

Stakeholder relations report

incorporating sustainability performance

Bell Equipment's stakeholders are those individuals, groups of individuals and organisations that affect and are affected by Bell Equipment's activities, products or services and associated performance. Engaging with and building relationships with its stakeholders is key to sustaining the group's business. Bell Equipment's key stakeholder base includes employees, customers, government departments, shareholders, communities, suppliers and alliance partners.

Bell Equipment values its stakeholder relationships and appreciates the need and responsibility to create mutual value, cultivating enduring and sustainable partnerships with its stakeholders. The board retains oversight of stakeholder management, while implementation and monitoring of stakeholder engagement is devolved to the various management teams within the group. Each of the group's operations engage with their diverse range of stakeholders based on the group's core values of respect, honesty and integrity.

The Bell Equipment brand is the essence of who it is in the market place. Bell Equipment uses its brand to differentiate itself through its people centric approach to business and by promoting the 1-BELL philosophy internally and nurturing it externally, thereby adding value to all of its stakeholders.

The group's stakeholder engagement strategies, systems and processes continue to be enhanced to better understand and respond to its stakeholders' legitimate concerns and to form collaborative partnerships to find solutions to collective challenges.

Bell Equipment's approach to corporate sustainability has been enhanced by focusing on the six capitals and understanding the value created by the group through the use of these six capitals. Through carefully identifying the interests and expectations of each key stakeholder group Bell is able to create value through the use of the relevant capital/s, thereby striving to ensure sustainability of its business.

- 1. Human capital:** determines the capacity of an organisation to accomplish its goals. Bell employees represent a rich and diverse human capital base that provides the skills, competencies, capabilities and experience that ensure the growth and sustainability of its business to deliver innovative products and services that are world class. Bell manages its human capital to ensure people's health and safety and invest in their professional and personal growth.
- 2. Manufactured capital:** is the investment in people, property, infrastructure, buildings, plant, production oriented equipment, machines and tools that Bell relies on to efficiently enable the group to be flexible and responsive to customer demand in getting Bell products to market, while utilising production processes that adhere to environmental regulatory requirements.

3. Intellectual capital: consists of the Bell brand, know-how and the technical acumen of its research and development staff, the group culture and its world class systems and processes. The success Bell achieves in developing, managing and expanding its products and services is the result of the knowledge and experience of people who expertly manage the diverse interests that collectively provide innovative products and service solutions.

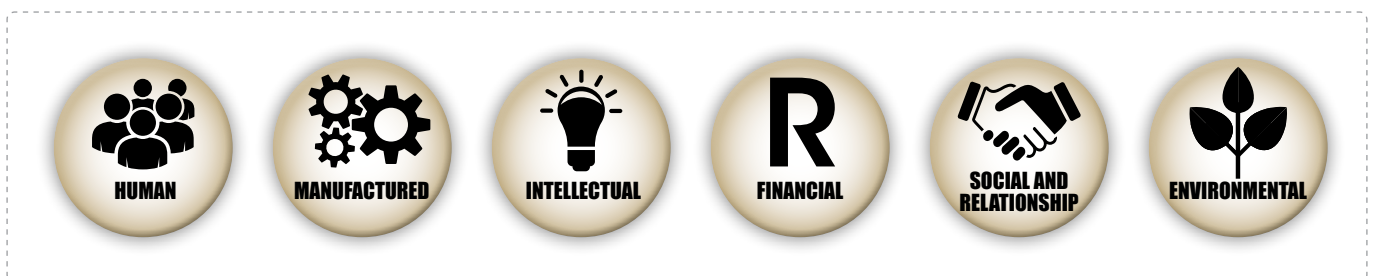
4. Financial capital: is the pool of funds obtained through financing and generated through its operations that are available to Bell for use in the production of its products and the provision of services. This capital reflects how successful Bell has been at achieving the sustainable development of its environmental, human, social and manufactured capital. Bell continues to enhance its financial capital by:

- effective management of risk;
- corporate governance structures;
- ensuring equitable use of wealth created; and
- assessing the wider economic impact of its activities on society.

5. Social and relationship capital: encompasses interactions with its stakeholders, including its customers, employees, alliance partners, investors, communities, suppliers and governments. Bell prides itself on conducting business by taking into account its legal, ethical and economic responsibilities.

6. Environmental capital: is an input to the production of an organisation's products and the provision of services. An organisation's activities also impact, positively or negatively, on environmental capital. Bell is committed to the responsible use and protection of the natural environment through sustainable practices.

Engagement is an integral part of developing an understanding of Bell Equipment's stakeholder needs, interest and expectations. Set out below are the key stakeholders with whom the group engages on a regular basis and the means of engagement. The use of six capitals in respect of stakeholder engagement is further illustrated in the following tables and information thereunder.



Stakeholder relations report continued

incorporating sustainability performance

EMPLOYEES



Reason for engagement

Bell Equipment's people are the heart and soul of its business. Their skills and commitment determine the group's ability to realise its strategy.

Stakeholder interests and expectations

- Healthy working conditions.
- Fairly remunerated for their service.
- Recognition.
- Health and safety.
- Career advancement.
- Employment equity.

Methods of engagement and value creation

- Employee forums (e.g. health and safety, employment equity committees).
- Training and skills development.
- Learning programmes for disabled black employees.
- Information road shows about employee benefits (e.g. medical aid and pension funds).
- Fraud awareness road shows.
- Fraud management briefs.
- Induction programmes.
- Quarterly GEC feedback sessions.
- Internal newsletter and intranet.
- Health and safety 'toolbox talks'.
- Employee wellness days.
- Long service awards.
- Anonymous tip offs reporting line.
- Regular engagement with trade union representatives on key issues.



Bell Equipment values its human capital – the group's employees – as its most important resource and key differentiator; striving to create and nurture positive relationships and provide the necessary support structures to care for their overall mental, emotional and physical well being.

The skills, knowledge, attitude, innovativeness, experience, diversity, efficiency and productivity of its employees enable the group to operate its facilities safely, reliably and sustainably. This, in turn, allows Bell Equipment to deliver on its growth objectives of delivering world class products and services.

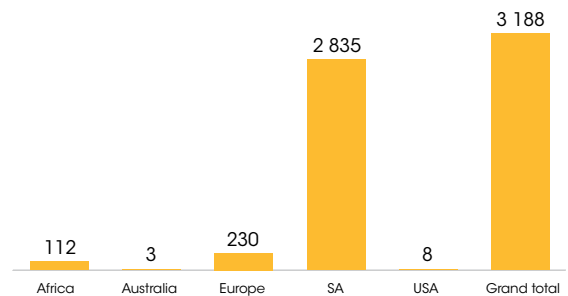
Employee engagement through every day strengthening of its employee and union representative relationships and communication provides opportunity for increased efficiency, productivity, quality and mitigates risks of labour action.

This is achieved by:

- building positive employee and union relationships through mutual respect;
- upholding the right to collective bargaining and freedom of association;
- driving a diversity and transformation plan and strategy that covers recruitment, development and retention of candidates from previously disadvantaged and underrepresented employment equity groups, thereby enabling gender equity and equality.

In 2018 the group employed 291 new permanent employees and promoted 107 employees internally to higher positions in the context of the total workforce of 3 188. Of these new employments 255 were appointments that improved the group's transformation requirements.

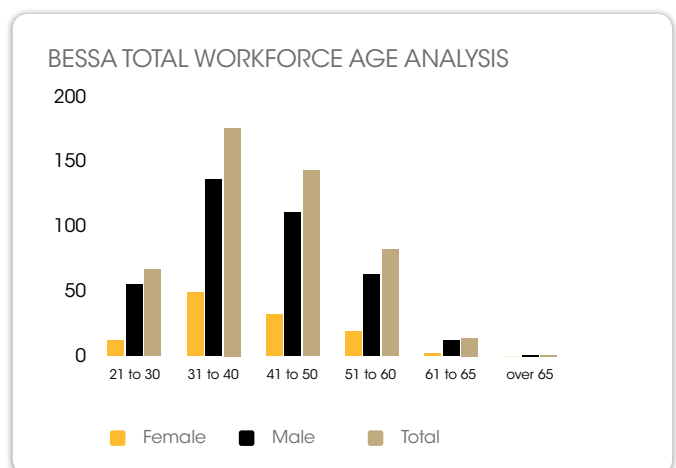
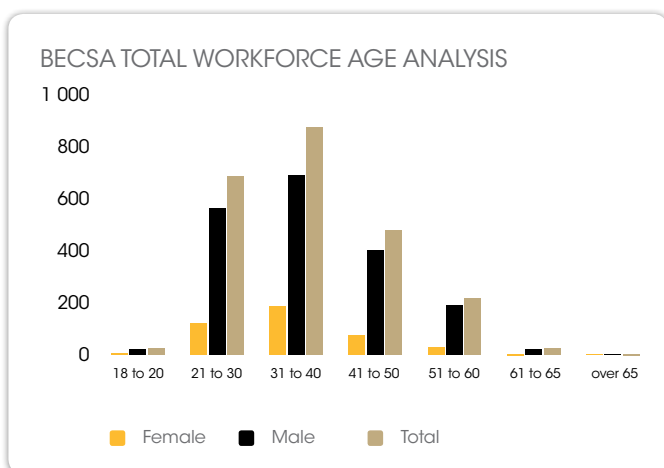
TOTAL WORKFORCE



BECSA EMPLOYMENT EQUITY SUMMARY

Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	1	0	0	0	0	0	0	1
Senior management	0	0	2	8	0	0	0	2	0	0	12
Professionally qualified and experienced specialists and mid-management	24	2	29	98	5	0	3	18	0	0	179
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	87	13	108	82	21	4	16	30	0	0	361
Semi-skilled and discretionary decision making	578	27	146	48	139	12	32	26	0	0	1 008
Unskilled and defined decision making	7	0	1	0	2	1	1	1	0	0	13
Total permanent	696	42	286	237	167	17	52	77	0	0	1 574

Employees with disabilities Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	1	1	0	0	0	1	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	0	0	4	0	0	1	0	0	0	6
Semi-skilled and discretionary decision making	10	1	3	0	1	0	0	0	0	0	15
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total permanent	11	1	4	5	1	0	1	1	0	0	24



Stakeholder relations report continued

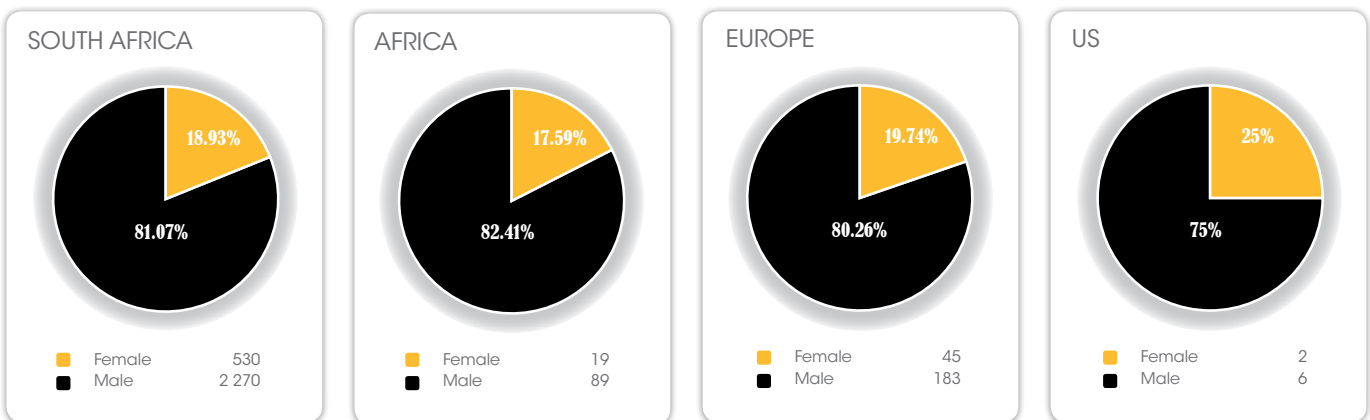
incorporating sustainability performance

BESSA EMPLOYMENT EQUITY SUMMARY

Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	2	3	19	1	2	0	3	0	0	33
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	79	11	12	121	4	2	2	7	0	0	238
Semi-skilled and discretionary decision making	75	14	18	10	30	8	9	30	0	0	194
Unskilled and defined decision making	7	0	0	0	5	1	0	0	0	0	13
Total permanent	166	27	33	150	40	13	12	40	0	0	481

Employees with disabilities Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	5	0	0	0	1	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total permanent	0	0	0	5	1	0	0	1	0	0	7

BELL EQUIPMENT TOTAL WORKFORCE



'GROWING ITS OWN TIMBER' AS AN ACCREDITED TRAINING SERVICE PROVIDER

Bell Equipment has had a dedicated focus on training for almost 30 years and is a fully accredited training provider with well equipped training facilities in South Africa located in Richards Bay and Johannesburg. Training is focussed on 'growing its own timber' through the group's MERSETA registered apprenticeship programme as well as providing operator and technical training for Bell employees and its customers.

INDUSTRY LEADING APPRENTICESHIP PROGRAMME

Through its apprenticeship programme Bell enrolls an average of 50 earthmoving mechanic apprentices per annual intake. About 10 graduates are absorbed by the group and the remainder are available to the industry where they find work with other OEMs or Bell Equipment's customer network, which needs and values those skills.

In this way the apprenticeship programme is a way Bell gives back to the industry and its local communities. At least 60% of candidates are unemployed or from disadvantaged backgrounds so the programme affords these youths an opportunity to undertake training and achieve a qualification so that they are able to compete in the job market and ultimately earn a living for themselves.

The high level of unemployment makes finding the right candidates a challenge. Over 3 000 applications are received each year and a stringent screening process is followed to narrow this down to the 50 youths who are enrolled in the programme. Bell targets schools, colleges and technikons to discover those youths with a high aptitude. Experience has shown that these applicants thrive in the programme and make the most of the opportunity afforded to them.

Bell continues to strive to increase female representation in the earthmoving mechanic industry and, its Apprentice of the Year for 2017, was a female graduate, Nomcebo Gumede.

The Bell apprenticeship programme is in depth combining both theoretical knowledge and practical experience. Approximately 18 months later, when Bell determines the apprentice to be ready, a trade test is booked with MERSETA.

A unique aspect of the Bell apprenticeship programme is that apprentices are rotated out to the group's operation in the UK as well as to Bell dealers in the US and Germany. This serves as a reward scheme for the apprentices whereby the best of the best has the opportunity to gain work experience overseas. It also assists Bell dealers and its UK operation with much needed earthmoving mechanic skills.

Since earthmoving machinery is constantly evolving as new technologies become available, Bell meets annually with the relevant SETAs and is represented on the panel that revises course content to ensure that training keeps pace with current technological developments.

Beyond the apprenticeship programme, Bell has its own product technical training team that is responsible for operator and technical training for Bell employees and customers, as well as level assessments of Bell and customer mechanics. The team is passionate about the positive impact that meaningful training has for the group and its customers.

Bell continuously invests in its mechanics and aims to send them on four technical courses per year to ensure that artisans are kept abreast of the latest technology.

Product technical training aims to provide a deeper understanding of a machine's operation and systems for repair and maintenance. The training includes component training courses on engines, transmissions, axles and hydraulic pumps as well as systems training on basic electricity/hydraulics, advanced electrical, advanced hydraulics, programming of machines, applied failure analysis, troubleshooting, service and maintenance as well as product knowledge.

Some of these courses are prerequisites for the five day technical training that is offered for the full Bell range of products. To receive training on a product it is also essential to have an operator's licence.



Stakeholder relations report continued

incorporating sustainability performance



Depending on the machine being operated, operator training is accredited by the relevant training authority while all technical training is accredited by MERSETA.

Operator training is conducted for the full range of products sold by Bell, including its partner products, and is provided so that customers can have peace of mind that their machines are being operated safely and as efficiently as possible. To meet local demand, Bell has a team of operator trainers based in both Richards Bay and Johannesburg. Technical training takes place across the world and for this Bell has a specialised team of technical trainers.

Training for customers is conducted on customer sites using their machines while technical training is conducted at the Bell training centres and on customers' sites. Bell has provided onsite training in over 30 countries across the globe.

Level assessments are an important function of the Bell training centre and mechanics are assessed at regular intervals to determine a mechanic's current level of competency. A development action plan is created for the mechanic, to address any gaps and outline the training required to bridge these gaps. In this way Bell motivates mechanics to aspire to higher levels of competency.

Properly trained operators and technicians result in less downtime, more efficient operating costs and a better understanding of the capabilities of the machine.

Bell, having identified that parts counter staff need to have a technical background or understanding to better assist customers, has also introduced a parts training programme. This two year modular programme comprises institutional and workplace training to give staff a better understanding of the Bell products, which allows them to conduct parts sales with greater ease and confidence.

Bell training programmes ensure support staff are properly skilled to provide the high level of backup expected by our customers. By offering the same technical and operator training to customers and dealers, the group also seeks to enhance the Bell ownership experience for its customers and develop a more holistic relationship.

PMI GRADUATES

Sixteen Bell employees completed the operations management development programme under the auspices of the PMI during 2018.

This is the third group of supervisors to have completed the programme and the first manager group. The training forms part of a conscious decision by Bell to develop its own people internally thereby affording them an opportunity for personal growth and career development.

From a Bell perspective, the group has seen a substantial benefit from this training. Initially the groups had a production focus, with an emphasis on production managers and production supervisors. However, the most recent group was more diverse including IT, export and product quality.

The top student, Stacy Reddy, acting manager: tool and design, was rewarded with a bursary from PMI to the value of R37 000 to study the NQF6 diploma in operations management at PMI in Durban. The bursary covers the tuition costs for the year along with books, study guides and the exam entrance fee. Bell Equipment added to the bursary by covering transport and other programme related costs.





HEALTH AND SAFETY

A wellness week was held from 24 to 29 May 2018 at the Richards Bay facility to encourage employees to take cognisance of their state of wellness and the importance of taking care of their health. At this wellness week voluntary testing for health related conditions such as HIV/AIDS, cancer, cholesterol, diabetes and other health related conditions were undertaken. Health experts were on site to give free advice and counselling to employees who were interested in, or needed these services. Over this week a total of 1 179 employees who work on site in Richards Bay attended the wellness week, and 1 410 participated in the HIV/AIDS awareness sessions and 941 volunteered to be tested for HIV.

Management of health and safety at Bell Equipment is centralised and is a function of line management to ensure adherence to the applicable health and safety legislation for both the permanent and temporary employees, specifically the Occupational Health and Safety Act in the South African operations. The group's operations continue to improve their total incident frequency trend having revitalised the audit system in the operations with centralised reporting. This is supported by regular safety induction sessions to increase safety awareness. Bell Equipment encourages a safety conscious workforce that adheres to rigorous safety standards through constant education and training throughout all of its operations.

Bell Equipment has been a loyal Technilaw client for eighteen years. Technilaw is an accredited service provider that monitors and audits BESSA's compliance with the legislated safety standards and requirements. The Bell Empangeni branch was the first of its 33 branches to join Technilaw in 2000. Bell received a 5-star rating for 17 consecutive years, and has won nine Africa Awards for safety. In the 2018 national awards, the BESSA safety manager also received the Best Safety Manager in South Africa award.

CUSTOMERS



Reason for engagement

- To meet the group's customers' needs and build long-term loyalty.
- To enhance Bell Equipment's brand and grow market share.

Stakeholder interests and expectations

- Innovative products that meet operational needs.
- World class after sales support.
- Overall value proposition.
- Personally committed and trusted advisor.

Methods of engagement and value creation

- 'EYE' external customer service monitoring service.
- Face to face engagement with sales and customer service teams.
- Trade exhibitions.
- Product launches and demonstrations.
- Ongoing research and development.
- Factory tours.
- Advertising.
- Traditional and social media including Bell Bulletin magazine and Facebook.
- Website.
- Ongoing product testing.

Bell Equipment has migrated to a dealer model in most of its major markets as the group believes the long term sustainability and shared resources offered by an independent dealer provides the most effective model to ensure that customers receive the level of service and support that they expect.

The group is in the process of formalising a dealer management programme, which promises to be a valuable tool to assist the Bell dealer network by giving them key performance indicators, tools and incentives to drive their business and look after Bell customers.

2018 provided ample opportunities for the group to engage with customers both formally and informally. The Bell facility in Richards Bay hosted numerous customer visits across all industries and regions. These visits cannot be underestimated in terms of developing relationships and giving customers insight into the group and its operations.

In addition, the group exhibited at Intermat, France in April and the UK's premier quarrying show, Hillhead, in June. These shows provided an opportunity to strengthen the Bell brand as an ADT specialist and showcase the B30E 4x4 as a mainstream product.

Bauma CONEXPO AFRICA took place in South Africa in March and was followed up with other local shows including the NAMPO Harvest Day in May and the Agri Mega Week in Cape Town. Bell also supported the South Africa Sugar Technologists' Association Congress and the Institute of Quarrying Conference, among others.

Stakeholder relations report continued

incorporating sustainability performance



This past year saw a large drive to demonstrate Bell machines to customers to give them a better understanding of the capabilities and benefits of its range.

In addition, Bell participated in a forestry field day hosted by Mondi and SiyaQhubeka to evaluate the productivity and quality achieved with existing equipment as compared to the new Waratah H215E harvesting head fitted to a Kobelco SK210LC excavator carrier.

Social interactions with customers included various golf days. A group of local and international customers also joined Bell representatives to ride the iSimangaliso MTB Adventure tour through the UNESCO World Heritage Site and its surrounds.

Bell appreciates all these interactions as they afford meaningful engagement and an opportunity to reassure its customers of its core business values.

The Bell technical services team is responsible for interacting with customers regarding technical issues they are experiencing with their Bell products and is, therefore, an important face and aspect of the business. Due to the vast geographic spread of the Bell ADT population several members of the team have qualified as helicopter pilots for faster response times, particularly to remote areas of the various regions.

Bell technical services organises a field technology analysts seminar annually to bring its field technical analysts and



the international product support team together with management. Since field technical analysts and international product support personnel are based across the globe and travel extensively in their respective regions, the seminar provides an important opportunity for face to face interaction and training.

This year the delegates spent time at the GLC in Johannesburg prior to the seminar (30 July 2018 to 3 August 2018) where they were given an in depth understanding of the logistics process, which impacts on their ability to assist customers.

A full five day programme followed with the delegates receiving a detailed business update and presentations on key aspects including product updates, marketing, product quality and priority engineering improvements that have been made as a result of the technical services' electronic reporting structure. Traditionally suppliers are invited to present, however this year, for the first time, a customer gave feedback on Bell technical support from a customer's perspective.

Bell Equipment continues to utilise the 'EYE' customer service, an external monitoring service. On a regular basis customers are contacted randomly on behalf of Bell Equipment in order to rate their perception of Bell Equipment's service. Calls are made by an external consultant randomly from a list of recent parts transactions. The group's service rating remains firmly in the world class range.





The group's manufacturing operation in South Africa is reliant on infrastructure stability in so far as power, water, port facilities and roads are concerned. Infrastructure reliability in South Africa is becoming more uncertain and the group continues to monitor this to mitigate any risks that could develop. Product costs and manufacturing reliability are continually benchmarked to other economies in order to guide manufacturing strategy.

Bell continues to invest in and grow its people and assets, improving skills, knowledge, know-how, productivity, efficiency and lowering the impact on the environment.

Bell is focused on continuing to strengthen its quality management as delivering on customer expectations is essential to how products are accepted in the market.

Adequate investment has been allocated to production-oriented equipment replacement and maintenance ensuring that manufacturing operations in both South Africa and Germany continue to operate sustainably. As part of continuous improvement Bell is further strengthening its quality management.

During 2018 the group migrated the ELC onto the SAP software system. This was a significant step forward to allow the group to improve integration between the GLC and ELC to leverage

opportunities to improve efficiency and visibility throughout its aftermarket supply network. A number of digitisation projects to improve the customer contact points were also initiated. Some of these projects are scheduled to be completed during 2019 and will have positive impacts on technical service, warranty and parts sales processes in the coming months.

The extension of Bell Equipment's Eisenach-Kindel facility in Germany, the company's European ADT assembly plant, is fully underway following a ceremonial ground breaking ceremony that took place in late June 2018. Scheduled for completion in the third quarter of 2019, the phase II expansion will add two new halls totalling 12 000 m² that will triple the available floor space and provide capacity for bin fabrication and future expansion.

2018 was an exciting and challenging year for the aftermarket logistics hubs. Bell Equipment opened a hub in Charlotte, North Carolina in the US to support its growing fleet of ADTs in North America. The ALC supports the group's distributor in the US and its dealer in Canada while also positioning Bell to source components for the aftermarket closer to the significant supply base it has in the US. This facilitates shortened lead times into the network as well as reduces freight and inventory holding costs.

Stakeholder relations report continued

incorporating sustainability performance

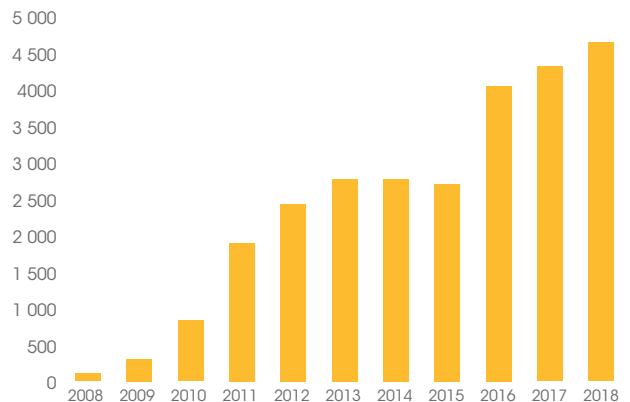


Innovation has played a key role in Bell Equipment’s legacy and remains critical in shaping its future. The group’s strategy continues to command investment in the research and development of new technologies and products that will create value for Bell Equipment’s customers and uphold the reputation of the Bell brand as an innovation pioneer.

In addition to developing machines, Bell offers customers a satellite based telematics and machine management system solution in the form of Fleetm@tic®. In 2015, Bell introduced a dual modem tracking device capable of using the most economical route via GPRS with a fall back onto satellite for critical information. With the GPRS modem, Bell gained the functionality to remotely download black box data, which allows it to analyse and reconstruct accidents thereby assisting the customer to determine the root cause. Gone are the days of only tracking a machine with limited information, the Fleetm@tic® system is fully integrated into the machines, allowing Bell to remotely reconfigure a machine based on the customer’s requirement, setting site speed limits, geo fence areas and various other parameters.

Going forward, this technology will be used to remotely deploy software updates on machines, thereby eliminating the need for a product support technician to physically attend to the machine and allowing them to focus on other urgent tasks at hand.

NUMBER OF BELL MACHINES FITTED WITH FLEETM@TIC®



SUPPLIERS AND ALLIANCE PARTNERS



Reason for engagement	Stakeholder interests and expectations
<ul style="list-style-type: none"> Suppliers and alliance partners are key to the group's performance and core to the group's strategic positioning. 	<ul style="list-style-type: none"> Timely payment and fair terms. Future growth of the group and understanding the expectations of the group. Reputational consistency. Responsible and positive brand management.

Methods of engagement and value creation

- Product launches and demonstrations.
- Trade exhibitions.
- Quest for Gold supplier improvement initiative.
- 913 South African suppliers form part of Bell Equipment's supplier network.
- Ongoing regular direct engagements.
- Service level agreements and audits.
- Suppliers conference.
- Factory and site visits.

After announcing the Kobelco and Kamaz partnerships in 2017, the group took the decision to consolidate its alliance partnerships to provide the best customer experience. This entailed a focussed drive on sales and technical training as well as parts support across all partner brands to firmly entrench the correct benchmarks.

Bell Equipment attended the Terex Finlay dealer conference in Jacksonville, Florida in the US in November 2018 as part of its drive to maintain strong relationships with its alliance partners. At the conference Bell was presented with an award for Outstanding Achievement in Parts Business Support, which is a direct result of the abovementioned focus on parts stocking. The award was based on Bell Equipment's bolstering of its parts holding by 20% to better support its customers and offer class leading aftermarket support in southern Africa.

SUMMARY OF SUPPLIERS: THE MULTIPLIER EFFECT



	Approved vendors	Miscellaneous	Total
South African suppliers	463	450	913
Suppliers outside KZN	180	231	411
Suppliers in KZN	283	219	502
Suppliers in Richards Bay	91	100	191
Suppliers outside of RSA	227	0	227
Total number of suppliers	690	450	1 140

Bell Equipment and Kobelco celebrated their new partnership at Bauma CONEXPO AFRICA 2018 by performing the customary Japanese kagami-biraki, or barrel breaking ceremony, to represent harmony and good fortune.

The group's relationship with Kobelco is developing well. The standard Kobelco models have been extremely well received by the market and are running seamlessly. They have been a pleasing success across all industries with their efficient performance and productivity. The three Kobelco mini-excavators, which were introduced to the market at Bauma CONEXPO AFRICA, are also gaining strong market acceptance locally.

During the year the group hosted partner visits from Kobelco, Bomag, Kamaz, Waratah and John Deere aimed at increasing our partners' understanding of southern African applications and customer expectations, while strengthening relationships and support, both for Bell and its customers.

The multiplier effect of the suppliers of Bell Equipment and therefore the importance of the relationship between Bell and its suppliers is clearly illustrated in the above table.

Bell has a Quest for Gold Supplier Improvement programme, the objectives of which are to develop mutually beneficial and profitable relationships with suppliers, implementing quality and cost controls as well as measuring and rewarding outstanding performance. The programme is also designed to strengthen communications between Bell Equipment and its valued suppliers in order to maximise its technological offering by utilising suppliers' technical support, innovation and expertise.

Suppliers are evaluated on a quarterly basis in five key areas: quality, delivery, cost, flexibility and technical support.



Stakeholder relations report continued

incorporating sustainability performance



LOCAL COMMUNITIES

Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> Empowering local economies builds trust in Bell Equipment while communities benefit from social and environmental initiatives. 	<ul style="list-style-type: none"> Socio economic empowerment. Community involvement on key issues. Employment creation. Environmentally responsible. 	<ul style="list-style-type: none"> Social development through sports development: sponsorship of local sports events. Providing air assistance for crime fighting initiatives. Earthmoving equipment apprenticeship programmes. Trade-ins and the Bell Backed Loan Scheme for qualifying small black-owned businesses. Welfare projects within the communities in which the group operates. Support of CANSA events.



The group recognises its responsibility as a global corporate citizen to provide meaningful CSI and SED programmes and initiatives to uplift and empower its stakeholders and the communities within which it operates. In this regard the group is guided by its group CSI and SED policies, which identify priority areas, outline implementation strategies and enable the group to monitor CSI and SED expenditure and measure the impact of projects, ensuring that they are aligned to the group strategy and contribute to the group's overall mission, vision and adhere to its core values. The establishment of the Bell Foundation Trust by the group aims to assist black women with their education in the engineering and allied fields. The first bursary was granted by the Foundation to Zinhle Dlamini who is currently enrolled at Stellenbosch University pursuing her mechanical engineering degree.

AMANGWE VILLAGE

During 2018 Bell Equipment continued its support of Amangwe Village with a substantial donation towards the organisation's early childhood development initiatives. The funding was used to repaint the interior and exterior of the two crèche buildings

as well as to replace the awning between the two buildings. The crèche kitchen, where nutritious meals are prepared daily for the children, was also repainted.

The donation was sufficient to sponsor twenty four children to attend the crèche for a year as their households were unable to afford the crèche fees. The funds also provided stationery packs and satchels to those children who graduated from the crèche at the end of the year, to prepare them for Grade 1. These were handed over to the appreciative learners by Human Resources director, Johan van Wyngaardt, at the graduation ceremony.

The group likes to change the area of focus each year to impact on a wider range of needs within the Amangwe setup. This year's donation provided an opportunity to contribute to the quality of life of children who come from impoverished backgrounds.

THUTHUKANI SPECIAL SCHOOL

Bell Equipment spent a considerable portion of its CSI budget on uplifting the hygiene standards and dignity of students at Thuthukani Special School outside Empangeni by revamping



four bathrooms on the property. The work included tiling the bathrooms, painting, installing ceilings and doors, replacing toilets and urinals as well as upgrading the plumbing.

The group also sponsored five of the school's volunteers to further their studies during 2018.

Thuthukani Special School caters for over 400 children from multicultural backgrounds, aged between six and eighteen years, who are intellectually disabled. The school has a waiting list of about 200 children, illustrating the dire demand for such a facility in the community.

Bell, as a family orientated business, would like to build a long and sustainable relationship with Thuthukani where the school and the community can rely on Bell and in return Bell can see how its investment develops and make a meaningful difference to a worthy cause. Consequently, the group has undertaken to build a specialised classroom at Thuthukani Special School during 2019.

In addition to the societal value created through its business activities, Bell Equipment undertakes targeted community and enterprise development initiatives, creating an enabling environment for investment while developing and enhancing markets for its products. Recognising that its business activities impact on many people and communities, Bell Equipment has strategies, systems and processes in place aimed at developing positive relationships with all stakeholders and communities in which the group operates.

CSI, SED and skills development spend throughout the Bell operations in 2018 amounted to R3 118 350 which included loans, donations, bursaries and grants, as highlighted below.

As part of BECSA's socio economic development, Tholokuhle High School, iKhandlela Senior Secondary and Dlamvuzo High School from the Esikhaleni district and Gwejobomvu Senior Secondary from the Enseleni district received donations for science laboratories totalling R373 000. R400 000 has been provided for a rural schools toilet project for four schools, namely Mambuka Primary School, Mbude Primary School, Ndesheni High School and Khula High School. These initiatives speak to Bell Equipment's responsibility to play a role in the community and its appreciation of the right to a decent education enshrined in the South African constitution.



Bell Equipment employees globally are encouraged to be actively involved in community based programmes by giving of their time and talent to assist organisations and initiatives in order to make a difference in the lives of community stakeholders.

BESSA donated two small compacting machines to the value of R700 000 to assist rural communities in the Eastern Cape with maintaining their roads.

During 2018 Bell Equipment UK's charity efforts supported the British Heart Foundation and Derbyshire Blood Bikes, an urgent medical courier service closely linked to the British Heart Foundation. Activities included a raffle, a cake sale, a Christmas jumper day and selling badges. Visitors to the Hillhead Quarry Exhibition were also asked to donate contributions in exchange for hamburgers. Together these activities raised £1 350 for the foundation and a further £450 to purchase a set of tyres for Derbyshire Blood Bikes. The Burton-on-Trent RSPCA has been selected as Bell UK's chosen charity for its 2019 fundraising efforts.

UNLOCKD

UnlockD is a 51% broad based black owned company with a QSE affidavit providing level 2 BBBEE recognition in the Amended BBBEE Codes.

UnlockD is a social impact business that offers integrated impact solutions focused on delivering talent development, compliance solutions and business process outsourcing services to support client business impact imperatives. UnlockD connects employable, unskilled youth to meaningful employment while offering clients simple, cost effective solutions for their everyday back office needs ranging from basic data entry to more complex data processing and call centre work.

Bell Equipment has partnered with UnlockD in an effort to fund and assist in training, upskilling and assisting young talent to become employable and economically self reliable so that they are able to contribute to the country's greater economy and to their families and communities. This includes an initiative of employing fifteen disabled learners for an amount of R1 500 000 including all stipends and costs.

ESD

BESSA provided PJLG Steel Works, a 100% black owned EME that currently offers BESSA welding and boiler making services, a 5% interest bearing loan to expand their business.

BECSA invested R9 279 064 during 2018 on ESD initiatives in the form of grants and developmental loans for the benefit of 51% black owned EMEs and/or QSEs. R5 034 230 of the total spend was for suppliers.

BESSA invested R5 014 905 on ESD initiatives in the form of developmental loans for the benefit of 51% black owned EMEs and 2 QSEs.

Stakeholder relations report continued

incorporating sustainability performance



Bell Equipment has its own operations in twelve different countries, each with its own environmental laws and regulations. Although most of these operations are low risk in terms of environmental exposure, compliance must still be ensured. The group's focus is primarily on the Richards Bay facility due to the size and nature of the operation. Other operations are monitored and managed by the individual appointed managers, and when necessary, reports are filed in terms of the applicable legislation.

New initiatives are being investigated to reduce Bell Equipment's environmental impact. At the Richards Bay facility a water harvesting programme has been completed. The harvested water is used in the operational areas for supplying the wash bays. Water harvesting tanks were also installed at branches where critical water shortages are foreseen.

Bell has already initiated the process to recycle liquids on site, by means of specialised recycling units. There are new projects for 2019 which include the recycling of used thinners as well as recycling of used coolant from machining processes. This is a cost saving initiative as well as environmentally responsible option in reuse of waste. All waste is being monitored for further improvements to recycling in 2019.

A feasibility study is also being undertaken on solar panels. The power generated from the panels will be integrated into the electrical supply of the Richards Bay office block.

At the Jet Park offices in Johannesburg, an electricity saving programme is currently being undertaken to replace all the workshop and warehouse lights with new technology energy saving lights. This will also have a cost saving benefit.

The Eisenach-Kindel facility extension in Germany will be equipped with the latest available energy saving technology.

Bell Equipment has initiated a programme to classify waste in accordance with the current Waste Act Regulations and all hazardous waste is being classified. Its service provider has also supported the initiative to divert waste to recyclers instead of landfill, thereby reducing the group's impact on the environment.

On site recycling is another critical aspect of Bell Equipment's waste management process, with separation into three categories taking place at source as far as possible. Elsewhere, both hazardous and non hazardous waste streams are monitored by type, volume and disposal method and disposed of at certified waste disposal facilities. This ensures consistency, compliance and comparability.

All waste is being monitored for further improvements to recycling. All records are kept at safety, health and environment office, for cradle to grave and auditing purposes.

The annual external audit in 2018 showed great improvements in terms of compliance. An action plan has been formulated to reduce further noncompliance risk in 2019. There were no reportable incidents to the DOE that occurred in 2018. The group's main environmental risks are:

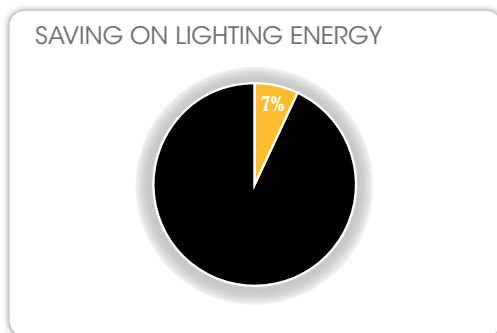
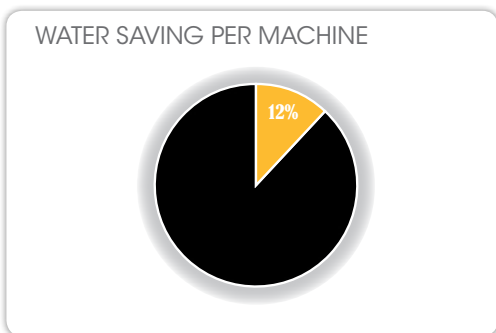
- hydrocarbon storage;
- hydrocarbon spillage;
- hazardous waste management;
- storm water management; and
- air quality management.

Environmental compliance at the Eisenach-Kindel facility in Germany is controlled by the facility's quality representative in conjunction with the respective authorised organisations for environmental control and waste disposal. The environmental requirements are spelt out in the labour law and ISO 9001:2008 quality management system. No incidents were reported during 2018 and the next internal audit will be conducted during 2019.

At the Richards Bay facility a new storm water management plan has been drafted in terms of municipal by-law requirements and was implemented during 2018. The areas of concern are being addressed and this will further improve compliance in 2019.

Bell Equipment continues to be represented on the uMhlathuze Crisis Committee in Richards Bay. Through this committee stakeholders are involved in the water and environmental management plan of the local municipality and make recommendations towards water saving initiatives and a cleaner environment. Currently Bell is liaising with the uMhlathuze water stewardship partnership, which integrates major industries around the uMhlathuze region, on better management of water resources, as well as any synergies that may be possible for waste integration and water saving innovations.

The South African government is looking to introduce a carbon tax on 1 June 2019 with the objective of reducing harmful greenhouse gas emissions. Initial calculations, based on the proposed legislation, indicate that the Richards Bay facility will only have to report on carbon emissions, but will be below the threshold for paying carbon tax.



GOVERNMENT



Reason for engagement	Stakeholder interests and expectations
<ul style="list-style-type: none"> The group's relationship with government impacts on its ability to contribute towards job creation, broader economic, social and environmental objectives. 	<ul style="list-style-type: none"> Socio economic growth. Skills development. Employment creation. Transformation. BBBEE.
Methods of engagement and value creation	
<ul style="list-style-type: none"> Local design and manufacture of equipment and the use of locally produced materials. Employer of 2 835 South Africans. Senior executive meetings with officials at various levels of government. Participation in industry consultative bodies and public forums including: <ul style="list-style-type: none"> National Economic Development and Labour Council; Business Unity South Africa; South African Capital Equipment Export Council; Steel and Engineering Industries; Federation of South Africa. Economic empowerment leading to social upliftment programmes and initiatives including: <ul style="list-style-type: none"> trade ins and the Bell Backed Loan Scheme for qualifying small black owned businesses; earthmoving equipment apprenticeship programmes. 	

In July 2018 Bell Equipment became the first OEM to sign a Memorandum of Understanding with SANRAL to give CIDB graded contractors access to earthmoving machinery that will enable them to participate more meaningfully in major construction projects.

The joint undertaking is geared at accelerating the transformation of the construction industry and opening doors for black owned and managed CIDB graded contractors.

Access to various types of equipment used in construction has been identified as one of the biggest hurdles facing black owned and managed CIDB graded construction companies. They often do not have the capital to purchase major machinery used for construction works, earthmoving and the grading of roads.

The cooperation between SANRAL and Bell Equipment promotes fair competition in the construction and engineering sectors by giving black owned CIDB graded contractors' access to finance, leasing and rental options, training and maintenance services.

CIDB graded contractors are now able to purchase, rent or lease road construction equipment that will enable them to

participate in major public sector construction where high standards of quality are required. Bell is also able to leverage its existing partnerships with the financial sector to give black owned and managed CIDB graded contractors' access to financing.

Bell Equipment sees this undertaking as an opportunity to position itself as a road construction equipment supplier of choice by growing the group's customer base and contributing to the empowerment of emerging contractors in the industry.

The full complement of Bell sales representatives who deal with the public sector attended a meeting of Mechanical Sub-Services Committee in Upington in November 2018. The committee comprises the Departments of Roads and Public Works of the nine provincial governments and operates as a sub committee of the Government Motor Transport Division, which ultimately reports to the Roads Coordinating Committee that serves as an advisory board for the National Government's Ministry of Transport.

The meeting provided an opportunity to socialise with their clients and strengthen already established business relationships. Bell Equipment was also invited to present on the group's new Kamaz truck range.

In terms of training, in 2018 the KwaZulu-Natal Department of Transport sent an intake of 26 apprentices to Bell to participate in the group's MERSETA accredited apprenticeship programme. In 2019 a second intake of 26 apprentices will enrol in the programme and the group is in discussions to expand the service to other provinces, which is a pleasing acknowledgement of the standard of the group's apprentice training.

Bell Equipment qualified for a 10% investment grant from ThuringerAufbaubank in respect of the Eisenach-Kindel facility in Germany. Since 2003 Bell has cooperated closely with the regional development agency, LEG Thuringia, in Germany and at the opening ceremony of the Eisenach-Kindel facility expansion in June 2018, the State Secretary of the Ministry of Economy underlined the importance of Bell Equipment's continued commitment for the regional economy.

Bell currently qualifies for the AIS, a cash incentive grant offered by the South African government to the automotive sector, under the MHCV category. This grant incentivises local production and employment through a cash refund on a portion of capital expenditure incurred in enhancing local production capacity. Bell qualified for this grant on the capital investment made in the development of the new E-series large truck programme.

The APDP is the replacement programme for the previous MIDP that came to an end in 2012. The programme is designed to enhance local value add and increase local production in South Africa through a means of issuing of a production incentive on qualifying components or products. The production incentive allows OEMs to use duty credits to offset duties incurred on imports. In essence this allows the OEMs to import certain components duty free. Bell qualifies for the APDP as a component OEM.



Stakeholder relations report continued

incorporating sustainability performance

SHAREHOLDERS, INVESTORS, FINANCIERS AND INSURERS



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> To create an informed perception of the group and its activities. 	<ul style="list-style-type: none"> Group strategy implementation. Group performance and sustained returns on investment. Leadership strength and management depth. Risk management. Transparent executive remuneration. 	<ul style="list-style-type: none"> AGM. Integrated annual report and interim results. Board and executive management strategy sessions. SENS announcements. Media. Group website including a dedicated investor relations page. Employee share schemes. Dividend policy. Sound corporate governance.



The Bell group strives to create value for all its stakeholders and to manage its financial capital to support the group's growth and diversification objectives in a sustainable and profitable manner.

Bell continues to engage with its shareholders through its integrated annual report and its AGM held in May of every year. In line with King IV, engagement with shareholders has improved by providing more and better information to shareholders, thereby ensuring good governance. An investor relations company has been engaged to assist Bell with its

annual investor relations programme. The investor relations company assists Bell with its interactive presentations to investors and shareholders; arranging one on one meetings and pre-close lunches with institutional shareholders; peer review of share price data, index comparisons, exchange rate information as well as the compilation of press releases and research reports for Bell Equipment.

The group will continue to strive for improved interaction with these important stakeholders on an ongoing basis.

