

Black Economic Empowerment

Black Economic Empowerment ("BEE") is not just about the percentage of black ownership, but is more about overall transformation and value creation. Datacentrix has a long history of pursuing transformation and has strengthened its efforts to ensure that diversity is woven into all its processes and day-to-day business practices to achieve true transformation.

The company is committed to broad-based BEE, adopting at an early stage the balanced score-card approach now mandated in the various charters. In line with the anticipated requirements of the DTI guidelines on empowerment, Datacentrix is proactively exploring broadening the stakeholder base of its operations to include a wider black shareholder base as well as women groupings. At the same time, Datacentrix will be looking to address the newly articulated emphasis on unencumbered black equity ownership.

From the inception of formal empowerment ratings surveys a few years ago, Datacentrix has consistently been rated the most empowered listed IT company. The most recent survey conducted in March 2005 by Financial Mail in partnership with Empowerdex, acknowledged Datacentrix as the most empowered IT company on the JSE Securities Exchange ("JSE") and lists it within the top ten of all listed companies in terms of its BEE credentials.

Ownership Profile

Aka Capital (Proprietary) Limited ("Aka Capital"), at 40%, controls the single largest shareholding within Datacentrix.

In 2005, Aka Capital decided to reduce debt and to wind down its funding structure, and through placements of some of its Datacentrix shares, now owns a substantial portion of unencumbered shares in Datacentrix. The effect of this restructuring was to reduce Aka Capital's controlled shareholding from an earlier 49% to the current 40%.

The then CNI principals, now Aka Capital principals, have always been active in the management of Datacentrix, with Gary Morolo and Sam Nematswerani joining the board of Datacentrix upon listing in 1998. Aka Capital considers Datacentrix a key long-term investment and intends to maintain shareholding control and operational involvement.

SME Support and Business Development Initiatives

Datacentrix believes in the support and development of Small and Medium Enterprises ("SMEs") from historically disadvantaged communities and is committed to supporting emerging and black-owned SMEs. Enterprise development is a key component of the company's BEE and transformation framework and has been since the adoption of this strategy in 1999.

Datacentrix' strategy is to identify enterprises that enhance and complement the group's product and service offerings to its

customers, and provide mentoring and skills development through on-the-job training. There are presently 35 SMEs that form a comprehensive network of partners across South Africa to assist in the servicing of geographic areas not directly covered by Datacentrix' own footprint.

Preferential Procurement

A procurement initiative was launched during March 2004 with the objective to increase expenditure from enterprises that have made a significant progress in the area of BEE. Datacentrix' existing supplier list has been examined and procurement procedures reviewed and formalised to allow more black-owned companies access to the discretionary spend as well as to manage the costs of goods and services purchased.

Datacentrix' operating expenditure mostly comprises its purchases from international technology partners. These partners' local offices have made much progress in conforming to the BEE requirements of the draft ICT charter over the last year.

People

Employees are the foundation of the group's success and by far its most important asset. The key is to attract and retain motivated people with the right skills to channel their talents and energy into growing the business and to succeed in a competitive environment.

Staff satisfaction is an important objective and Datacentrix strives to provide a stimulating and supportive environment which values each employee's individual contribution and diversity. To achieve this, the group offers competitive remuneration, skills upgrading and individual development, career advancement opportunities and greater all round job satisfaction.

The Datacentrix Holdings Share Trust provides further motivation to employees to remain in the service of the group and to increase their proprietary interest in the successful performance of the group.

The principles of fairness and equal opportunity remain the foundation of Datacentrix' diversity policy. Datacentrix is building a workforce in keeping with the diverse market place to better serve its customers.

Employment Equity Plan

Datacentrix conforms to the regulatory requirements of the Department of Labour and in particular to employment equity legislation, submitting annual Employment Equity reports. These reports continue to focus on the acceleration of change in diversity at all employment levels in the group.

Skills Development

Datacentrix understands that people create wealth and growth. Datacentrix does not manufacture, own, or develop any products, therefore the technical competence, expertise and certification of its staff is a top priority. Skills development empowers staff to deliver. During the year, Datacentrix received over R380 000 from the ISETT SETA as a recovery of skills improvement spending. The required Workplace Skills plan for 2004/2005 was submitted to the necessary authorities timeously.

Education

Datacentrix has granted several bursaries to students from disadvantaged groups in an effort to provide professional and vocational training to prepare them for entry into the workplace. Presently, there are ten graduates of this programme in the employ of Datacentrix, while three students are still in the process of completing their studies. Seven new bursaries will be awarded during the new financial year. The local educational institutions that host the bursars include the University of Pretoria, Rhodes University, Tech Peninsula, Campus College and University of KwaZulu-Natal.

Corporate Social Investment

Datacentrix' social responsibility initiatives represent its commitment to the communities in which it operates and where employees reside. The company acknowledges the need to create a tangible improvement in the quality of life of disadvantaged South Africans. The following organisations benefited from Datacentrix' corporate social investment over the year, either through the donation of funds or computer equipment donations:

16 Days of Activism Against Women and Children Abuse; Alexandra Crisis Youth Centre; Avril Elizabeth Home; Casa Caritas; City of

Tshwane; Cotlands Baby Sanctuary; Department of Health; Elandspoor High School; Eleos; Excelsior Comprehensive School, Umtata; GTZ Peace and Development Project; Heartbeat; Jacaranda Child and Family Care Centre; Johnnic Communication's ReadRight Project to underprivileged schools; Kwa Thintwa School for the deaf; Mandela Barloworld Agricultural High School, Tzaneen; Pretoria School for Specialised Education; SA Navy Sport Board; SANASE; Skills Dynamics, Mbonambi, KwaZulu-Natal; Standard Bank; Sungarden Hospice; The Township Aids Project; Transvalia School; Union Church School; Unisa; University of Pretoria; Vega The Brand Communications School's Ulimi Lwami Centre and Zifuneleni Junior Secondary School.

HIV/Aids

HIV/Aids is not only a business risk, it's a national and personal tragedy. Datacentrix continues to institute Aids awareness programmes throughout its regional offices and participated in the 2004 national Aids Week Business Bannerthon.

Environment

Datacentrix recycles paper and toner cartridges, disposes of old computer equipment to charities and is mindful of the necessity to be efficient in its consumption of energy. The group does not have an environmental policy in place, as its principal business is commercial rather than industrial and has minimal impact on the environment. The consumables business unit participates in the HP Take Back program, which concentrates on recycling, and encourages customers to also contribute to this environmental programme.

