

The board of Datacentrix subscribes to the values of good corporate governance enunciated in the King Committee's Code of Corporate Practice and Conduct.

The directors recognise the importance of conducting the affairs of the company with integrity and in accordance with acceptable corporate practices. This can only be achieved through the review and maintenance of effective systems, policies and practices, which directly impacts upon the company's performance and its capacity to be accountable to its stakeholders.

The review is an ongoing process, which aims to cover both corporate and organisational factors and which will enable directors to determine the desired structure and process necessary to ensure that informed, rational, honest and transparent decisions can be made within an identified acceptable level of risk.

Chairman and Board of Directors

Datacentrix' board comprises five non-executive members and six executive members. There are adequate skills and expertise in respect of the non-executive directors, and they are sufficient in number for their views to carry significant weight in the Board's decisions.

The board normally meets bi-monthly, as well as at interim and year-end to review results. This allows them to maintain full and effective control over the group and monitor the performance of the executive directors. They are responsible for guiding and reviewing corporate strategy and major plans of action, corporate performance, risk policy and other major policy decisions. This is achieved by monitoring business plans, key performance indicators, including non-financial criteria and annual budgets. To fulfil their responsibilities, the board members have full and unrestricted access to relevant information and all group premises. The board is in the process of formalising the process to further facilitate the manner in which relevant information can be secured to ensure identification and compliance with laws and regulations applicable to the company.

The board has established a number of committees to assist in the discharging of its collective responsibilities for corporate governance. Non-executive directors sit on some of these boards to also lend independent judgement and add value with the experience they bring from diverse backgrounds.

Executive Committee

The executive committee is responsible for carrying out the strategies decided by the board and managing the business affairs of the group and its subsidiary companies. Gary Morolo, Gerhard Uys, Klaas Lammers, Charl Joubert, Stewart Barker, Ahmed Mahomed and Elizabeth Naidoo are members of the executive committee and all except Elizabeth Naidoo are

executive directors on the board. They are actively involved in performing some of the following functions:

- Formulating group strategies, vision and purpose;
- Compiling and presenting non-financial information to the board;
- Succession management and planning and development of management;
- Risk management; and
- Identifying applicable codes of best business practice and ensuring compliance with the same.

Audit Committee

The audit committee comprises three non-executive directors namely, Natanya Kuper, Christoff Botha and Sam Nematswerani who chairs the committee and two executive directors namely Gerhard Uys and Elizabeth Naidoo. The external auditors have unrestricted access to this committee. The main functions of the audit committee are to review;

- The internal audit function;
- The risk areas of the company's operations to be covered by external and internal audits;
- The reliability and accuracy of the financial information provided to management and other users of the financial management; and
- To consider and recommend the annual and interim financial statements for approval by the full board of directors.

Remuneration and Human Resources Committee

This committee comprises three non-executive directors, Joan Joffe, Imogen Mkhize and Christoff Botha, and two executive directors, Gary Morolo and Gerhard Uys. The committee is chaired by an independent non-executive director, Joan Joffe. The committee is responsible for:

- Setting and continuously reviewing the company's general policy on executive and senior management remuneration;
- Reviewing and assessing criteria for the monitoring of the performance of executive directors; and
- Advising the board on share incentive schemes and amendments to them.

In line with corporate governance best practice, both Gary Morolo and Gerhard Uys have resigned from this committee effective 1 March 2003.

Risk Management

The directors acknowledge that they are responsible for the formulation of a risk policy, as well as the monitoring thereof. The directors are assessing the risk profile of Datacentrix on an ongoing basis in accordance with a Critical Risk Matrix. This is used to decide which risks to avoid, control, transfer or accept.

The King II report recommends that a comprehensive system of control should be established by the board to ensure that

risks are mitigated and that the company's objectives are attained. In response to this, the directors of Datacentrix are proactively involved in identifying and addressing areas of possible concern, and designing relevant control activities to respond to such risks throughout the company. The directors believe that there is an adequate and effective system of internal control in place to mitigate the significant risks faced by the company to an acceptable level. These systems have been designed to manage, rather than eliminate risk and can only provide reasonable but not absolute assurance.

Internal Controls

The board of directors is responsible for the group's systems of internal control. To fulfil its responsibilities, management maintains accounting records and has developed, and continues to maintain, appropriate systems of control.

The directors' responsibility statement reports that the group's internal controls and systems are designed to provide reasonable, and not absolute assurance as to the integrity and reliability of the annual financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimise the significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

Non-Financial Matters

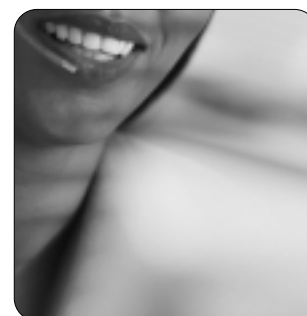
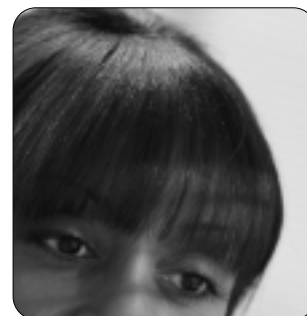
In order for companies to balance their economic, social and environmental issues, King II has introduced a new section that covers non-financial issues. This is due to the growing global awareness that a company's long-term success, or even its viability, are inextricably linked to its interaction and impact with social, environmental and economic communities within which it operates.

The directors of Datacentrix support these statements and have been working on the following initiatives:

- An HIV/AIDS policy has been prepared which has been adopted by the board;
- There is a Social Responsibility Committee which is actively involved in ensuring that Datacentrix is involved in various projects and activities;
- The company has established a bursary fund for students wishing to study in the IT field and some students who have been sponsored are now employed by Datacentrix;
- Computer equipment has been donated to certain educational centres; and
- Datacentrix' operations have no discernable impact on the environment.

Code of Conduct

The group's business philosophy requires that the directors and employees conduct themselves with honesty and integrity and in all business practices to achieve the highest standard of



ethical behaviour. To this end a formal code of ethics has been adopted by the company and is available to employees via the Intranet.

Social Transformation

Datacentrix has clearly demonstrated its commitment to Black Economic Empowerment. This can be seen in the composition of the board as well as in the overall statistics of the employees of the company. Equal employment opportunities are provided to members of all communities and the company is delivering in terms of the Employment Equity workforce plans. The group has employment plans, which it believes are appropriate to the business and the market in which it trades. They are designed to attract, motivate and retain quality staff at all levels.