damien Terblanche - damien@aeei.co.za.

PROMOTION OF DIVERSITY AT BOARD LEVEL %

2021 %	2020 %	
88	86	Voting rights of black Board members
25	29	Voting rights of black women Board members
100	100	Black executive members
13	14	Black women executive members
50	43	Black independent non-executive Board members

BOARD DEMOGRAPHICS %



AEEI's policy - Considers and promotes the validity of the voluntary diversity targets having due regard for the demographics of South Africa and the Group's customer profile.

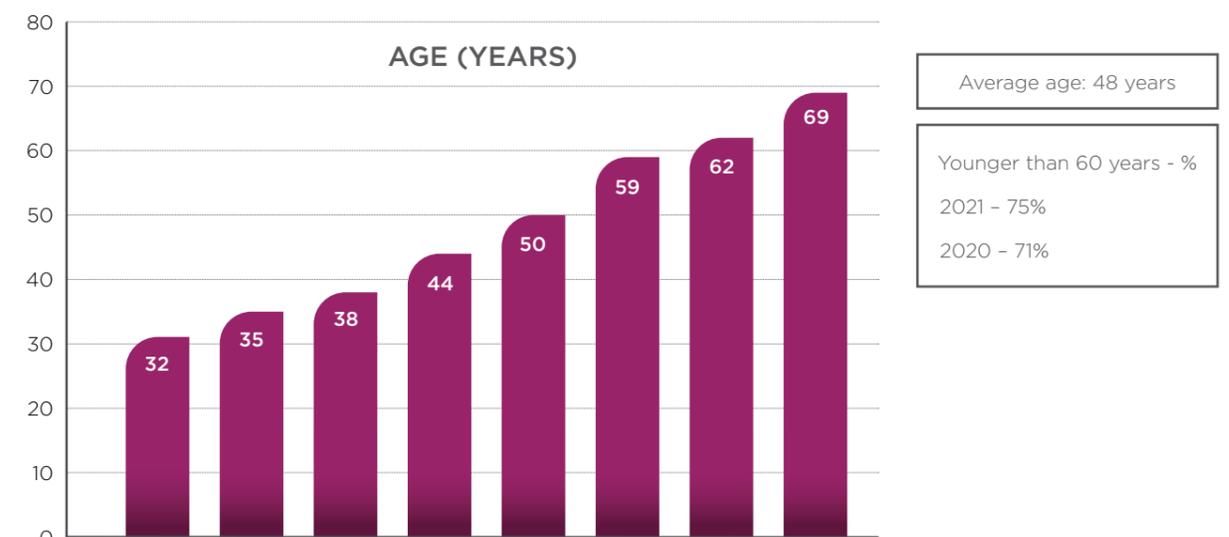
BOARD TENURE AND EXPERIENCE

In AEEI's policy, non-executive directors must retire by rotation at the AGM or after nine years of being on the Board as a non-executive director. The staggered rotation of members ensures the introduction of new expertise and perspectives while retaining valuable industry knowledge, skills and experience while maintaining continuity. King IV™ specifically states that independent non-executive directors may serve for longer than nine years if a vigorous assessment is conducted annually to establish that the director exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

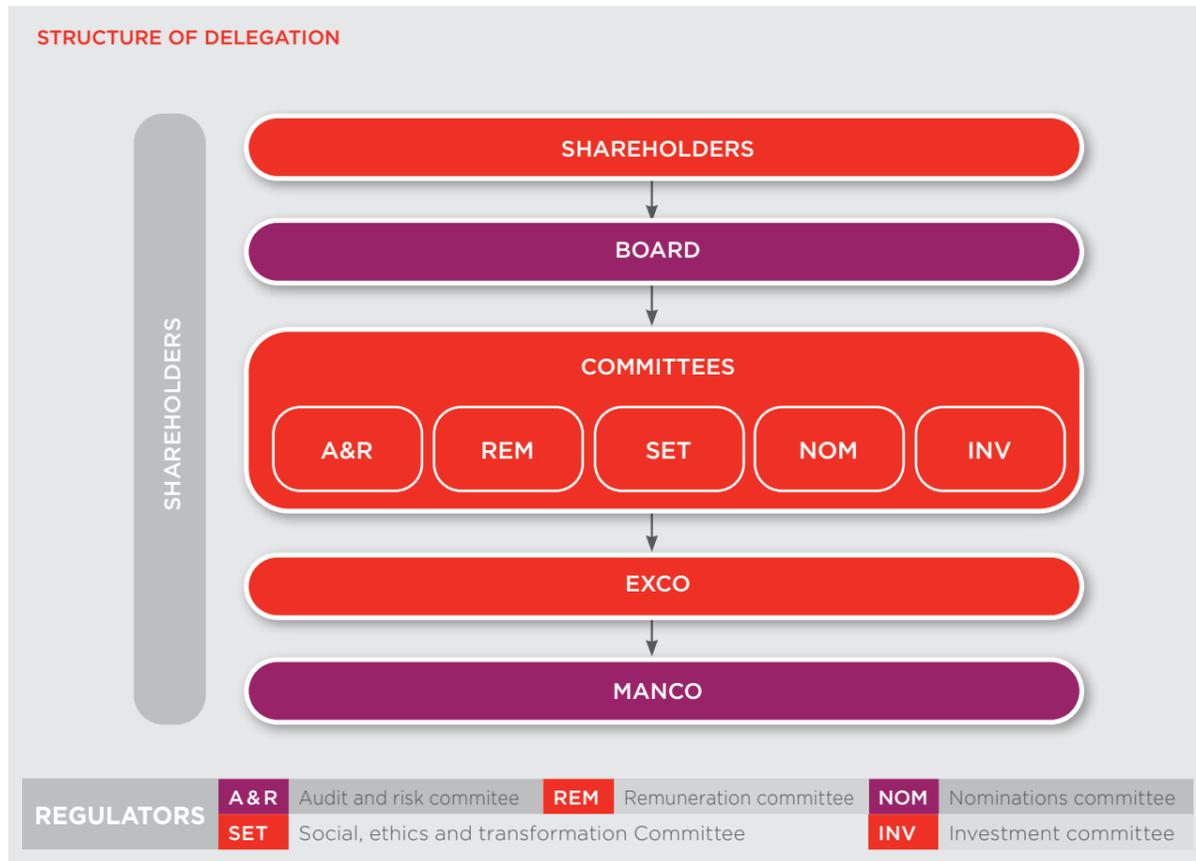
NON-EXECUTIVE'S TIME ON THE BOARD

< 1 YEAR	2
1-3 YEARS	5
5-8 YEARS	1

EXECUTIVE AND NON-EXECUTIVE DIRECTORS' AGE



STRUCTURE OF DELEGATION



COMMITTEES

The Board has established a number of committees to assist it in performing its statutory duties and to fulfil its effective decision-making processes. Specific responsibilities with formally delegated powers have been given to the committees to perform their functions, with defined regulations and terms of reference to promote independent judgement and assist with the balance of power.

STATUTORY DUTIES

The nomination, audit and risk, remuneration, social, ethics and transformation, and investment committees are constituted as statutory committees of the AEEI Board regarding their statutory duties in terms of the Companies Act and King IV™ and are accountable to the Board and shareholders. In addition, these are committees of the Board in respect of all other duties the Board assigns to them and have been delegated powers to perform their functions in accordance with all regulatory requirements, including the Companies Act and King IV™.

TERMS OF REFERENCE

All committees function according to Board-approved terms of reference as contained in each committee's charter and/or policy. All committee charters and policies were reviewed during the year, with changes being made to consider new regulatory requirements and King IV™ to ensure best governance practices. These charters and policies were formally tabled at each committee meeting and adopted by the Board of directors.

The chairman of each committee reports back to the Board at each Board meeting and embraces transparency and complete disclosure principles.

The delegation of authority to Board committees does not mitigate or relieve the directors and the Board from their duties and responsibilities.

EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Ever-changing challenges facing companies make it essential to ensure that the Board's agenda stays aligned with good governance and ethics and meets current needs, best practices and matters of strategic importance. The independence of directors and their other commitments are also evaluated.

The Board and committees were evaluated during the year, and the evaluation revealed some areas for improvement which were addressed appropriately. In addition, Ismet Amod resigned from the Board and its committees and two independent non-executive directors were appointed to the Board, resulting in some of the committees being reconstituted. The Board and its committees continue to operate efficiently, openly and transparently, with a productive level of discussion between members and attendees.

The Board believes that the majority of directors are independent and that these directors act with independent judgment for decision-making. (☞ - Principles 7 and 9)

The Board appraises the performance of the CEO and CFO on an annual basis and identifies areas for improvement. The Board confirmed that they were satisfied that the executive directors carried out their duties with due skill and diligence and in the Company's best interests for the year.

CORPORATE CODE OF ETHICS AND CODE OF CONDUCT

The Board of AEEI recognises that the Company is an economic entity and a corporate citizen and has a social and moral standing in society with all the attendant responsibilities. AEEI's Code of Ethics addresses corruption, bribery, conflicts of interest and human rights and governs the Group's approach to ethical behaviour and fair business practice.

The Group subscribes to the highest levels of professionalism and integrity in conducting its businesses and dealings with all stakeholders. All employees are expected to share the Group's commitment to ethical practices, the Company's values, moral conduct and legal standards.

The Board continues to provide effective leadership based on a principled foundation. AEEI's leadership is characterised by its shared values of commitment through respect and trust, integrity, people, investment, stakeholders, accountability and commitment. One of AEEI's fundamental objectives has always been to do business ethically while building a sustainable company, taking into account the short, medium and long-term evolvement of the economy, society and the environment.

In executing its responsibilities, the social, ethics and transformation committee considered and monitored the Group's activities, having regard to legislation, human rights and prevailing practice in matters relating to social and economic development, including compliance with the ten principles of the UN Global Compact and labour and employment activities.

All directors and employees are aware of the Code of Ethics and Code of Conduct, which is maintained throughout the Group. Through The Way We Work Policy, the Group subscribes to a code of ethical and moral behaviour that requires total transparency for all stakeholders. AEEI prides itself on fairness and honesty and is intolerant of theft and dishonesty. (☞ - Principles 1, 2, 3 and 16)

REPORTING UNETHICAL BEHAVIOUR

Employees and stakeholders can report any breach of the Code of Ethics via the Group's anonymous reporting facility. During the year, there were no allegations of unethical behaviour reported.

VALUE-CREATING GOVERNANCE PROCESSES

Primary governance roles and collective responsibility



LEADING FROM THE TOP DOWN

Our culture, values and governance are set and supported by the Board and management. All employees in the Group embrace our culture in the organisation.



As a result of the ongoing COVID-19 pandemic, the future of work trends has changed to the "next normal." Remote work and virtual meetings are likely to continue, albeit less intensely than at the pandemic's peak, with mental health and digitisation being at the forefront. Some companies are already planning to shift to flexible workspaces after positive experiences with remote work, which will reduce the overall space they need to bring fewer workers into the office each day. Business travel may also be reduced with the extensive use of video conferencing and virtual meetings.

RESPONSIBILITIES OF THE BOARD AND KEY FOCUS AREAS IN 2021

The Board's primary responsibilities and key focus areas during the unprecedented year under review during COVID-19 were to manage the spread of the virus and business continuity by being proactive and responsible. Our COVID-19 committee and Compliance Officers monitor our actions and manage the risks in line with our Office Workplace Plan in terms of the Disaster Management Act, Regulation 16(6)(b). In addition, our executive team focuses on operational matters, including managing the business, its continuity plans, maintaining liquidity and managing risks.

OUR RESPONSE TO THE IMPACT OF COVID-19

At the start of COVID-19, we acted quickly to position our business to meet the challenges of the pandemic in uncharted territories. We worked closely with our stakeholders, worked on innovative ways to sustain our businesses, proactively supported our employees, service providers and suppliers while managing potential risks and challenges.

We responded by right-sizing our businesses to match current trading conditions. Unfortunately, this resulted in staff retrenchments. This comes after a year of using our financial resources to continue employing staff. This action will ensure the sustainability of the business, allowing us to employ more staff in the future when the macro environment, especially the COVID-19 pandemic is under control.

Our capital expenditure has been halted as far as possible without harming our ability to operate now and in the future.

We embraced technology a lot more in the way we work as remote working enables us to continue operating in the reality of continued lockdowns and keeping our staff safe. We improved communication within the organisation to ensure that information is available in real-time as far as possible, enabling the identification of potential risks before they arise, which is vital in this dynamic COVID-19 environment. In addition, we improved communication with stakeholders, including our overseas suppliers, who assist us in ensuring that products are shipped on time and within reasonable terms, considering restrictions on the movement of goods.

The outlook remains uncertain due to the many factors that influence the pandemic as well as not knowing when associated restrictions will come to an end. Such factors include subsequent waves of the pandemic in South Africa and abroad and vaccinations in the country and overseas. In addition, the virus continues to evolve with the many variants that are now spreading. Thus, it remains challenging to predict how the economic recovery will proceed and what setbacks will surface for as long as the pandemic continues.

EFFECT OF COVID-19 AND RESPONSE STRATEGY

Leadership and governance	Maintaining high levels of corporate governance and leadership continues to remain critical through uncharted territory. The Board and management team continue to lead by example through their commitment and tenacity, providing support and guidance, and ensuring business continuity.
Solvency and liquidity	The Board and executive management reviewed the projects for the financial year and implemented the following: <ul style="list-style-type: none"> Working capital was preserved to secure the solvency and liquidity of the Group All major capital and project expenses have been deferred unless it was critical to the business unit Certain planned investments have been deferred
Employees	The health and welfare of our employees remains a high priority <ul style="list-style-type: none"> Measures have been put in place to secure the well-being of all employees and their families Protocols and policies were put in place to align with requirements of Section 8 (1) of the Occupational Health and Safety Act, No. 85 of 1993 COVID-19 has brought about high levels of stress and anxiety to everyone, and the Group has made support available. <ul style="list-style-type: none"> A 7-day Mental Health Survival online course was made available to all employees, including dealing with stress, anxiety, daily routines, depression, isolation, coping mechanisms, lifestyle adaptation, fitness, incorporating physical well-being etc. COVID-19 employee assistance screening service provided to all employees, including medical attention Daily on-site screening Transportation arrangements are in place for the most vulnerable employees As a result of COVID-19, some employees tested positive and had to self-quarantine. Unfortunately, we had some fatalities and wish to extend our heartfelt condolences to the families and our colleagues Online learning has been encouraged, with many employees taking the opportunity to further their skills capabilities
COVID-19 Plan	It was imperative to have a best practice return-to-work procedure in place, including training for the safe return of all employees during the various levels of lockdown. <ul style="list-style-type: none"> Training to all employees A continued phased approach to the resumption of work in the office during the various levels of lockdown Personal protective equipment made available to all employees We continuously monitor and ensure adherence to all protocols
COVID-19 Recovery Plan	Management continues to reflect on the changes that COVID-19 has brought daily, and our recovery plan is a work in progress. We continue to realign our operating strategies to the constantly changing environment. Our method is to streamline operations and ensure survival in this volatile environment so that our businesses have the chance to continue operating in the future. We know that stability will come; it's just a matter of when it will happen.

We continue to do all that we can to help our stakeholders during this unprecedented and uncertain time. During this period, we have had to restructure some business units. Unfortunately, employees took a salary reduction with some employees being deployed in other areas in the Group and, as a last resort retrenched.

BOARD MEETINGS

The Board's quarterly meetings are used as a mechanism to discharge its duties in terms of the JSE Listings Requirement, Companies Act, King IV™, and applicable regulatory requirements, including monitoring its strategic direction and approach to risk management.

The non-executive chairperson and chief executive provide the company secretary with agenda items in preparation for the board meetings. In addition, information is disseminated to Board members in advance to allow them to apply their minds and make informed decisions at each board meeting.

Performance against strategic objectives	At each Board meeting, the CEO and CFO provided feedback and updates on the progress made against the Company's strategic objectives and performance. They advised the Board on material matters, strategic risks, the effects of the ongoing COVID-19 pandemic on the performance of the business units and the preservation and optimisation of capital. In addition, they provided feedback on employee health and wellness and extended lockdown levels in light of the ongoing pandemic.
Board committee updates	The chairs of the various Board committees provide verbal reports to the Board regarding the actions of their respective committees and the material matters arising from their latest meetings.
Corporate reports	Based on the quarterly corporate reports, the Board reviews and monitors the information provided by the corporate office regarding regulatory compliance, changes to policies and frameworks, the reports from external sponsors, including the Company's share price.

TIMELINE

SEPTEMBER TO DECEMBER 2020	JANUARY TO APRIL 2021	MAY TO AUGUST 2021
<ul style="list-style-type: none"> Approved the annual financial statements and final dividend declaration to shareholders Approved the 2020 integrated report and online suite of reports Approved the Notice of AGM to shareholders Discussed the reappointment of the external auditors Discussed banking challenges faced by the Group and the Board's response to it Advised shareholders that SAAB Grintek Defence (Pty) Ltd exercised its Call Option regarding the shareholder's Agreement. The Company entered into a binding Closing Memorandum for the disposal of the shares at the agreed price. Advised shareholders of a proposed Broad-based Black Economic Empowerment transaction to be implemented at a major subsidiary 	<ul style="list-style-type: none"> The AGM was held in February, with all resolutions and special resolutions passed by majority votes Resignation of Board member Appointment of member to the audit and risk committee Discussed the Group's investment portfolio and the impact of the ongoing COVID-19 pandemic on the business units Discussed the Group's investment strategy and that it remains sustainable to ensure the Company provides value to its shareholders Discussed banking challenges faced by the Group and progress report on alternate banking facilities 	<ul style="list-style-type: none"> Approved the interim results and dividend declaration to shareholders Discussed the accreditation of the joint external auditors Advised shareholders that British Telecommunications South Africa (Pty) Ltd wished to exercise its call option. The matter is currently being resolved at a shareholder level between the two parties. Appointment of new Board members Reconstitution of Board committees Approved the 2021 budget

OUR APPROACH TO COMPLIANCE

The audit and risk committee has an independent role and is accountable to the Board and shareholders. The primary objective of the audit and risk committee is to assist the Board to fulfill its oversight responsibilities for the financial reporting, system of internal control, the audit process, the risk management process, monitoring compliance with relevant laws, regulations and legal compliance. The audit and risk committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the year.

CONFLICT OF INTEREST

Directors may accept other Board appointments, provided that any potential conflicts are disclosed appropriately, considered and managed, and that the appointments do not conflict with the Group and/or adversely affect the director's duties. Any proposed Board appointment must be agreed upon with the chairperson before the director accepting such appointment.

Directors and officers are also required to inform the Board timeously of conflicts or potential conflicts of interest that they may have relating to particular items of business or other directorships. At the start of each Board meeting, the chair requests Board members to declare any actual and/or potential conflict of interest with matters to be considered at that meeting. The company secretary maintains a register of the director's interest in and outside the company, and the relevant director signs the register.

A director or prescribed officer is prohibited from using their position or any confidential price-sensitive information to benefit themselves or any related third party. If this should arise, the Board will take appropriate action immediately against the relevant director or prescribed officer.

POLICY ON TRADING IN COMPANY SECURITIES

In compliance with the JSE Listings Requirements, the Company has a policy for insider trading dealings in securities and transactions. Directors and employees may not trade in Company securities during prohibited and closed periods.

Directors and designated employees may only deal in the Company's securities outside of the prohibited and closed periods.

DEALING IN COMPANY SHARES

Directors, officers and employees of the Company are not permitted to deal in company shares during closed periods in accordance with the JSE Listings Requirements. The closed period commences at the end of the first six months of the financial year (end February) and financial year-end (end August) and upon publication of the relevant results and during periods when the Company is trading under a cautionary announcement. In addition, the company secretary disseminates written notices to all directors and senior management informing them that it is prohibited to deal in AEEI shares during closed periods.

Directors are required to seek the authority of the non-executive chairperson, CFO and the company secretary prior to dealing in shares of AEEI. Accordingly, directors are not permitted to use internal Company information when deciding to deal in the Company's shares. During the year under review, the Board reinforced the Code of Conduct for insider trading.

INTERNAL POLICIES

As a leading JSE-listed black empowerment Company and through our brand's position, AEEI is dominant in a global context relating to various issues, technology changes, globalisation, rapid change, dynamic markets, enterprise development and sustainability legislation. These issues affect the overall business strategy of the Group while focusing on organic growth, acquisitions, geographic expansion, new categories, margin improvement and transformation. In line with the Group's governance, the Group has all the relevant policies in place as approved by the Board.

PROTECTION OF PERSONAL INFORMATION ACT, 2013 (POPI) COMPLIANCE

POPI was signed into law by the President of South Africa on 19 November 2013 and published in the Government Gazette on 26 November 2013. The majority of the substantive provisions of POPI came into force with effect from 1 July 2020 and Responsible Parties had a grace period of 12 months to become fully compliant with the provisions of POPI, i.e., by midnight on 30 June 2021. During this grace period, no enforcement actions or penalties would be instituted by the Information Regulator, the regulatory body established in POPI.

During the year under review, AEEI engaged the services of an external service provider to seek advice and identify any potential gaps in terms of compliance. This process was broken down into three phases:

Phase 1 – Discovery and Gap Analysis

A risk-based gap analysis was conducted based on the information provided to the external service provider. The gap analysis revealed that specific policies and procedures had to be amended, and new documents/agreements would need to be implemented.

Phase 2 – Implementation Plan

The Implementation Plan is an outcomes-based plan to address risks identified in the Discovery and Gap Analysis. The following has been completed but will require ongoing input and attention:

- ensuring business strategies are compliant with POPI;
- amending agreements in place with third parties where required;
- amending internal documents and policies;
- adopting new policies and agreements;
- implementing security protocols compliant with POPI to ensure the integrity and security of Personal Information is maintained and monitored regularly to address any new threats;
- developing processes to govern data transfers;
- established a timetable to ensure ongoing monitoring and compliance;
- updating the incident response processes;
- monitoring of applicable laws to implement changes to any data privacy policies or procedures which may be required to ensure ongoing compliance;
- all new agreements will contain the appropriate data privacy clauses; and
- ensuring a high-level due diligence is conducted with Operators/Vendors that host Personal Information and to ensure that their privacy policies and agreements make provision for the transferring of Personal Information outside of South Africa for hosting purposes.

Phase 3 – Training and Awareness

A training workshop was held with all senior managers and departments in respect of POPI compliance. Training continues to be rolled out to employees to ensure general awareness of POPI requirements for all areas and specific awareness for higher-risk areas. The training included:

- Legislative framework and introduction to POPI;
- Status of POPI;
- Conditions for Lawful Processing;
- Lawful grounds for Processing
- Distinguishing between a Responsible Party and an Operator and the different role players in terms of POPI;
- POPI and COVID-19;
- Marketing and direct marketing

The Information Officer and Deputy Information Officer have been appointed, and a compliance committee was established. Each head of each department has the responsibility to ensure that their departments take the necessary steps to reach and maintain compliance. The Information Officer provides feedback at the Board meetings.

RESPECTED CORPORATE CITIZENSHIP

The Board and management recognise that AEEI is an economic entity and a corporate citizen. It has a social and moral standing in society with all the attendant responsibilities. Further information is provided in the sustainability report available online at www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports. (📄 - Principle 3)

ANNUAL FINANCIAL STATEMENTS

In terms of the Companies Act, directors are required to maintain adequate accounting records and prepare the annual financial statements based on appropriate accounting policies.

AEEI's financial statements are based on appropriate accounting policies as set out in the notes to the financial statements and are supported by reasonable and prudent significant judgements and estimates. The external auditors are responsible for considering internal controls relevant to the preparation of the financial statements to design appropriate audit procedures under the circumstances but not to express an opinion on the effectiveness of the internal control systems.

The Board established formal and transparent arrangements with the external and internal auditors. It ensured that timely and accurate disclosure was made of any information that would be of material importance.

The Board ensured that assurance services and functions enabled an effective control environment. These support the integrity of information for internal and external decision-making and of the Company's external reports in achieving its objectives.

The external auditors assessed whether the financial statements conform to IFRS, the JSE Listings Requirements and the Companies Act.

The Board is satisfied that the financial statements are fairly presented and contain proper disclosures and appropriate internal controls and that regulatory compliance processes were followed to prepare the annual financial statements.

The external auditors offered reasonable, but not absolute, assurance of the fair presentation of the financial statements as a whole are free from material misstatement, whether due to fraud or error. Refer to the external audit report in the complete annual financial statements. AEEI's management is responsible for the preparation of the financial statements. (📄 - Principle 15)

ENGAGING WITH OUR STAKEHOLDERS

The recommendations of King IV™ govern our stakeholder engagement. AEEI has a stakeholder engagement framework, which includes communication guidelines and corporate identity. AEEI's stakeholder engagement framework outlines the Company's approach to communicating and working with its stakeholders. Engaging with stakeholders is decentralised and forms part of the operations of our various business units. Each business unit is required to report regularly on its stakeholder engagements.

The year's role, responsibilities, and focus areas are comprehensively addressed on pages 24 to 31 of the integrated report - Building value relationships with our stakeholders. (📄 - Principle 16)

REPORTING TO STAKEHOLDERS ON STRATEGY AND PERFORMANCE

AEEI appreciates the role and support of its stakeholders and remains committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. The Group recognises that its businesses are one of the stakeholders in the socio-economic and environmental system. Therefore, the Group needs to compete successfully in an increasingly complex and ever-changing business environment and systematically change sustainable development. We built and maintained trust and respect with our various stakeholders for the year in review, thus positively impacting our reputation.

AEEI places great value on its high standards of ethics, communication, transparency of information in terms of the Promotion of Access to Information Act, Protection of Personal Information Act, 2013, and other regulations and directives relating to disseminating information.

The Company has identified stakeholder groups with whom it engages in a structured manner. We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders. (📄 - Principle 16)

The Group's strategy and performance are covered in the reports of the chairperson, chief executive officer and the Group CFO in the integrated report.

COMMUNICATION

AEEI's primary emphasis is to protect its reputation by managing the Company's relationships with its stakeholders.

The Group subscribes to a policy of complete, accurate and consistent communication regarding its affairs. The Board seeks to present a balanced and understandable assessment of the Group's position at all times when reporting to stakeholders. The integrated report and annual financial statements deal adequately with disclosures relating to financial statements, auditors' responsibility, accounting records, internal controls, risk management, accounting policies, adherence to accounting standards, going concern issues, and the Group's adherence to established codes of governance.

The non-executive chairperson and CEO regularly communicated with major shareholders, institutional investors, analysts, and media. The Group acknowledges the role of the media, especially financial journalists, and it endeavours to assist these role-players as much as possible.

The Group encourages shareholders to attend the AGM, which allows them to raise concerns and ideas and participate in discussions. The Group publishes its financial results on SENS, and shareholders are advised that a copy of the integrated report is available on the Company's website and at its registered offices. (📄 - Principle 16)

BOARD AND COMMITTEE STRUCTURE

The nominations committee is mandated to make judgements on whether directors are overcommitted in terms of Board positions. This enables directors and executives to meet their commitments and effectively discharge their duties.

		Chairperson		Chairman		Committee member		
Name	Designation	Nominations committee	Audit & risk committee	Remuneration committee	Social, ethics & transformation committee	Investment committee		
Aziza Amod #	Non-executive chairperson							
Willem Raubenheimer	Lead independent non-executive director							
Valentine Dzvova	Chief executive officer							
Jowayne van Wyk	Chief financial officer							
Gaamiem Colbie	Non-executive director							
Bongikhaya Qama #	Independent non-executive director							
Ambassador Membathisi Mdladlana #	Independent non-executive director							
Stephen Nthite #	Independent non-executive director							

Standing for election/re-election at the Company's next AGM on 24 February 2022.

OVERVIEW OF OUR COMMITTEES

AUDIT AND RISK COMMITTEE - CHAIRMAN - WILLEM RAUBENHEIMER

Board approved charter	Yes	Number of meetings	4	Committee attendance	100%
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Primary role

The audit and risk committee's primary purpose is to assist the Board:

- to assist the Board in its evaluation of the integrity of the financial statements, the efficiency of internal controls, financial accounting practices and information technology systems;
- to oversee the effectiveness of the internal financial controls;
- to manage the relationship with the external auditors and their independence;
- to manage the internal and external audit function; and
- to identify the significant risk exposure

Due to the changes in the Board during the year, the committee was reconstituted and consists of three independent non-executive directors and one non-executive, all of whom have the requisite business acumen and experience and financial skills to fulfil the committee's duties. Ismet Amod resigned from the committee during the year. In addition, independent non-executive directors Bongikhaya Qama and Stephen Nthite were appointed during the year under review.

Risk management

The Board has delegated the management of risk to the audit and risk committee.

- The Board is committed to effective risk management to pursue the Group's strategic objectives to grow shareholder value sustainably.
- The Board understands that proactive risk management is an essential element of good corporate governance and an enabler in realising opportunities. It continues to enhance its capabilities to anticipate risks and manage them.

Compliance

The committee is responsible for reviewing the compliance with legal, regulatory, code and other standards and continually monitors the implementation process.

Technology and information governance

The Board is responsible for technology and information governance in the Group and delegated technology and information governance management to the audit and risk committee to promote an ethical technology and information governance culture and awareness.

Expertise and experience of the chief financial officer and the finance function

In terms of paragraph 3.84(g)(i) of the JSE Listings Requirements, the audit and risk committee is satisfied that the CFO and the finance function have the appropriate expertise and experience and are adequately resourced. The audit and risk committee is responsible for the oversight of risk management, technology and information.

Group internal auditor

The Group internal auditor performs an independent function. The primary objective of this role is to provide independent objective assurance and consulting on the adequacy and effectiveness of the Group's systems of governance, risk management and internal controls. The Group internal auditor reports functionally to the audit and risk committee.

The audit and risk committee chairman reports to the Board on the committee's activities at each Board meeting.

The committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.

Invitees:

- Group internal auditor
- External auditors
- Chief executive officer
- Chief financial officer
- Consultant

REMUNERATION COMMITTEE - CHAIRPERSON - AZIZA AMOD

Board approved charter	Yes	Number of meetings	2	Committee attendance	100%
Primary role					
<p>The committee was established:</p> <ul style="list-style-type: none"> to assist the Board with the monitoring of the Group's remuneration practices; and perform the statutory functions as required in terms of King IV™, the JSE Listings Requirements and the Companies Act. <p>The remuneration committee's main purpose is:</p> <ul style="list-style-type: none"> to implement the guiding principles in the application of remuneration governance, practices and policies; to ensure that the Group remunerates fairly, responsibly and transparently; to promote the achievement of the strategic objectives; and to effect a positive outcome in the short, medium and long-term. <p>The Board tasked the committee to oversee:</p> <ul style="list-style-type: none"> the implementation of the remuneration policy; enabling it to achieve the Group's strategic objectives; market-related yet affordable performance-linked rewards; and to ensure balanced and transparent outcomes that align with shareholder interests over the short and long-term. <p>Due to the changes in the Board during the year, the committee was reconstituted. The committee comprises one independent non-executive director and two non-executive directors. Ismet Amod resigned during the year. In addition, Bongikhaya Qama was appointed to the committee during the year under review.</p> <p>The remuneration committee chairman reports to the Board on the committee's activities at each Board meeting.</p> <p>The committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.</p>					
Invitees:					
<ul style="list-style-type: none"> Chief executive officer Consultant 					

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE - ACTING CHAIRPERSON - AZIZA AMOD

Board approved charter	Yes	Number of meetings	2	Committee attendance	100%
Primary role					
<p>The social, ethics and transformation committee is:</p> <ul style="list-style-type: none"> committed to sustainable development; is therefore responsible for ensuring that the Group ethically conducts its operations; and that it meets current needs without compromising the ability of future generations to meet their needs. <p>The committee's primary role is to:</p> <ul style="list-style-type: none"> support, advise and guide management's efforts in respect of sustainable development; social and ethics matters; transformation; and to ensure the Group is seen to be a responsible corporate citizen. <p>One of the main purposes of the committee is:</p> <ul style="list-style-type: none"> to ensure compliance with the amended B-BBEE Codes of Good Practice; to measure the Company in terms of compliance with the Department of Trade and Industry's Code of Good Practice; the JSE Listings Requirements; the B-BBEE Commission requirements; all labour legislation; transformation; oversight of the Group's corporate social investments and social and economic development programmes; and tabled a report including the election of members in the Notice of AGM for approval at the next shareholders meeting. <p>The committee was reconstituted during the year due to the changes in the Board. It is well balanced and has the relevant expertise to fulfil its duties. The committee comprises two independent non-executive directors and one executive director. Ismet Amod resigned during the year. In addition, Aziza Amod was appointed as the acting chairperson and Ambassador Membathisi Mdladlana as a member.</p> <p>For the year under review, the committee was satisfied that it had fulfilled all its mandate as prescribed by the Companies Regulations to the Companies Act and other statutory obligations assigned by the Board in terms of the Board-approved charter. There are no instances of non-compliance. The social, ethics and transformation chairperson reports to the Board on the committee's activities at each Board meeting.</p>					
Invitees:					
<ul style="list-style-type: none"> Chief executive officer Chief financial officer 					



NOMINATIONS COMMITTEE – CHAIRPERSON - AZIZA AMOD

Board approved charter	Yes	Number of meetings	2	Committee attendance	100%
Primary role					
The nominations committee is:					
<ul style="list-style-type: none"> the custodian of appointments to the Board; and assists the Board in identifying suitable candidates for appointment for election by the shareholders at the AGM. 					
During the year, changes were made to the Board with the most notable being:					
<ul style="list-style-type: none"> the appointment of two independent non-executive directors; making a selection based on merit in terms of their independence, skillset, experience and knowledge; ensuring the process involved all facets of a broader diversity, with the appropriate balance of skills and knowledge relevant to the Group; meeting the requirements as set out in the MOI as well as regulatory requirements; and assessing the size and structure of the Board to ensure its ability to execute its duties effectively. 					
Due to the changes in the Board during the year, the committee was reconstituted. The committee comprises one independent non-executive director and two non-executive directors. Ismet Amod resigned during the year under review. In addition, Bongikhaya Qama was appointed to the committee.					
The nominations committee chairperson reports to the Board on the committee's activities at each Board meeting.					
Invitee:					
<ul style="list-style-type: none"> Chief executive officer 					

INVESTMENT COMMITTEE – CHAIRMAN – GAAMIEM COLBIE

Board approved charter	Yes	Number of meetings	4	Committee attendance	100%
Primary role					
The committee has an independent role:					
<ul style="list-style-type: none"> operating as an overseer; making recommendations to the Board for its consideration and final approval in terms of investment opportunities; and they ensure that investments are a strategic fit with synergistic benefits to the current level of return, with a reasonable payback period based on the specific industry. 					
Due to the changes in the Board during the year, the committee was reconstituted, is well balanced and has the relevant expertise to fulfil its duties. The committee comprises of one independent non-executive director, two non-executive directors and two executive directors. Ismet Amod resigned during the year. In addition, Stephen Nthite was appointed to the committee during the year under review.					
The investment committee chairman reports to the Board on the committee's activities at each Board meeting. The committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.					

BOARD AND COMMITTEE ATTENDANCE

	BOARD & SPECIAL BOARD MEETINGS	AUDIT & RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL, ETHICS & TRANSFORMATION COMMITTEE	NOMINATIONS COMMITTEE	INVESTMENT COMMITTEE
Total number of meetings	9	4	2	2	2	4
Aziza Amod	9	N/A	2	2	2	4
Valentine Dzvoza	9	N/A	N/A	N/A	N/A	4
Jowayne van Wyk	9	N/A	N/A	N/A	N/A	4
Willem Raubenheimer	9	4	N/A	N/A	N/A	N/A
Gaamiem Colbie	9	4	2	N/A	2	4
Bongikhaya Qama	9	2	N/A	2	N/A	N/A
Ismet Amod*	3	2	1	1	1	2
Ambassador Membathisi Mdladlana	1	0	0	0	0	0
Stephen Nthite	1	0	0	0	0	0

* Ismet Amod resigned from the Board and its committees on 31 March 2021

Board and committee meetings were held in line with the Group's financial reporting cycle.

COMMITTEE APPOINTMENTS DURING THE YEAR

- Aziza Amod was appointed to the social, ethics and transformation committee on 18 March 2021 and acting chairperson after Ismet Amod's resignation on 31 March 2021
- Bongikhaya Qama was appointed to the remuneration and nominations committees on 31 August 2021.
- Ambassador Membathisi Mdladlana was appointed to the social, ethics and transformation committee on 31 August 2021.
- Stephen Nthite was appointed to the audit and risk committee and the investment committee on 31 August 2021.

ATTENDANCE

All directors attended 100% of the meetings of the Board and the committees on which they served during the 2021 financial year. Board and committee meetings were held in line with the Group's financial reporting cycle.

NOMINATIONS COMMITTEE

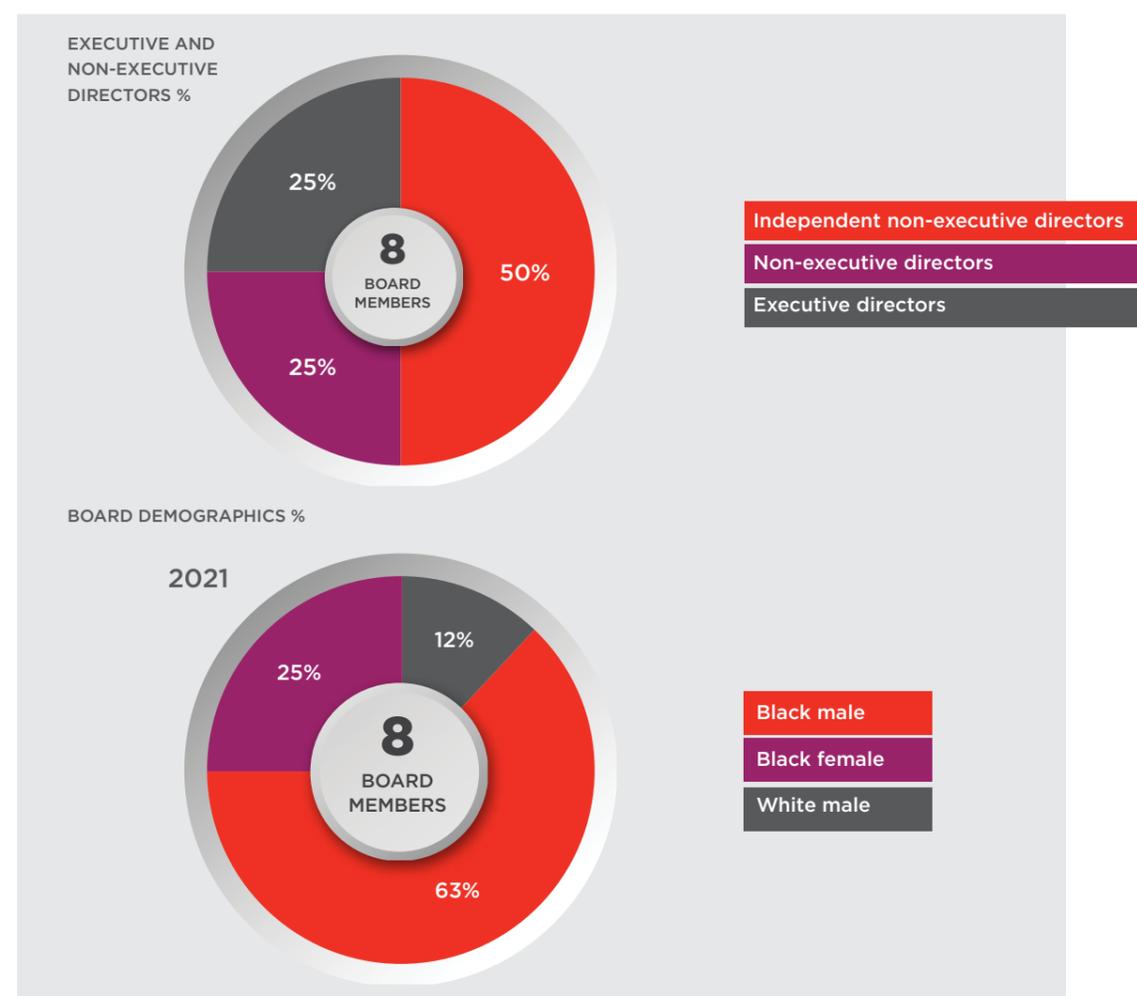


Dear Stakeholder

As the chairperson of the nominations committee, it is my pleasure to report on the committee's activities during the year.

The nominations committee consists of one independent non-executive director and two non-executive directors who have the prerequisite skills. In addition, the CEO attends the committee meetings by invitation.

AEEI's policy is to maintain a Board structure comprising a majority of non-executive directors of whom a majority should be independent. The current Board comprises eight members, of which four are independent non-executive directors, two non-executive directors, and two executive directors. The committee is satisfied with the current composition in terms of diversity, age, skills and experience.



NOMINATIONS COMMITTEE REPORT

NAME	RESPONSIBILITY AND PRINCIPAL FUNCTIONS	2021 FOCUS AREAS AND GOVERNANCE OUTCOMES	2022 FOCUS AREAS
Chairperson Aziza Amod	This committee's main role is to ensure that the Board comprises the appropriate balance of knowledge, skills, experience, broader diversity, and independence to discharge its governance role and responsibilities objectively and effectively.	The committee identified two new independent non-executives in terms of a broader diversity who were successfully appointed by the Board subject to shareholder approval at the next AGM.	<ul style="list-style-type: none"> Review the formal succession plans for the Board, chairperson, CEO and executive management team; and Offer professional development programmes for directors
Members Gaamiem Colbie Bongikhaya Qama <i>(Appointed 31 August 2021)</i>	The committee is the custodian of Board appointments which is formal and transparent. The committee oversees the appointment of executive and non-executive directors to the Board, ensures succession planning at Board level, reviews the size, structure and composition of its committees and evaluates the performance of the Board, its committees and individual members. In identifying suitable candidates for appointment to the Board, the committee considers candidates on merit against objective criteria and with due regard to the benefits of a broader diversity on the Board. We aim to target a Board size and composition that promotes independence, skills, accountability and encourages constructive decision-making to execute its duties effectively and meet regulatory requirements.	<p>Changes during the year following the resignation of Ismet Amod on 31 March 2021 and Jowayne van Wyk stepping down from the social, ethics and transformation committee due to his role as the chief financial officer:</p> <ul style="list-style-type: none"> Appointed Ambassador Membathisi Mdladlana to the Board on 27 August 2021 and a member of the social, ethics and transformation committee on 31 August 2021. Appointed Stephen Nthite to the Board on 26 August 2021 and member of the audit and risk and the investment committees on 31 August 2021. Appointed Aziza Amod to the social, ethics and transformation committee on 18 March 2021 and acting chairperson after Ismet Amod's resignation. Appointed Bongikhaya Qama to the remuneration and nominations committees on 31 August 2021. Performed reference and background checks of candidates and their qualifications before their nominations; Provided regular briefings on changes in regulatory compliance, risks, laws and the environment in which the Company operates; Evaluated the performance of the chairperson and the Board and confirmed their performance in terms of independence, the balance of power, fiduciary duties, ethical leadership, corporate governance and the effective discharge of their duties; Reviewed the reappointment of directors concerning retirements due to rotation; Ensured that a brief professional profile of each candidate standing for election at the AGM; and Ensured regular briefings on legal and corporate governance developments, risk and changes in the organisation's external environment. 	

For the year under review, the committee is satisfied that it has fulfilled its statutory duties assigned by the Board.

Aziza Amod
Nominations committee chairperson

AUDIT AND RISK COMMITTEE



Dear Stakeholder

As the chairman of the audit and risk committee, I am pleased to present the activities on behalf of the committee during the year under review. The audit and risk committee has a formal audit and risk charter which is subject to the provisions of the JSE Listings Requirements, Companies Act, the MOI, King IV™ and other applicable law and regulatory provisions with formal rules governing the services provided by the external auditors in terms of systems and processes.

The audit and risk committee consists of three independent non-executive directors and one non-executive director with the prerequisite skills. In addition, the CEO, CFO, external auditors, internal audit and consultant attend the committee meetings by invitation.

IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic continues to severely impact markets across the globe. Like any other business, AEEI continues to manage the spread of the virus and business continuity by being proactive and responsible by taking precautionary measures to ensure the sustainability of the businesses. This included reviewing and updating cash flow forecasts and implementing cost-cutting measures to curtail any losses and sustain the businesses through the continuous lockdown. During the year, the Board took decisions to mitigate any risks to enable the Group to remain sustainable. The Group continues to monitor and make progress in responding to the evolving COVID-19 pandemic. The primary focus is on the health and safety of our employees and providing support to our stakeholders. Refer to pages 7 to 9 of the integrated report for more details.

AUDIT AND RISK COMMITTEE REPORT

NAME	RESPONSIBILITY AND PRINCIPAL FUNCTIONS	2021 FOCUS AREAS AND GOVERNANCE OUTCOMES	2022 FOCUS AREAS
Chairman Willem Raubenheimer	The audit and risk committee is composed of a statutory committee of the Board regarding its statutory duties in terms of section 94(7) of the Companies Act and a committee of the Board in respect of all other duties assigned to it by the Board.	In the execution of its duties, the committee: <ul style="list-style-type: none"> Continued to monitor the impact of the COVID-19 pandemic on the short, medium to long-term strategy of the business; Reviewed the independence and remuneration of the external auditors and the audit process; Monitored the internal financial controls and systems through the internal auditor and external audit findings and action taken by management; Monitored the effectiveness of risk management and controls by evaluating the risk management report and Group risk register; Reviewed the quality and integrity of the integrated report, including the annual financial and interim statements and public announcements in respect of the financial results; Reviewed the internal audit function's effectiveness by monitoring the scope and execution of its audit plan, independence, skills, staffing, and overall performance. Reviewed sustainability and environmental issues; Governance compliance; Recommended to shareholders the appointment of the external auditors for the 2021 financial year; Satisfied itself that the external auditors are independent of AEEI; Considered and approved the external audit plan, the related scope of work and fees for the year ending 31 August 2021; Reviewed the annual financial statements of the Company, the Group and its subsidiaries and considered the audit report and findings, together with combined assurance from management and the external auditors, and recommended it for approval by the Board; Reviewed the disclosure within the integrated report and reports to shareholders, taking into account all factors and risks that may impact the integrity of the integrated report; Considered concerns regarding accounting practices and internal audit matters; Continued to oversee the Group's top 10 risks and its strategy to ensure that the Group optimally manages its risks; Monitored and challenged, where appropriate, actions taken by management regarding adverse internal-audit findings; Approved, reviewed and evaluated the adequacy and efficacy of the risk policies, procedures and controls applied in the day-to-day management of the business; Obtained assurance from the external auditors that adequate accounting records are maintained; Approved non-audit services when required for tax and other opinions and any independent internal quality assurance reviews related to the internal auditor's operational audits; Evaluated the independence, effectiveness and performance of the internal auditor and compliance with its charter; Reviewed quarterly business performance, and solvency and liquidity and going concern assessments; Assessed the IT governance and related control environment; and Addressed material items from the previous audit report. 	<ul style="list-style-type: none"> Continue to monitor the impact of the COVID-19 pandemic on the short, medium to long-term strategy of the business; Review the business performance against targets; Continue to focus on the robustness of the internal control framework and financial reporting; Review the external process and fees; Focus on IT governance Review the internal audit function's effectiveness by monitoring the scope and execution of its audit plan, independence, skills, staffing, and overall performance; Review the quality and integrity of the integrated report, including the annual financial and interim statements and public announcements in respect of the financial results; Continue to focus on governance and the regulatory control environment; Continue to review the risks and changing risk trends or new emerging risks and management's response; Continue to monitor the Group's top 10 risks; and Review and monitor the internal financial controls.
Members Gaamiem Colbie Bongikhaya Qama Stephen Nthite <i>(Appointed 31 August 2021)</i>	The audit and risk committee has an independent role with accountability to the Board and shareholders.		
	The committee's role is to assist the Board in carrying out its duties relating to accounting policies, internal controls, financial reporting practices, and identifying significant risk exposure.		
	The main purpose of the audit and risk committee is to ensure the integrity of the financial statements and to oversee the effectiveness of the internal financial controls and the external and internal audit functions. The Group has internal controls and systems designed to assure the reliability and integrity of the financial statements. The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss and safeguard, verify and maintain accountability adequately for its assets.		
	The external and internal auditors had unrestricted access to the audit and risk committee and attended all the committee meetings by invitation during the year ended 31 August 2021.		

EXPERTISE AND EXPERIENCE OF THE CFO AND THE FINANCE FUNCTION

The committee satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the CFO and the finance function have the appropriate expertise and are adequately resourced.

RISK MANAGEMENT PROCESS

One of the key components of the committee was to review the top 10 material matters to respond to new and emerging risks and ensure alignment with regulatory changes and best practices that the Company may face. In doing so, the committee considered stakeholder needs, corporate governance principles, risk trends, global trends and external dynamics. Refer to page 42 for the risk management report.

The committee confirms that it has complied with its legal and regulatory responsibilities for the 2021 financial year.



Mr Willem Raubenheimer

Audit and risk committee chairman

AUDIT FUNCTIONS

NAME	RESPONSIBILITY AND PRINCIPAL FUNCTIONS	2021 FOCUS AREAS AND GOVERNANCE OUTCOMES
GROUP INTERNAL AUDIT	<p>The primary objective of the Group internal auditor during the year was to provide an independent objective assurance function and consulting role on the adequacy and effectiveness of the Group's systems of governance, risk management and internal control. The Group internal audit reports functionally to the audit and risk committee and administratively to the CFO. The audit and risk committee monitored the effectiveness of the internal audit function in terms of its scope, independence, skills, execution of its plan and overall performance.</p> <ul style="list-style-type: none"> The system of internal control is designed to ensure that significant risks are appropriately identified, managed and provide reasonable assurance that: <ul style="list-style-type: none"> the Company's assets and information are safeguarded; operations are efficient and effective; and applicable laws and regulations are adhered to. <p>The internal audit takes a risk-based approach to audit performance.</p>	<p>During the year, the Group internal auditor undertook the following:</p> <ul style="list-style-type: none"> Prepared and submitted an annual internal audit plan for approval to the audit and risk committee, which included risk-based operational and system audits on the Group's governance and business processes for 2021 for review and approval; Reviewed the Company's governance processes and ethics; Systematically analysed and evaluated the business processes and associated controls; Followed a risk-based approach; Monitored and challenged, where appropriate, action taken by management concerning the internal audit findings; Monitored and reported on the risk management process to the audit and risk committee; Liaised with the external auditors as part of the combined assurance process where internal audit followed up and ensured that management implemented the external auditors' recommendations from the prior year; Provided a source of information on fraud, corruption, unethical behaviour and irregularities; Internal audits were performed at most subsidiaries during the year, and no significant breakdowns in internal controls were identified; and Quarterly reports on the key findings of the audits were submitted to the audit and risk committee summarising the results of the internal audit activity and management's progress in addressing control weaknesses.
EXTERNAL AUDIT	<p>Crowe JHB and THAWT Inc. provide an audit opinion in accordance with the Companies Act, the JSE Listings Requirements and King IV™. Under Company law, their responsibility is to the shareholders of the Group. In addition, they have professional responsibilities to report irregularities in terms of section 45(1) of the Auditing Profession Act, 2005, and key audit matters in their audit report to the committee.</p> <p>As auditors of a public interest company, Crowe JHB and THAWT Inc. are the auditors for the second year, with Gary Kartsounis and Gil Gorgulho serving as the partners.</p>	<p>During the year, the committee:</p> <ul style="list-style-type: none"> Reviewed the scope, independence and objectivity of the external auditors, Crowe JHB and THAWT Inc.; Considered the annual audit plan and related scope of work and determined the external auditors' terms of engagement and fees; and Concluded that the audit firms, Crowe JHB and THAWT Inc., and the audit partners are independent of the Company and the Group. <p>The external auditors:</p> <ul style="list-style-type: none"> Liaised with the Group internal auditor and attended the audit and risk committee meetings by invitation; and Attend the AGM, where the company's annual financial statements for the financial year are presented to respond to any questions relevant to the audit of the financial statements.

The audit and risk committee chairman reported to the Board on the committee's activities at each Board meeting.

RISK MANAGEMENT REPORT

The Board has delegated the management of risk to the audit and risk committee.

The Board is committed to effective risk management to pursue the Group's strategic objectives to grow shareholder value sustainably. The Board understands that proactive risk management is both an essential element of good corporate governance and an enabler in realising opportunities and continues to enhance its capabilities to anticipate risks and manage them.

THE IMPACT OF COVID-19

In 2021, the audit and risk committee had to reconsider how risks were approached and prioritised due to the ongoing COVID-19 pandemic. Not only has COVID-19 had an impact on the financials and operations of the Group, but it also had an impact on our employees, who are vital assets of our businesses. Therefore, the health and safety of our employees remained of utmost importance to the Group. Refer to pages 7 to 9 of the integrated report for further information.

GOVERNANCE OF RISK MANAGEMENT

BOARD		
STRATEGY, RISK APPETITE AND POLICY		
Risk ownership	Risk control and monitoring	Independent assurance and validation
CEO and executive committee	Audit and risk committee	Internal and external assurance
Implementing and recording	Internal verification	Independent verification
Delegated Board authority to: <ul style="list-style-type: none"> Develop and implement the business strategy; Measure and manage performance; and Implement internal controls and a risk management framework within the agreed appetite. 	Objective oversight of risks Key activities include: <ul style="list-style-type: none"> Designing and deploying the overall risk management framework; Developing and monitoring policies and procedures; and Monitoring adherence to the risk framework and strategy. 	<ul style="list-style-type: none"> Assurance that the risk management process is functioning as designed and identifies improvement opportunities; and Independent and objective assurance of the effectiveness of corporate governance standards and business compliance.
MANAGEMENT-BASED ASSURANCE	AUDIT AND RISK COMMITTEE ASSURANCE	INDEPENDENCE-BASED ASSURANCE

THE THREE LINES OF DEFENCE

AEEI realises the importance of the THREE LINES OF DEFENCE in managing risk and has assigned the responsibilities and accountability in compliance with the THREE LINES OF DEFENCE.

The first line of defence

Management is responsible for the implementation of business strategies, the identification of risks and the design of related controls. In addition, it is the responsibility of management to monitor the controls implemented to mitigate the risks.

The second line of defence

Risk management is the second line of defence, where risks are assessed, evaluated and measured. The residual risk is then measured against the risk appetite and tolerance levels set by the Board.

The third line of defence

The internal and external assurance providers are the third line of defence. The Group internal auditor continued to assess the risk management process's adequacy and effectiveness during the year, and the results were communicated to the audit and risk committee.

AEEI identified the following six material matters, with each material matter having strategic objective/s:

- Financial
- Human capital
- Business operations
- Macroeconomic
- The environment
- Social and relationship capital

The material risks identified are linked to the strategic objectives in these material matters.

The executive committees of the divisional subsidiaries are accountable and responsible for managing risks within their business units and may delegate specific responsibilities appropriately. This process is evaluated by the Group internal auditor, which provides the audit and risk committee with the assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels in line with the Board's risk appetite and risk tolerance levels.

The audit and risk committee performed the following during the financial year in compliance with King IV™:

- Reviewed the risk management process in light of the ongoing COVID-19 pandemic;
- Assisted the directors in fulfilling their responsibilities for ensuring there is an effective risk management process in place throughout the Group;
- Oversaw regulatory compliance by the Group with applicable external and regulatory obligations and significant internal policies relating to the operation of its business units;
- Received reports from management concerning the resolution of significant risk exposure and risk events to monitor them in accordance with the Board's risk appetite;
- Assessed whether all significant new business opportunities have been appropriately considered from a risk perspective;
- Assessed reports from management concerning the risk implications of new and emerging risks, legislative or regulatory initiatives and changes to ensure the risk is held at an acceptable level;
- Assessed reports from management concerning the Group's risk management and compliance processes and controls to oversee the effectiveness;
- Assessed and monitored internal financial controls and adherence and compliance to such controls;
- Assessed reports from divisional management concerning business, operational risk and compliance risk to oversee these risks and assess their impact on the Group; and
- Facilitated communication of risk issues to all management.

OUR APPROACH TO RISK MANAGEMENT

The Group's risk management approach continues to evolve. The audit and risk committee continued to assess, manage, and report on all significant risks, the impact on the business, and the risks' mitigation.

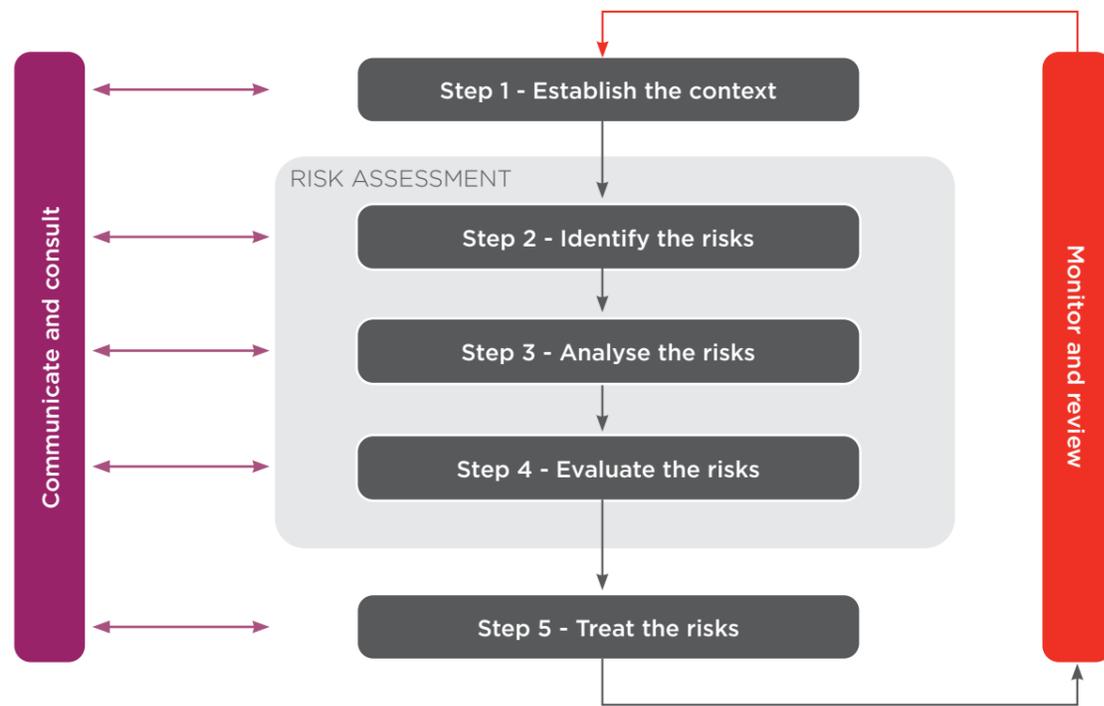
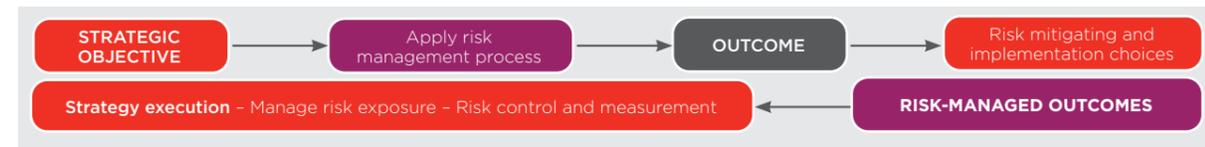
The audit and risk committee also assessed whether the risk management process is effective under the current circumstances by identifying and evaluating risks to determine whether the business operations have managed the risks in line with the Group's strategy. The committee further considered the impact on the sustainability of the business and the external and internal environments to identify key developments related to our risks, implications, and responses.

The monitoring of these risks is assigned to the executive committee of each business unit and then considered at a Group level through the monitoring process of the audit and risk committee.

Each subsidiary tables its risk registers at subsidiary Board meetings under financial, operational, strategic, legal, human resources and other risks categories. Action plans are monitored and discussed to reduce the risks to acceptable levels in line with the Group's risk appetite and tolerance levels. From the risk evaluation in the risk register, significant risks are reported to the audit and risk committee, who then reports these risks to the Board.

RISK MANAGEMENT PROCESS

The structure of our risk management process is set out below. This structure continues to be rolled out across the entire Group and is in line with industry standards.



Communicate and consult	Communicate and consult with those who are involved in the assessment of risk and engage those who will be involved in the treatment, monitoring and review of risk.
Establish the context	Consider the environment internally and externally within which the risks are present.
Identify the risks	Identify all possible uncertainties (risks) that may impact and prevent the organisation from achieving its objectives.
Analyse the risks	Analyse and assess the risk in terms of likelihood and impact.
Evaluate the risks	Compare the level of risk found during the analysis process and decide whether these risks are acceptable or require treatment.
Treat the risks	Identify actions and controls to manage the inherent risks to an acceptable residual level. Assess the effectiveness of actions and controls.
Monitor and review	Monitor risks and review the effectiveness of the treatment plan, strategies and management system.



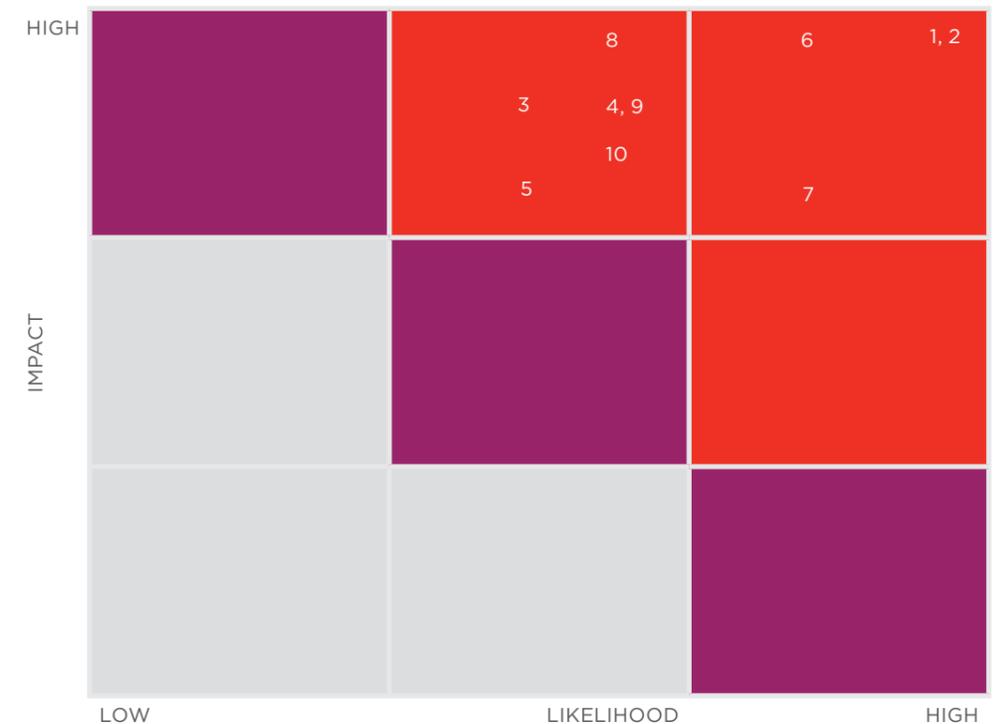
MATERIAL RISKS

	Risk and Rationale	Mitigation	Opportunity	Link to material matter/strategy
1	COVID-19 global pandemic and lockdown affecting the economy locally and globally brings a risk that our businesses may not achieve their strategic objectives due to the challenging trading environment and the negative impact on the wellbeing of our employees.	<p>The Group had to review its business operations, processes and structures under the "new norm". The Group continues to follow the government's COVID-19 protocols in dealing with the pandemic.</p> <p>The following services are available and accessible for employees during the lockdown period:</p> <ul style="list-style-type: none"> • Health-line for COVID-19 support; • Financial support; • Counselling services for individuals and families in lockdown; • Advisory services on health coping, daily behaviours, and planning; • Managerial advice for oversight and keeping contact during lockdown; • Streamlining and resizing of businesses to reduce operational expenditure and strain on cash resources; and • Management teams identifying areas of innovation in operations to increase efficiency and develop products and services that respond to the current environment. <p><i>Kindly note that the lockdown level of the pandemic may have changed since the publication of this report.</i></p>	<p>The health and safety of employees are optimised.</p> <p>Productivity increased as a result of savings on travel time to the workplace.</p> <p>New revenue streams from the demand for products and services that the pandemic has necessitated.</p>	
2	There is a risk that the Company and Group may lose its credibility and legitimacy as a result of negative media and untested allegations that it cannot control.	<p>Transparent communication with material stakeholders about our position in relation to the media allegations.</p> <p>Engagement with third parties that raise issues that have the potential to damage our reputation.</p>	<p>Improved communication with stakeholders.</p> <p>Increased focus on building our brand and reputation.</p>	

	Risk and Rationale	Mitigation	Opportunity	Link to material matter/strategy
3	Increased unstable economic, social and political environment may have an adverse impact on the growth and sustainability of our business as our financial performance has a direct impact on the other capitals and our ability to achieve our strategic objectives.	<p>Continuous communication of the value proposition of our products, services and businesses.</p> <p>Building agility in the way we conduct our businesses.</p> <p>Diversification of products, services and companies we invest in.</p> <p>Engagement with trade unions to quell labour unrest and strikes.</p> <p>Continue to seek alternative markets for its products and services.</p> <p>Necessary insurance cover has been taken where applicable.</p>	<p>Focus on executing strategy on acquisitions to ensure revenue is not negatively affected.</p> <p>Better and improved communication with our markets about our value proposition.</p> <p>Focus internal review and reflection on the success of our strategy and execution.</p>	
4	The loss of major customers could result in a potential reduction in revenue in the ICT sector.	<p>Restructuring of affected companies in the Group to minimise the effects of the loss of income and preserve jobs where possible. Pursue and extend the client base, underpinned by long-term support and maintenance agreements.</p>	<p>Focus on executing strategy on acquisitions to ensure revenue is not negatively affected.</p> <p>Gain business confidence from stakeholders resulting in long-term relations.</p>	
5	Reallocation of the long-term fishing rights may impact the profitability of the fishing segment.	<p>Active engagement with communities for outside quota holders.</p> <p>Monitoring government policy and processes on requirements for reallocation.</p> <p>Diversification into other products to reduce the impact on growth strategy.</p> <p>Expansion in the aquaculture division to minimise impact.</p>	<p>Favourable quota allocation by DAFF will substantially increase revenue resulting in better financial performance by the Group. That will also present an opportunity for more spend on SMMEs, socio and economic investments.</p>	
6	There is a risk that the Company may not have a good relationship with banking institutions that are material business partners.	<p>Regular engagement with banking institutions regarding any concerns raised</p> <p>Meticulous compliance with all FICA and banking regulations</p>	<p>Improved relationships with banking institutions to further support our growth plans</p>	
7	Limited access to funding may slow down the ability to capitalise on the various niche growth initiatives in the Biotech companies.	<p>The available funding sources have been allocated to each project based on an approved business plan, and the Group's finance team monitors this to ensure that it meets the Group's strategic objectives.</p> <p>Management is actively engaging potential investors.</p>	<p>The success of these projects can result in ground-breaking medical treatment developed and manufactured in South Africa.</p>	
8	Non-compliance with CIPC, JSE Listings Requirements, and all legislation and regulations resulting in fines and penalties	<p>Training and awareness is continuously assessed and provided across the Group.</p> <p>Policies and procedures are updated to adapt to all new regulations and legislative requirements regularly.</p> <p>King IV™ compliance review.</p> <p>Use of field experts and consultants to ensure compliance.</p>	<p>Compliance with the applicable laws and regulations governing the Group's results in the Group being seen as a good corporate citizen.</p>	

9	Increased risk on ICT environment as the Group relies more on technology during this pandemic. This could result in business interruptions in the Group's systems from malicious software and increasingly advanced cyber and ransomware attacks, which could lead to a loss of information and an increased risk of fraud.	<p>Restricted access to the Group's information communication and technology systems.</p> <p>Constant monitoring of systems for any possible infections and intrusions.</p> <p>Rollout and implementation of new ICT system.</p> <p>Backups are performed daily and stored on different external servers as well as off-site.</p>	<p>The Group can maintain data integrity and decrease downtime on secure IT systems.</p> <p>Uninterrupted business practices will lead to efficiency and maximising profits.</p>	
10	Environmental challenges include a carbon emissions impact, waste management, climate change and marine coastal management and must be reviewed constantly.	<p>Adherence to marine management policies from the Marine and Coastal Management to ensure no overfishing takes place.</p> <p>Recycling and better waste removal techniques are being employed across the Group.</p> <p>Communication on climate change in the organisation so that employees are more aware and can make climate-friendly changes in their own personal lives.</p>	<p>There is an opportunity for the Group to maintain a clean, safe environment and reduce carbon emissions and be seen as a good corporate citizen.</p>	

RISK METRICS



TECHNOLOGY AND INFORMATION



The Board is responsible for technology and information governance in the Group and delegated technology and information governance management to the audit and risk committee to promote an ethical technology and information governance culture and awareness.

The audit and risk committee governs technology and information to support the organisation in setting and achieving its strategic objectives. However, it has delegated this responsibility to management to implement and execute effective technology and information management. As a result, management is accountable for the operational governance of technology and information management.

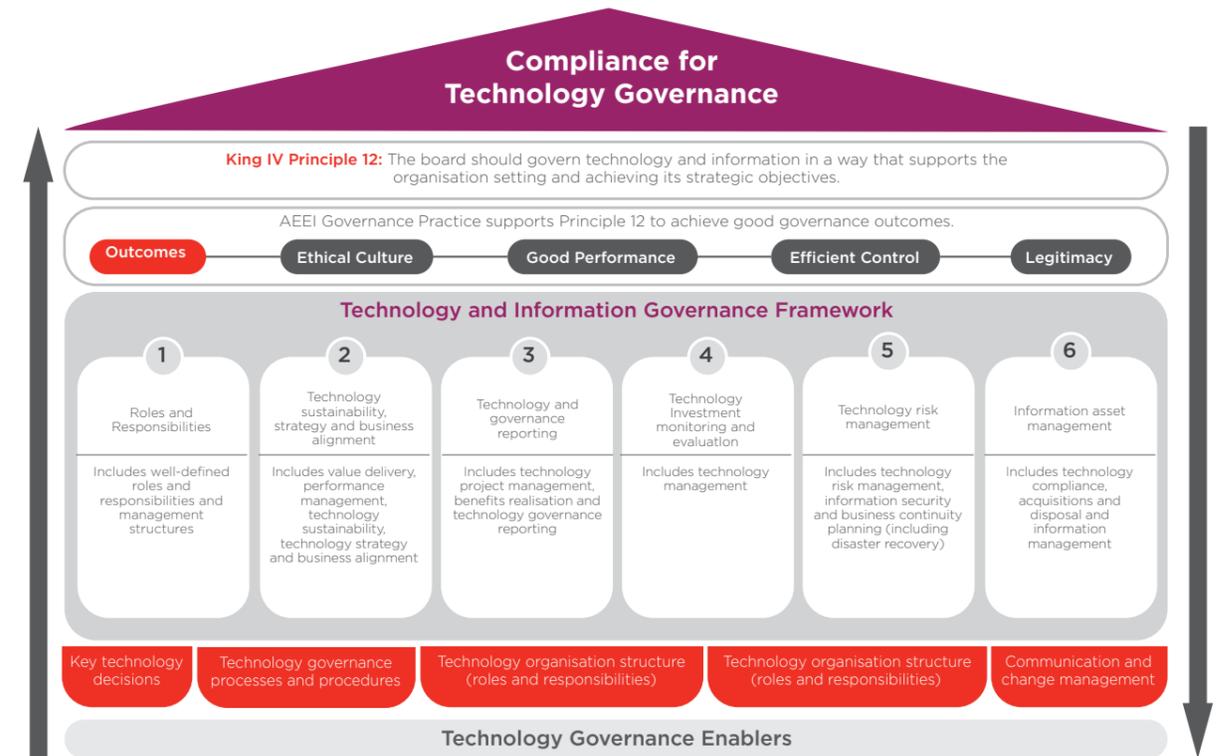
OUR TECHNOLOGY AND INFORMATION GOVERNANCE FRAMEWORK

The objective of technology and information governance is to direct technology and information endeavours to ensure that its performance meets the following objectives:

- Alignment of technology and information with the Group and realisation of the promised benefits.
- Use of technology and information to enable the Group by exploiting opportunities and maximising benefits.
- Responsible use of technology and information resources.
- Appropriate management of technology and information-related risks.

Our technology and information governance ensures that technology and information goals are met, mitigate risks, and deliver sustainable growth.

Our technology and information governance framework promotes an ethical technology and information governance culture and awareness.



CHANGING ROLE OF IT

It is expected that the technology industry will morph in 2022, prompted by its response to the ongoing impact of the COVID-19 pandemic on many businesses across the globe. Transformative changes were accelerated due to the importance of digital operations. These changes prompted businesses to be more diverse, equitable and inclusive.

The greater availability and accessibility to information have meant that businesses can achieve higher productivity levels than previously possible. Technology capable of achieving this has become integral to a business's operations. However, the need for sophisticated system protection has also increased. Businesses have to adapt constantly to manage and respond to emerging risks in the protection of information.

REPORT OF THE COMMITTEE

The effects of the COVID-19 pandemic continues to impact how we do business and has brought about additional technology challenges. These challenges range from accelerated remote working, the disruption of the electronics value chain to inflationary risk on products and services and additional cybersecurity threats. The advancement of technology brings about greater access to information, higher production levels, and additional system protection. We continue to manage and respond to emerging risks in the protection of information.

KEY FOCUS AREAS FOR THE YEAR UNDER REVIEW	FOCUS FOR 2022 AND BEYOND	OPPORTUNITIES
<ul style="list-style-type: none"> The risk of the ICT environment with the ongoing COVID-19 pandemic and remote working conditions Reviewed and managed any possible business interruptions from advanced cyber-attacks, ransomware, malicious software programmes, including but not limited to: <ul style="list-style-type: none"> Phishing Ransomware The cloud vulnerabilities General data protection regulation (Protection of Personal Information Act) Cryptocurrency mining Cyber intrusions Privacy violations Mistaking compliance for protection Third-party exposure Reviewed the possible loss of information due to security breaches Reviewed the business strategy Implementation of POPI compliance and monitoring thereof Updated IT Governance policies and procedures Ensured that data protection software is in place and working Ensured that Information Technology is utilised effectively to support and enhance the business operations Continued to integrate technology and information with employees and processes throughout the organisation Integrated the risks involved in information and technology management in the organisation Monitored intelligence in a manner that can proactively respond to issues Managed the performance and the risks of any third party and outsourced service providers Assessed the value provided to the organisation from investments into technology and information management Disposed of obsolete technology and any information responsibly in line with environmental concerns Conducted periodic assessments to monitor the effectiveness of the technology and information systems, including outsourced services Maintained an ethical and responsible use of technology and information and compliance with relevant laws Maintained a technology architecture that enables the achievement of strategic and operational objectives 	<ul style="list-style-type: none"> The long-term impact of the COVID-19 pandemic on the technology sector Review of hardware and software and network equipment Roll-out of new IT software and setting up a resilient, flexible and secure network and disaster recovery system Ongoing implementation and monitoring of POPI compliance Ongoing employee training regarding security breaches Effective IT Governance will assist the business realise optimised business benefits through the effective management of IT enabled investments Continue to monitor emerging risks and possible business interruptions to the Group's IT infrastructure and cybersecurity Continue to monitor regulatory changes, taking into account the systemic developments and increased cyber risks Oversee the successful deployment of the Group's platform in the technology space Continue to ensure that the appropriate frameworks and policies are in place to monitor and explore the Fourth Industrial Revolution effectively 	<ul style="list-style-type: none"> Health and welfare of employees with remote working The Group can maintain data integrity and decrease downtime on continuously updating IT systems Uninterrupted business practices will lead to efficiency and maximising profits E-learning Build or acquire technologies for the future Partner with key customers/suppliers to fulfil demand in current high peaks

TECHNOLOGY TRENDS, INNOVATION AND TRANSFORMATION

The Group continues to consider the emerging technology trends to ensure that we remain abreast of change. The IT steering committee oversees new technologies and innovations that could improve our network access, security, performance, and efficiency and create new ways of working and identifying opportunities.

The Group continues with its baseline principles to develop and implement a technology and information governance framework. These principles incorporate King IV™ recommendations, Control Objectives for Information Technology (COBIT) and Information Technology Infrastructure Library standards.

RISK MITIGATION

As the Group is dependent on IT to meet its business needs and sustainability objectives, all identified risks are monitored and reduced to an acceptable level by executive management. The Group encourages a high standard of security monitoring, data protection, business service availability and network reliability. It ensures that IT maintenance is performed and reviewed constantly through monthly reporting.

We remain abreast of best practices, threats from phishing, ransomware, and other cyber threats that could impact business operations, financial statements, legal exposure, and the Company's reputation. Greater user awareness and training were put in place in the current year to keep us updated on the threats and risks in the IT environment.

There were no significant risks reported during the year. However, we remain cognisant of cybersecurity and the implications, taking into account the protection of our stakeholders, which remains a high priority. One aspect driving risks and security is our governance and internal audit to ensure that the Group's information assets are secure.

For the year, the audit and risk committee is satisfied that it has fulfilled all its statutory duties assigned by the Board. The chairman of the committee reports to the Board on the committee's activities at each Board meeting.



REMUNERATION COMMITTEE

LETTER FROM THE CHAIRPERSON OF THE REMUNERATION COMMITTEE AZIZA AMOD

Dear Shareholders

This remuneration report sets out the Group's remuneration philosophy and policy, emphasising non-executive and executive directors. It also describes how the remuneration policy has been implemented and discloses payments made to non-executive and executive directors during the year as required by the provisions of King IV™. This report will be considered and voted upon at the forthcoming AGM of shareholders on behalf of the remuneration committee.

The remuneration committee consists of one independent non-executive director and two non-executive directors who have the prerequisite skills. In addition, the CEO and consultant attend the committee meetings by invitation.

In the face of the deteriorating economic environment and slower growth due to the COVID-19 pandemic, the Group's remuneration objectives for motivating and retaining employees pre-COVID-19 continued to be severely compromised. As a result, we shifted our objectives to financial and short-term operational resilience while championing the King IV™ Code on Corporate Governance and in line with our commitment to fair and responsible remuneration.

In this regard, we continuously reviewed our remuneration practices during the year to ensure that they remain relevant and aligned to our revised strategy. We also ensured that any resultant changes did not have a material effect on our human capital. Remuneration and reward systems continue to remain sensitive matters, especially in the socio-political environment. The committee will continue to review and adapt to changes in market conditions to ensure that our policy and principles remain appropriately aligned with our overall business strategy.

We are committed to maintaining strong relationships with our shareholders, built on trust and a clear understanding of the quantum, rationale and drivers of executive remuneration and that our remuneration policy and practices have been implemented.

Aziza Amod
Chairperson of the remuneration committee

REMUNERATION COMMITTEE REPORT AND OUTCOMES

BACKGROUND

This report describes the material matters and summarises the Group's approach to transparent, fair and responsible remuneration. It sets out how the committee discharged its duties regarding the statutory requirements and other duties assigned by the Board. It also provides an overview of the Group's remuneration philosophy and remuneration framework.

RESPONSIBILITIES AND REPORT

This remuneration report highlights our policy's key components and how these align with our performance and strategic objectives for the 2021 financial year.

Our executives' remuneration is aligned to the long-term strategic goals of the Group to deliver sustainable value to shareholders, and build the business, remained a key focus. Critical decisions and their related impact in setting targets in terms of performance-related remuneration were made for the executives and senior management of the Group. Weightings of performance, as well as specific financial targets, were reviewed and amended accordingly. The committee was satisfied and will continue to monitor remuneration against the appropriate strategic objectives, performance and market benchmarks.

AEEI's ethos is an appreciation for an employee's commitment, diligence, care and attention to detail. We respect and recognise our employees for their contributions during the year and inspire them to realise their full potential and believe in rewarding them accordingly. Accordingly, we consistently applied the principle that our remuneration should be fair and competitive and reflect the Group's performance as well as the business units.

The committee remains mindful to ensure overall remuneration was appropriate for the performance of the Group against its operational peers. In doing so, the committee considered the impact of the COVID-19 pandemic, the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to deliver the Group's strategic objectives.



NAME	ROLE AND GOVERNANCE	2021 FOCUS AREAS	2022 FOCUS AREAS AND BEYOND
Chairperson Aziza Amod	Role The remuneration committee's primary purpose is to implement the guiding principles in the application of remuneration governance, practices and policies and to ensure that the Group remunerates fairly, responsibly and transparently to promote the achievement of the strategic objectives as well as positive outcomes in the short, medium and long-term.	During the financial year, the remuneration committee: <ul style="list-style-type: none"> reviewed and determined the remuneration for the executives; measured key performance against KPIs and strategic objectives reviewed and determined the remuneration for non-executive directors; reviewed the remuneration policy and implementation report for presentation at the annual general meeting for separate non-binding advisory votes reviewed performance targets to ensure that they are both challenging and linked to the Group's revised strategic objectives; took into account the remuneration and employment conditions of all employees, the performance of the Group and the individual, current views and guidelines of shareholders, market conditions and the impact of the COVID-19 pandemic; continued to keep under review the relationship of risk to remuneration; satisfied itself that the remuneration structure for senior executives does not raise environmental, social or governance risks, nor does it inadvertently motivate irresponsible behaviour; retained absolute discretion to reduce variable compensation in light of risk and the Group's overall performance; received external guidance as required; determined performance incentives; and assessed the remuneration components. 	<ul style="list-style-type: none"> Ensuring that the implementation of remuneration is in line with the remuneration policy. Ensure the continued fulfilment of the requirements of the remuneration committee's policy. Continue with dialogue with stakeholders ensuring the relevance and appropriateness of the Remuneration Policy in achieving our strategic objectives. Ensure that the Remuneration Policy and resultant outcomes support our strategic objectives and are appropriate in the environment of unprecedented health, safety and economic challenges resulting from the COVID-19 (Icon) pandemic. The duration, nature and extent of these challenges are uncertain. Monitor changes in executive remuneration, especially those of our competitors, including the COVID-19 pandemic. Focus on fair and responsible remuneration.
Members Gaamiem Colbie Bongikhaya Qama <i>(Appointed on 31 August 2021)</i>	Governance The Board established the committee to monitor the Group's remuneration practices and perform the statutory functions required in King IV™, the JSE Listings Requirements and the Companies Act. The committee is governed by its charter, which is reviewed annually. The Board tasked the committee to oversee the implementation of the remuneration policy, enabling it to achieve the Group's strategic objectives, translating into market-related yet affordable performance-linked rewards. It also ensures balanced and transparent outcomes that align with shareholder interests over the short and long-term. In addition, our policy ultimately enables the attraction and retention of valuable talent.		

Ismet Amod resigned on 31 March 2021.

The structure of the remuneration committee is up for review at the next nominations committee to ensure that the majority of the members are independent non-executive directors.

DETERMINATION OF PERFORMANCE INCENTIVES

The committee reviewed the targets set in terms of performance-related remuneration for the CEO, the executive management team and senior management in the Group; these targets include individual performance factors and a combination of portfolio-specific targets. In addition, the Group has formal and informal frameworks for performance that are directly linked to either an increase in total cost to company or annual short-term incentive bonuses.

Remuneration components

The CEO and executive management team's performances are assessed against predetermined objectives that include, among other things, strategic leadership, execution of the strategy through business results and stakeholder relations.

The Board recognises that the successful delivery of the Group's objectives should constitute both financial and non-financial performance measures.

Remuneration comprises the following key elements:

BASE SALARY	PERFORMANCE BONUSES	OTHER BENEFITS
<ul style="list-style-type: none"> Base salary is guaranteed annual pay on a cost-to-company basis. Benchmarking is performed with reference to companies comparable in size, industry, and business complexity. The level of responsibility that the individual assumes. 	<ul style="list-style-type: none"> It motivates executive directors and key management to achieve the strategic objectives of the Group. 	<ul style="list-style-type: none"> Membership of the pension/provident fund (providing death, disability and dread disease benefits). Medical aid. Unemployment Insurance Fund. Funeral cover. The above improves the employees' financial security on retirement and planning.
METHODOLOGY		
<ul style="list-style-type: none"> Annual increase parameters are set, taking into account the financial performance, general economic environment, governance compliance, strategy, risk management practices, individual performance, and the Group's performance. It takes into account the general market in which the business operates and the skills required. General adjustments to guaranteed pay levels are effective 1 September annually. 	<ul style="list-style-type: none"> Executive directors have key financial measures, including profits, cash flow and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group. Performance bonuses are dependent on the financial performance and achievement of the individual's agreed strategic KPIs. Performance bonuses are not earned if the minimum financial target is not met. Performance bonuses are paid annually. 	<ul style="list-style-type: none"> This is determined as a fixed percentage of the base salary.
ELIGIBILITY		
All employees in the Group	Includes all permanent employees commencing from junior management upwards	All permanent employees

CONDITIONS FOR DETERMINING PERFORMANCE BONUSES

FINANCIAL TARGETS	NON-FINANCIAL TARGETS
<ul style="list-style-type: none"> Executive directors: <ul style="list-style-type: none"> Profit before tax Key management <ul style="list-style-type: none"> Divisional operating profit 	<ul style="list-style-type: none"> Performance against individual job requirements Operational efficiencies Organic growth Strategic acquisitions

The Group aims to ensure that the performance-based remuneration of executive directors and senior management should form a significant portion of their expected total compensation. Accordingly, the committee ensures an appropriate balance between fixed and performance-related elements of executive remuneration and the aspects of the package linked to short-term performance and those linked to long-term shareholder value creation.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts but have permanent employment agreements with the Company. The remuneration of executives is determined on a cost-to-company basis and is subject to an annual review by the remuneration committee. Provident or pension fund and healthcare provision form part of the overall cost-to-company packages. Executive directors are members of the Group's provident fund and are required to retire as a director of the Board at the age of 65 unless requested by the Board to extend their term. There are no other special benefits for executive directors.

The contracts of executive directors do not contain termination packages or excessive notice periods. An executive director may, subject to the provisions of the Companies Act, No. 71 of 2008 and the JSE Listings requirements, be appointed by contract for such period as the Board may determine. Executive directors are not subject to retirement by rotation at the annual general meeting of the Company.

PRESCRIBED OFFICER

Mrs Valentine Dzvova is not remunerated separately for her role as the prescribed officer of the Company.

PERFORMANCE APPRAISALS

The committee reviewed performance appraisals for the Group executive management and management at subsidiaries. In addition, the committee was part of the appraisal process for the performance of the CEO and CFO. The performance appraisals are based on specific elements, including KPIs and any assessments through shareholder objectives when considering salary increases.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The non-executive directors receive fees for serving on the Board and its committees. The fees for non-executive directors are reviewed annually by the nominations committee. Thereafter, it is referred to the remuneration committee, which seeks to ensure that the fees are market-related and presented to the shareholders for approval.

The Board recommends the fees to shareholders for approval at the AGM of the Company. In addition, the contribution of each non-executive director, their participation in the activities of the Board and its committees is considered. Changes to the fee structure are effective 1 September, subject to the approval by shareholders at AEEI's AGM held between February and April of each year. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. However, in the event of non-attendance regularly, this will be reviewed and amended accordingly.

IMPLEMENTATION OF REMUNERATION

The committee ensured that total remuneration is aligned with sustainable value-creating strategic objectives and the legitimate expectations of all stakeholders while being mindful of the income gap in South Africa. As a result, the committee is satisfied that the variable remuneration outcomes for the 2021 financial year align with the Group's financial performance.

GUARANTEED REMUNERATION

The committee agreed to recommend to the Board the approval of a general salary increase based on the current price index of 5% for all employees in the Group, in line with inflation.

The 2021 guaranteed remuneration of the executive directors is set out below:

	2021 R'000	2020 R'000
V Dzvova	2 064	734
J van Wyk	1 748	120

The 2020 figures only reflect their time on the Board.

SHORT-TERM INCENTIVE

Performance bonuses are paid to executive directors based on financial and non-financial performance targets.

The table below sets out the targets for actual targets achieved:

Performance	Weighting	Threshold	Target
Profit before tax	70%	70%	70%
Non-financial targets	30%	30%	30%

The achievement of targets for executive directors in respect of the 2021 financial year:

	Achievement of financial targets	Achievement of non-financial targets	Total as a percentage of maximum	Maximum bonus of guaranteed remuneration
V Dzvova	100%	100%	100%	-
J van Wyk	100%	100%	100%	-

There are no long-term incentives for executive directors.

The table below sets out the remuneration received by executive directors for the 2021 financial year:

2021	Base remuneration R'000	Performance Bonus R'000	Provident Fund & Medical Aid R'000	Expense Allowance R'000	Total R'000
V Dzvova*	1 717	-	324	23	2 064
J van Wyk	1 440	300	288	20	2 048

*V Dzvova waived her performance bonus

The 2021 annual remuneration of the non-executive directors is set out below:

Non-executive	2021 R'000	2020 R'000
A Amod	682	207
W Raubenheimer*	350	33
B Qama*	231	32
I Amod	172	207
J van Wyk*	-	176
N Ramatlhodi	-	252
Ambassador M Mdladlana	-	-
S Nthite	-	-
TOTAL	1 435	907

*The 2020 figure for J van Wyk reflects his remuneration for his time served on the Board as an independent non-executive director.

*The 2020 figures for W Raubenheimer, B Qama and N Ramatlhodi only reflects their time served on the Board.

G Colbie waived his non-executive directors' remuneration for the 2021 financial year.

Ambassador M Mdladlana and S Nthite were not remunerated for their attendance at the last board meeting.

AEEI covers all reasonable travelling and accommodation expenses incurred to attend Board and committee meetings.

Non-executive directors do not have any employment contracts or receive any benefits associated with permanent employment.

The Board has approved the information provided in this report on the recommendation of the remuneration committee. For the year under review, the committee is satisfied that it has fulfilled and complied with its obligations and statutory duties as reflected in its charter in terms of the policy and duties assigned by the Board.

AEEI'S REMUNERATION POLICY

INTRODUCTION

AEEI's remuneration committee is primarily responsible for overseeing the remuneration and incentives of the Group's executive directors and key management and providing strategic guidance.

To assist in achieving AEEI's long-term strategic goals, the remuneration committee has a formal remuneration policy in place. In addition, each major subsidiary has its own remuneration committee and a policy specific to its business unit, including the industry in which it operates, taking into account AEEI's long-term strategic goals.

The committee's main aim is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies and guiding principles of a standardised approach in applying remuneration practices within all its business units and functions.

OVERVIEW OF THE MAIN PROVISIONS OF THE REMUNERATION POLICY

The remuneration policy is aimed at aligning remuneration practices that will enable the committee to support the Group in achieving its strategic objectives, translating these into market-related, yet affordable performance-linked rewards, and ensuring balanced and transparent outcomes that align with shareholders' interests over the short and long-term, and ultimately enable the attraction and retention of valuable talent. Our remuneration approach aligns with our ethical approach, corporate governance philosophy, shared values, and best practices.

The remuneration policy is designed to achieve the following strategic objectives:

- Support the attainment of AEEI's strategic business objectives and strategies.
- Attract, retain and motivate key and talented individuals.
- Compete in the marketplace to be an employer of choice.
- Reward individual, team and business performance and encourage superior performance.
- Support AEEI's shared values.
- Promote the achievement of the Group's strategic objectives within its risk appetite.
- Promote positive outcomes.
- Promote an ethical culture and responsible corporate citizenship.

The remuneration policy addresses the Group's remuneration and includes provision for:

- arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation;
- the use of performance measures that support positive outcomes across the economic, social and environmental context in which the Group operates and all the capitals that the Group uses or affects; and
- the Company to attract, engage and retain talent to drive performance and to meet the Group's strategic objectives.

EXECUTIVES AND EMPLOYEES

The remuneration of the executives is reviewed annually by the remuneration committee, which seeks to ensure that balance is maintained between the fixed (base salary) and variable (discretionary bonus) elements of remuneration, as well as between the short-term (base salary and discretionary bonus) and the long-term financial performance objectives of the Group.

Cost-to-company remuneration incorporates the following elements:

Base salary

Base salary is guaranteed annual pay on a cost-to-company basis. It is subject to annual review, and adjustments are effective 1 September of each year, coinciding with the commencement of the Group's financial year. Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes.

Benefits

Benefits form part of the total cost-to-company and include:

- membership of the pension/provident fund (providing death, disability and dread disease benefits);
- medical aid;
- unemployment insurance fund; and
- funeral cover.

COMPLIANCE

The remuneration policy is reviewed each year to ensure that the remuneration framework remains effective in supporting the achievement of the Company's business objectives and remains in line with best practices. AEEI complied with the remuneration policy and relevant remuneration governance codes and statutes. The recommended practice, as stated in Principle 14 of King IV™, has been applied and is explained throughout this report through the outcomes achieved.

During the year, the committee engaged the services of an independent external advisor to support our endeavours to act independently and provide specialist input.

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

In the event that more than 25% of the votes are cast on the resolutions at the AGM, the Board will invite dissenting shareholders to send reasons for such votes in writing. Thereafter, further engagements may be scheduled to address legitimate and reasonable objections and concerns raised appropriately.

IMPLEMENTATION REPORT

This part of the report focuses on the performance outcomes against the targets set for 2021.

SALARY INCREMENT

The committee reviewed the targets set in terms of performance-related remuneration for the CEO, executive management team and senior management in the Group, including individual performance factors and a combination of portfolio-specific targets. As a result, for the year ended 31 August 2021, a general salary increase was approved based on the annual average current price index of 5% for all employees in the Group.

DISCRETIONARY BONUS

A discretionary bonus may be awarded and calculated as a percentage of the qualifying executive/senior management/employee's base salary according to seniority and the level of responsibility assumed. Qualifying executives and senior management may receive a discretionary cash bonus, dependent on meeting both financial and qualitative strategic performance objectives. Employees may receive a discretionary cash bonus, dependent on meeting their personal and the Company's strategic objectives. Financial, qualitative, personal, and Company strategic performance are aimed at ensuring sustainable long-term value creation to the benefit of all stakeholders. The total base salary and bonus paid will be deemed to be fair to the Company and the executive/senior manager/employee.

The committee will assess the CEO and executive management team's performance against a set of predetermined objectives that include, *inter alia*, strategic leadership, execution of the strategy through business results and stakeholder relations. The successful delivery of the Group's objectives constitutes financial and non-financial performance measures, with the key financial measures, including profits, cash flow, and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most executives in the Group. The committee remains mindful of ensuring that overall remuneration is appropriate for the performance of the Group and in relation to its operational peers. In doing so, the committee will consider the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to deliver the Group's strategic objectives. (📄 - Principle 14)

SHAREHOLDER VOTING/FEEDBACK

As required by King IV™ and the JSE Listings Requirements, the Company will put a non-binding advisory vote to shareholders regarding the approval of the remuneration policy and the implementation report. The Company seeks the support from its shareholders at the upcoming AGM. If any shareholders are inclined not to support the resolutions, we would ask that the reasons for such decision be communicated to the Company so that consideration can be given to those reasons. Please forward any comments to the company secretary at damien@aeei.co.za.

Should either vote receive 25% or more votes against, the Company will:

- issue a SENS announcement regarding the outcome of the voting results;
- invite shareholders to engage with the Company regarding their dissatisfaction with either of the votes;
- schedule engagements with concerned shareholders to record their concerns and objections;
- assimilate all responses and schedule a remuneration committee meeting to analyse concerns and issues raised to formulate changes to the policy and implementation required; and
- develop a formal response to shareholders that articulates the concerns raised, the details of where the changes will be made to address concerns raised and provide responses for areas where the Company, despite the shareholder feedback, believes its current policy and/or implementation is adequate.

Results of the shareholders' votes at the most recent AGM held on 25 February 2021, as a percentage of the total number of shares voted at the AGM, is indicated below and therefore, no shareholder engagement was required:

	2021 %	2020 %	2019 %
Approval of the remuneration policy	97.30	99.85	100
Implementation of the remuneration policy	97.30	99.85	100
Non-executive directors' fees	100.00	99.85	100

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE



Dear Stakeholder

As the acting chairperson of the social, ethics and transformation committee, it is my pleasure to present my first report on the activities on behalf of the committee during the year under review as recommended by the JSE Listings Requirements, Companies Act and King IV™. During the year under review, I took over as acting chairperson after the resignation of Ismet Amod.

The social, ethics and transformation committee comprises of two independent non-executive directors and one non-executive director with the prerequisite skills. In addition, the CEO and CFO attend the committee meetings by invitation.

During the year, the committee assisted the Board in ensuring that the Group is and remains a committed, socially responsible corporate citizen. In addition, it performed the statutory functions required in terms of the Companies Act and King IV™.

We assisted the Board in effectively discharging its responsibilities for the oversight of transformation management and ensured that management implemented and maintained an effective transformation management process in the Group. In addition, we assisted the Board in leading transformation within the Group and ensuring appropriate policies and procedures to address transformation.

As directors bear the ultimate responsibility for any corruption within the Company, we continued to monitor the ethics culture and how the Group responded. Whistle-blowers are an integral part of compliance-focused corporate governance business models as they assist executives in identifying matters. In addition, the Group's Code of Conduct is a public statement of ethical conduct and consistently applies this.

As a responsible employer, we adhere to all labour legislation and laws. The Group's employment equity policy affirms the commitment to equal opportunities relating to affirmative action and the achievement of employment equity. The committee has been proactive within the Group to ensure understanding and compliance with the B-BBEE Codes. The Company lodged its B-BBEE Certificate with the B-BBEE Commissioner during the year.

With the ongoing COVID-19 pandemic, the health and safety of our employees remain at the forefront.

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

NAME	ROLE AND RESPONSIBILITY	2021 FOCUS AREAS	2022 FOCUS AREAS
Acting chairperson Aziza Amod <i>(Appointed as a member on 18 March 2021)</i>	The committee was established to assist the Board in ensuring that the Group is and remains a committed socially responsible corporate citizen and to report on organisational ethics, sustainable development and stakeholder relations. This role includes organisational ethics, which covers statutory duties and encourages leading practice by having the social, ethics and transformation committee progress beyond mere compliance to contribute to the creation of value in the Group.	<ul style="list-style-type: none"> Human capital - reinforcing COVID-19 protocols to ensure the health and safety of our employees in the workplace Ensured ongoing training and development of employees Ensured the timeous submission of the SETA Mandatory Grant Applications 	<ul style="list-style-type: none"> Monitor the Social, Ethics and Transformation Monitoring Indicators and Workplan and provide guidance and input Monitor labour, employment relationships, training and skills development, employment equity, the promotion of equality and the prevention of unfair discrimination

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE (Continued)

NAME	ROLE AND RESPONSIBILITY	2021 FOCUS AREAS	2022 FOCUS AREAS
Members Bongikhaya Qama Ambassador Membathisi Mdladana <i>(Appointed 31 August 2021)</i>	The committee performs all the necessary functions to fulfil its role, including the following duties: <ul style="list-style-type: none"> Monitors the Group's activities with due regard to legislative, legal and codes of best practice relating to: <ul style="list-style-type: none"> Social and economic development Good corporate citizenship The environment, including health and safety Labour relations Consumer relations Ensures that the Group is and remains committed to being a responsible corporate citizen. Reports on organisational ethics, sustainable development and stakeholder relationships. Ensures compliance with statutory duties and encourages leading practice by having the social, ethics and transformation committee progress beyond mere compliance to contribute to value creation. Monitors the Group's social impact, oversees compliance and ensures sound ethical and governance practices. Responsible for the oversight of transformation management, ensuring that management has implemented and maintained an effective transformation management process in the Group. Assists the Board to lead transformation within the Group and ensure appropriate policies and procedures are in place. Ensures compliance with the amended Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice as revised from time to time. 	<ul style="list-style-type: none"> Monitored the Transformation Plan and provided input Reviewed the B-BBEE Scorecard for areas of improvement Reviewed the findings of the ESG Data Transparency Index and Sustainability Data Performance and the recommendations provided Updated policies and procedures in line with legislative changes with the main focus on POPI compliance Reviewed enterprise development and assisting SMMEs Reviewed ways to strengthen efficiencies within the traditional supplier base and increasing capacity and procurement from non-traditional historically disadvantaged service providers Reviewed socio-development initiatives and the broader impact on society Updated the Social, Ethics and Transformation Monitoring Indicators and Workplan Monitored the anonymous hotline and email to ensure that there was no corruption or fraud was reported Ensured that all regulatory obligations were met, including submitting Employment Equity Plans to the Department of Labour Monitored environmental practices and looked at ways for improving our carbon footprint Ensured ongoing employee awareness around the following policies: <ul style="list-style-type: none"> The Way We Work Policy Anti-corruption and bribery Code of Conduct Code of Ethics Protection of Personal Information Act 	<ul style="list-style-type: none"> Exercise oversight of the management of ethics Monitor the use of protected disclosure and whistle-blowing mechanisms to detect breaches of ethical standards and deal with such disclosures appropriately Monitor adherence to the Group's ethical standards by employees and other Monitor, review and ensure compliance to the Group's standing in terms of social and economic development. Monitor and review environmental practices in the Group and improve thereon Ensure compliance and standing in terms of the regulations governing B-BBEE as set out by the Department of Trade and Industry Monitor and ensure that the Group is seen as a responsible corporate citizen through societal and environmental initiatives and the Group's contribution to the development of communities in which the Group's activities are conducted Monitor the Group's consumer relationships, including advertising, public relations and compliance with consumer protection law Continue to create and nurture a working environment and a corporate culture that attracts and retain the best talent and skills by following our employment equity plan Continue to monitor gender and race diversity Ensure that employees who manage and lead broadly reflect the diverse profile of the South African and African populations Economic sustainability - to create long-term economic value Environmental sustainability - improve brand value for the Company and drive resource management throughout our supply chain Social sustainability -contribute to society through our practices and relationships with communities Internal communication - to continue to overcome barriers to communication related to race, gender, culture and status and to encourage open, honest and effective communication Transformation image and profile - continue to ensure that the Group's image and profile are aligned with its transformation strategy.

The structure of the social, ethics and transformation committee is up for review at the next nominations committee to elect a chairman to replace the acting chairperson.

OUR TRANSFORMATION PHILOSOPHY

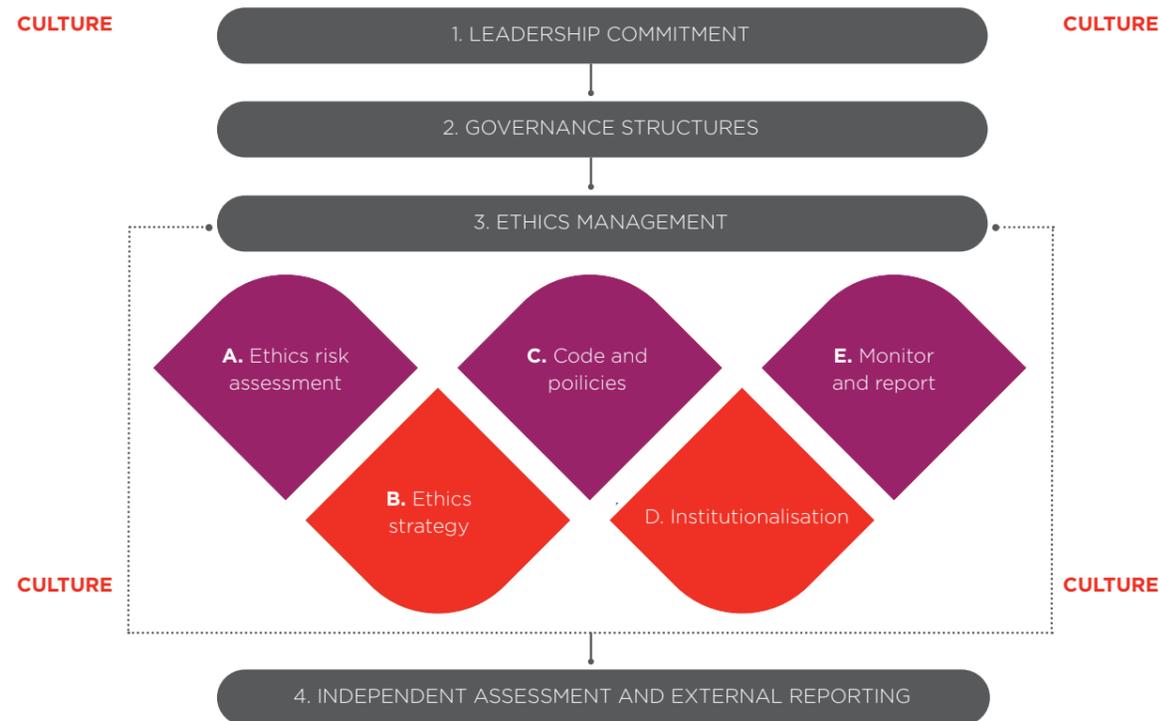
As a Group, we believe in developing and empowering our employees and enhancing performance by “growing our timber”. The Group remained committed to its shared values, including people, accountability, integrity, commitment, stakeholders, respect, trust, and investment. Refer to the sustainability report for more details on our vision and objectives.

TRACKING PERFORMANCE	BUSINESS CASE	STRATEGY
<ul style="list-style-type: none"> Used provisions of the Companies Act to track performance and the SETC Charter. Developed and implemented methodology for acquiring quantitative and qualitative data. Reviewed data and included it in the SETC reporting. Reported at the AGM. 	<ul style="list-style-type: none"> Understanding what the SETC is and how it relates to business. Identify the risks, responsibilities and opportunities. Building the business case for SETC. Obtaining executive commitment. Engaging colleagues. 	<ul style="list-style-type: none"> Finding out what other committees are doing that may overlap with the SETC. Identifying potential risks and opportunities. Revise strategy in light of the SETC considerations.

For the year under review, the committee is satisfied that it has fulfilled its statutory duties and obligations assigned by the Board. It also fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no instances of material non-compliance to disclose.

OUR GOVERNANCE OF ETHICS FRAMEWORK

Our actions affect not only ourselves but also those around us. Ethical behaviour is equally essential in the workplace as it is in our personal lives. A successful business depends on the trust of various stakeholders – employees, managers, executives, customers, suppliers and competitors.



OUR FRAMEWORK FOR COMPLIANCE – REGULATION 43 OF 2011

CAPACITY AND CAPABILITY	PROCESSES AND PROCEDURES	POLICIES
<ul style="list-style-type: none"> Understand how the SETC can be embedded in the business culture. Build relationships with other committees. Review different types of training, select training programmes and target groups. Integrate the SETC considerations into these groups. 	<ul style="list-style-type: none"> Form an SETC base limit for the Company. Undertake the SETC risk assessment. Integrate the SETC into the ongoing management of a project or act on findings as appropriate. 	<ul style="list-style-type: none"> Identify what SETC considerations are already included in policies. Develop a policy statement regarding the SETC considerations and Board Charter. Define management responsibilities. Ensure policy implementation and results are reviewed systematically.

The committee will continue to govern ethics in the Group in a way that supports the establishment of an ethical culture and exercise ongoing oversight of the management of ethics, resulting in applying the Group's ethical standards as detailed below. In addition, it will ensure that employees and stakeholders familiarise themselves with the Group's ethical standards.

DIMENSION NAME	DIMENSION DESCRIPTION
Clarity	The degree to which the rules and procedures are accurate, concrete and complete, so that employees understand what is expected regarding ethical conduct.
Positive role modelling	The degree to which management sets a good example for the Group and its employees.
Feasibility	The degree to which the Group's targets correspond to predetermined values and norms.
Support/commitment	The degree to which employees endorse the proper use of corporate assets and the active realisation of the interests of the Group and its stakeholders.
Transparency	The degree to which employees conduct themselves and how the effects are manifested.
Open communication	The degree to which employees can discuss ethical dilemmas.
Accountability	The degree to which employees are called to account about unethical behaviour.
Enforcement	The degree to which employees are punished for irresponsible conduct or rewarded for responsible behaviour.

(- Principles 2, 13 and 16)

Management is responsible for the preparation, presentation, and integrity of information and all matters the committee should be informed of. (- Principles 2, 3, 4, 13 and 16)

The acting chairperson of the social, ethics and transformation committee reports to the Board on the committee's activities at Board meetings.

Aziza Amod
Acting chairperson of the social, ethics and transformation committee

INVESTMENT COMMITTEE



Dear Stakeholder

As the chairman of the investment committee, it is my pleasure to present my first report on behalf of the committee during the year under review.

The committee was reconstituted during the financial year and consists of one independent non-executive, two non-executive directors and two executive directors who are well balanced and have legal, financial and strategic expertise to fulfil the committee's duties.

The committee performed all the functions necessary to fulfil its role as set out in the charter.

REPORT OF THE INVESTMENT COMMITTEE

The ongoing COVID-19 pandemic continued to place financial pressures on all divisions within the Group in terms of their acquisition strategy. As a result, the Company's investment decisions across its entire portfolio are driven by the overall objective of creating and sustainably growing stakeholder value. However, there is a high level of uncertainty going forward into the new financial year.

Investments are adjudicated to ensure that they have a strategic fit with synergistic benefits to the current portfolio. The investments provide an acceptable level of return with a reasonable payback period (based on the specific industry).

The committee developed a strategic road map per sector to be invested in. Each investment opportunity is adjudicated in line with its contribution to the growth plan mandated by the Board with a long-term approach in our decision-making and investment approach.

COVID-19 impacted the Group significantly by affecting the financial position and cash flow of the Group; however, the investment committee is still 100% committed to meeting its objectives. The committee will continue to work closely with fellow Board members and other senior management to identify new opportunities in the market over the next twelve months.

NAME	ROLE AND RESPONSIBILITY	2021 FOCUS AREAS	2022 FOCUS AREAS
Chairman Gaamiem Colbie	This committee has an independent role, operating as an overseer and makes recommendations to the Board for its consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.	<ul style="list-style-type: none"> Reviewed the Company's methodology for valuing investments Took a conservative approach to its investment strategy due to the impact of the COVID-19 pandemic Concluded the following investments in the Group: <ul style="list-style-type: none"> Disposed of 25% +1 share in SAAB Grintek Defence (Pty) Ltd at an agreed price of R150m on 3 December 2020 AYO Technology Solutions Ltd finalised the investment in Kathea Communications (Pty) Ltd on 1 March 2021 Premier Fishing SA (Pty) Ltd - a third party has shown intent to acquire 100% of the company. The due diligence has been concluded and parties are in discussions on the valuation and related terms. Reviewed the proposed broad-based black economic empowerment transaction to be implemented at Premier Fishing SA (Pty) Ltd, which still has to be finalised. 	<ul style="list-style-type: none"> Review the investment portfolio of the Group for: <ul style="list-style-type: none"> Impact of COVID-19 Potential acquisitions that have synergies with existing businesses and fit our investment criteria The committee will continue to look at investing in companies with the following characteristics: <ul style="list-style-type: none"> Strong investment partners that are aligned with our strategic objectives Leading brands Defined growth strategy Successful track record Management expertise High-growth sector
Members Aziza Amod Valentine Dzvova Jowayne van Wyk Stephen Nthite <i>(Appointed 31 August 2021)</i>	<p>The committee:</p> <ul style="list-style-type: none"> Considers the impact of investments on cash resources Provides advice to the Board regarding investment objectives and guidelines Considers and recommends to the Board proposals for the investments in new enterprises that are of strategic interest to the Company May obtain independent professional advice to carry out its duties 		

OPPORTUNITIES

The committee is currently in negotiations around new opportunities. These opportunities still have to be adjudicated and will only be concluded if the investment criteria are satisfied. Before the conclusion of any new opportunities, the investment committee ensures that:

- negotiations are transparent;
- indicative proposals are in line with the Group's policy;
- risks and risk appetite are evaluated;
- a formal due diligence is conducted in terms of legal, technical and financial aspects;
- the legal team reviews agreements; and
- the Board is apprised of any significant developments before the conclusion.

STRATEGIC INVESTMENTS

Through the Company's non-controlling strategic investments, it has been able to add value and influence the business process to create wealth and achieve transformation. As a result, the Company has become the partner of choice for multinationals seeking a B-BBEE partner that brings value through active participation in its businesses.

Through its investment portfolio, AEEI continues to:

- hold a portfolio of investments in businesses that are diversified;
- acquire control of the majority of its operational investments;
- acquire and maintain non-controlling equity in strategic investments;
- acquire and maintain non-controlling equity in its associates;
- add value, influence business processes, and provide management expertise and synergies with existing investments; provide capital investment to grow the business;
- ensure above-market shareholder returns;
- provide and maintain high-quality infrastructures and assets;
- create sustainable wealth for all its stakeholders;
- maintain sound corporate governance, business and ethical practices;
- stimulate economic growth by assisting and adding value to SMMEs;
- promote an entrepreneurial culture; and
- be open and transparent in its reporting.

ASSOCIATE INVESTMENTS

The Group also holds a 30% equity interest in British Telecommunications Services South Africa (Pty) Ltd. This investment is accounted for as an associate.

POST-BALANCE SHEET EVENTS

The following post-balance sheet investments were concluded:

On 23 September 2021, AYO subscribed for 30% of ordinary shares in Crealpha (Pty) Ltd (Crealpha) for a nominal amount. As part of the shareholders agreement AYO has also provided Crealpha with a R30m working capital loan to enable the company's expansion. Crealpha is a cloud data services business that enables the Group to expand its service offering as part of the Group's go-to-market strategy.

On 1 October 2021, AYO subscribed for an additional 30 ordinary shares in 4Plus Technology Venture Fund Africa (Pty) Ltd (4Plus) for a subscription price of R24m. AYO now holds a total of 28% of the ordinary shares in issue of 4 Plus.

On 1 November 2021, AYO concluded an asset for share agreement in which AYO disposed of its 100% shareholding in Puleng Technologies (Pty) Ltd (Puleng) for a consideration of R20m in exchange for redeemable and cumulative preference shares from the purchaser for a total consideration of R20m. Puleng is a cyber security company which focuses on the development of efficient Governance, Risk and Compliance (GRC) programmes and providing data centre infrastructure which effectively protects sensitive client data.

A final dividend of 10 cents per share was approved by the Board of directors of AEEI in respect of the financial year ended 31 August 2021. The dividend is payable on 3 January 2022 to shareholders recorded in the register of the Company at close of business on 31 December 2021.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board. As the chairman of the investment committee, I report to the Board on the committee's activities at Board meetings.



Gaamiem Colbie

Chairman of the investment committee



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