

2023

**BELL EQUIPMENT LIMITED
INTEGRATED ANNUAL REPORT**



BELL

Building strong reliable machines and providing strong reliable support by a dedicated team creating enduring customer and stakeholder partnerships

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Quick navigation

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We welcome stakeholders' feedback on our reporting, which can be sent as follows:



Email feedback to Diana.Mcilrath@bellequipment.com



About this report

Our integrated report aims to provide a balanced and accurate reflection of our strategy, performance, opportunities, outcomes, and future outlook in relation to material financial, economic, social and governance issues. The intent of the report is primarily to address the value creation considerations of long term investors but also provide appropriate information to all our key stakeholders, such as employees, customers, suppliers, alliance partners, government and regulators, and the communities in which we operate.

The integrated annual reporting process

This annual process below strengthens our internal reporting systems, assists us in our integrated thinking, informs our strategic goals and shapes our value creation and preservation. Bell is committed to disclosing accurate information that supports a variety of stakeholders in their decision making.

Assurance

Combined assurance model integrates and optimises the assurance obtained from management and internal and external assurance providers to assure the integrity of this report. In the year under review, our reporting suite was assured as follows:

- The independent external auditor, Deloitte & Touche, audited the financial statements.
- Sustainability information in the report has been approved by both the board's social, ethics and transformation committee and the risk and sustainability committee.
- The release of the sustainability and climate change disclosure guidance by the JSE has been noted and will continue to be considered by the group in the reporting of the sustainability elements in the report and going forward, the measurement of these will be considered and where applicable, applied.
- Internal accounting and administrative control systems and procedures have been designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the group's policies and procedures.
- Accredited service providers have determined selected non financial performance metrics, including market share statistics and the group's BBEE rating.
- Management has verified the processes for measuring all other non financial information and the integrated annual report was reviewed and signed off by the group executive committee.

Our six capitals

We aim to preserve, create and deliver sustainable value for all our stakeholders through the six capitals. The icons below are used throughout the reports to highlight our integrated thinking and demonstrates the connectivity of the resources and relationships we rely on to create, deliver and preserve such value for our stakeholders.



Human

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 while investing in their professional and personal growth.



Manufactured

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.



Intellectual

consists of the Bell brand, know how and the technical acumen of its research and development staff, the company 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.



Financial

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.



Social and relationship

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



Environmental

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.

Our stakeholders



Employees



Suppliers & strategic OEM partners



Customers



Local communities



Government



Shareholders, investors, financiers & insurers

Reporting principles

Our integrated annual report is produced and published annually and covers our financial year 1 January to 31 December. Any subsequent material events up to the board approval date in March every year are also included. We report on the primary activities of the group and our subsidiaries where we have control and significant influence.

Navigating our reporting suite

| | |
|---|--|
| Our suite of reports can be found online via www.bellir.co.za | <ul style="list-style-type: none"> • Integrated annual report • Annual financial statements • Annual results presentation 2023 • King IV Register 2023 |
| Our integrated report was guided by the following standards and initiatives. We have sought alignment with key reporting expectations and compliance with all relevant legal requirements | <ul style="list-style-type: none"> • The international Integrated Reporting<IR> Framework • South African Companies Act 71 of 2008, as amended • Johannesburg Stock Exchange (JSE) Listings Requirements • King IV™ Report on Corporate Governance for South Africa, 2016 • International Financial Reporting Standards (IFRS) • United Nations Global Compact Sustainable Development Goals |



Forward looking information

Forward looking information focuses on the strategic objectives, operating plans and prospects for the 2024 financial year as well as the group's medium term financial targets. Investors are cautioned not to place undue reliance on any forward looking statements contained herein, as they have not been reviewed or reported on by the group's external auditors.

Whereas the group has made every effort to accurately and reasonably ensure the accuracy and completeness of the information contained within this integrated annual report, any forward looking statements speak only as at the date that they are made; the actual results may vary materially from those expressed or implied; and the group undertakes no obligation to publicly update or alter these or to release revisions after the date of publication of this integrated annual report.

Board responsibility statement

The audit committee has oversight responsibility for integrated reporting and recommended the report for approval by the board of directors.

The directors have collectively assessed the content and confirmed that the integrated annual report addresses all material issues, the integrated performance and the group's strategy and the integrated annual report has been ultimately approved by the board.

Board approval

The 2023 integrated annual report was unanimously approved by the board on 28 March 2024.

Gary Bell
Chairman

Ashley Bell
Chief executive

28 March 2024

Material matters



Our approach to materiality

The report focuses on information which we believe to be relevant and material to investors and providers of financial capital (both current and prospective) in order to understand the group's ability to create value. The financial materiality assessment applied by the board in measuring enterprise value is based on internal and external factors, both positive and negative, that substantively affect the group's ability to deliver its strategy, and which could have a material impact on the annual financial statements of 0,5% or more of the group's revenue. We are also measuring impact materiality as it relates to the social, environmental and governance impacts of our operations and plan to report on this more extensively in subsequent years.

To the left are the icons that are used throughout the report to demonstrate the material themes that guide our integrated reporting.

The process we followed to identify, rank, apply, validate and assess our material matters is set out in the section of this report entitled Our Material Matters on page 12.

2023 at a glance

69%
increase

in profit from operating activities

Contributed to people
development in South Africa

Level 1

in transformation at BESSA

Trained

213

apprentices

32%

growth in revenue



Overview of Bell Equipment

Bell Equipment is a South African company that operates on a global scale, but has retained the family ethos instilled by Irvine Bell when he founded the company in 1954 as a small engineering and agricultural repair service in northern KwaZulu Natal.



Strong family values of integrity, honesty, accountability, and respect have seen Bell become an integral part of the communities in which it operates. The group takes its responsibilities as a corporate citizen seriously, purchasing from local suppliers wherever possible and investing in meaningful outreach initiatives with a focus on education, training, and development both internally and externally.

Bell Equipment's vision is to be a globally recognised OEM and a leader in the capital equipment and industrial goods sector, developing and supplying leading quality brands into the construction, mining, forestry, agriculture and industrial sectors in a number of chosen markets.

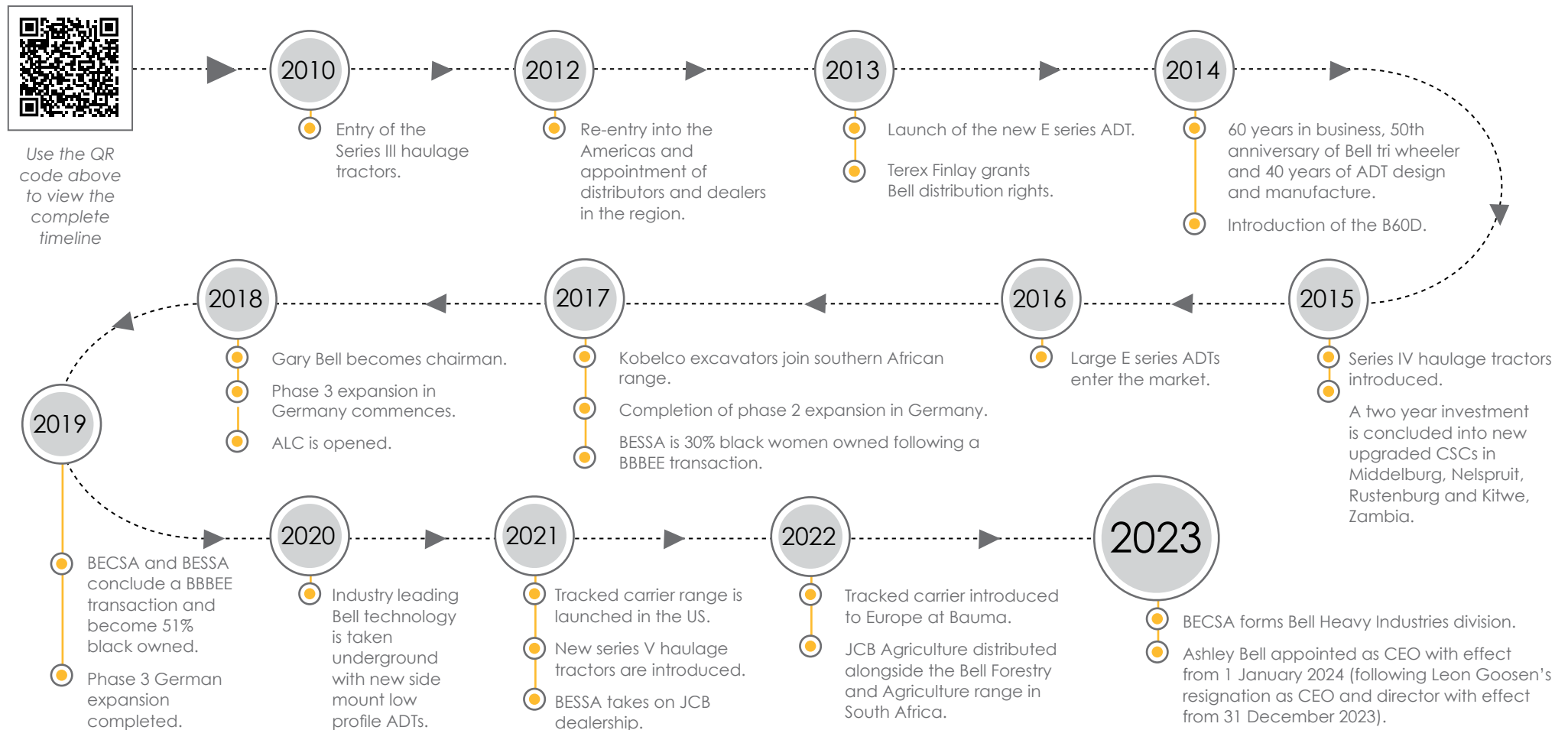


“I am fortunate to have grown up in an environment where Bell Equipment has been a central theme.”

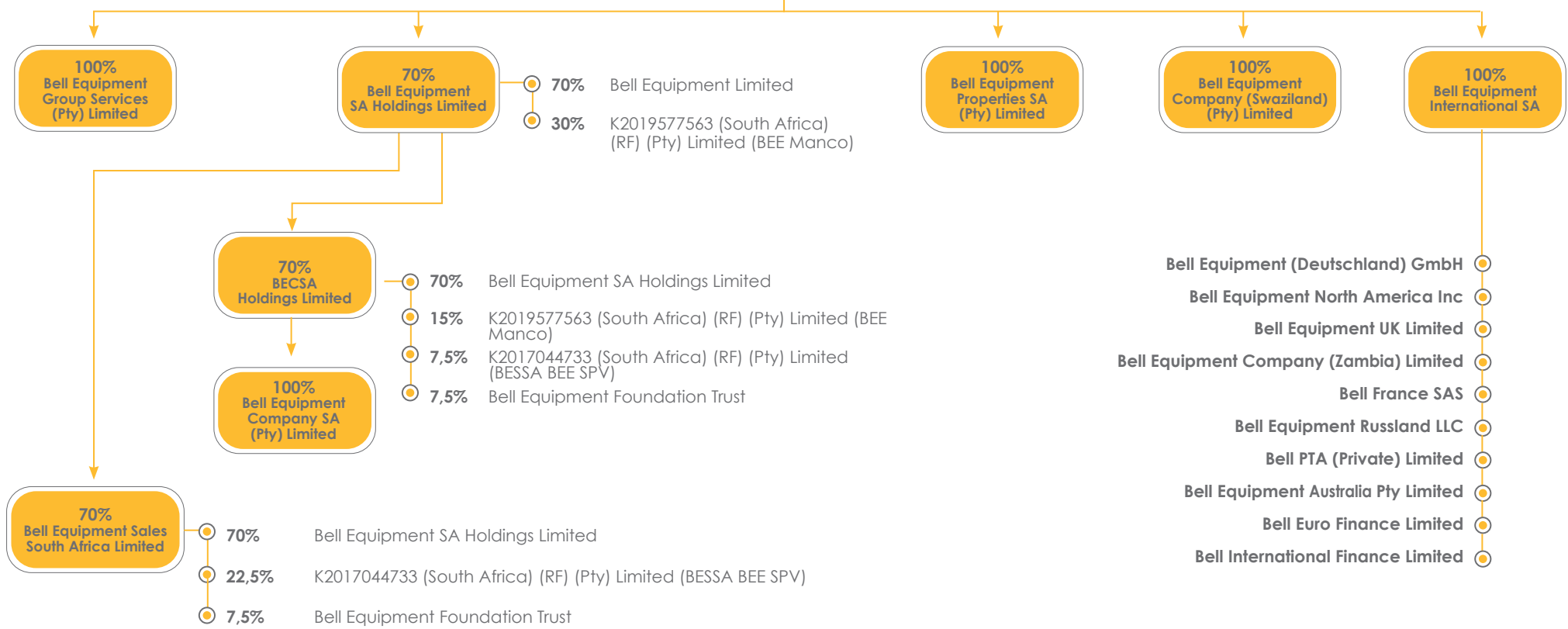
- Ashley Bell, CEO

Our growth path

Gearing up to commemorate seventy years of manufacture in 2024, our value creation process over this time has seen the group grow its intellectual property, product range, global footprint, and reputation as a provider of quality heavy equipment. Milestone developments in our recent history include:



Global corporate structure





Global reach

112 independent dealers globally.

22 Bell owned branches in South Africa.

Bell machines operate in over **80** countries.

Bell has **2** manufacturing facilities based in Richards Bay, South Africa, and Eisenach-Kindel, Germany to serve the southern and northern hemisphere markets.

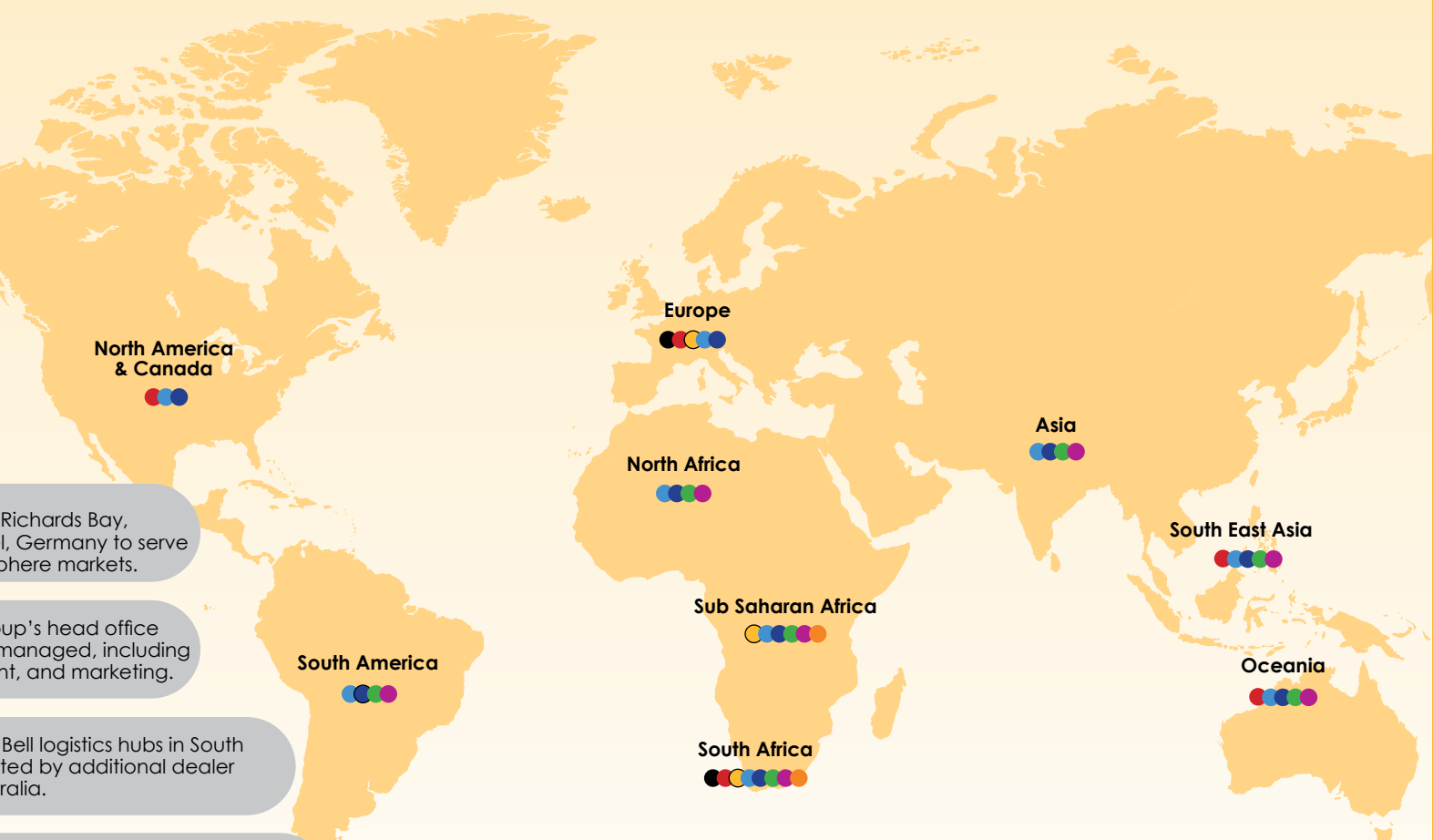
The Richards Bay factory is home to the group's head office from where centralised group services are managed, including finance, logistics, supply chain management, and marketing.

Dealership parts stocking is supported from Bell logistics hubs in South Africa, Germany and the USA, complemented by additional dealer owned logistics hubs in Singapore and Australia.

The Bell OEM range includes **47** products, of which **27** are geared towards mining and construction and **20** cater to the mechanised needs of our forestry and agriculture customers.

The South African factory has **45 000m²** of undercover manufacturing area and is able to provide project manufacturing and contract engineering through its Bell Heavy Industries division.

Bell has a Bell owned dealership network in **4** countries, namely the United Kingdom, Zimbabwe, Zambia, and South Africa. In all other territories Bell uses independent dealerships to support our customers.



Legend

- Manufacturing hubs
- Logistics hubs
- Bell owned dealership
- Independent dealership
- Mining & construction
- Forestry & agriculture
- Underground mining
- Partner products



Our value creation process

Throughout the group, Bell creates value by focusing on five key areas that guide every aspect of the business, including our relationships with our stakeholders, underpinning our philosophy that if we help our customers succeed, so will we.

Our 1-BELL philosophy:



Customer

Growing customer trust and support by understanding their business, co-developing world class products that deliver performance in rugged environments and demonstrating dedication to maximising their uptime.



Quality

Through a culture of continuous improvement and the effective use of our employees' and suppliers' talents, we consistently strive to meet and exceed the customer promise.



Team

Every individual is focused on actively contributing to the success of the Bell group by sharing in our common goal, harnessing individual strengths and undertaking every interaction with mutual respect, honesty and integrity.



Efficiency

Focusing efforts and resources on doing the right things at the right time by critically assessing the return that any investments will have on our other key areas and our long term sustainability.



Safety

Our people are our most valuable asset and we actively build a culture of looking out for each other and fully understanding risks.

Bell is focused and committed to environmental, social and governance (ESG) considerations to unlock higher value creation for stakeholders in its efforts to excel as a model corporate citizen that plays a positive role and makes a meaningful impact in society.





Our material matters

Materiality considerations are a fundamental guide to our reporting. We recognise that materiality is a dynamic concept, and we consider this during our annual materiality review process.

Determining materiality

An assessment of our material matters has been undertaken, including a specific environmental, social and governance materiality assessment, assisted by an external service provider.

We have followed a double materiality determination process to enable us to identify our financial materiality (matters that impact our ability to generate revenue and preserve shareholder value over time) and our impact materiality (our impact on society, communities and the environment). This approach reflects in the guidance of the Integrated Reporting Framework, and results in matters that are prioritised and grouped into themes to inform our integrated report content. Effective management of risks and opportunities is crucial to achieving our business sustainability and strategy.

Materiality determination process

The four step process of identifying, assessing, organising and reviewing information to understand its materiality took place. This included:

- assessing the external context, including global, local and industry risks, opportunities and trends;
- considering internal reports and inputs such as the strategic risk register, stakeholder reports and surveys and strategy;
- prioritising material matters by senior management and executives; and
- reviewing and benchmarking our peers' material matters.

The outcome of our materiality process informs our reporting.

2023 Material Matters

The 2023 review undertaken with an ESG lens, confirmed that all our previous matters remained material and identified new matters for consideration as part of our five material themes as set out below:



Driving business resilience

Underpinning our strategic objectives is the drive to enhance our business resilience through delivering financial results, to remain competitive and to mitigate against country risks. Social, political and economic issues all impact our ability to create value.

Material matters:

- Financial performance
- BEL share price
- BBBEE status
- Global competitiveness
- Business continuity due to power supply
- Business continuity due to supply chain failure
- Niche product dependence
- Digital disruption and cyber security



Executing strategy

Our vision is to be a globally recognised OEM and a leader in the capital equipment and industrial goods sector, developing and supplying leading, quality brands into the construction, mining, forestry, agricultural and industrial sectors in a number of chosen markets.

Material matters:

- Global ADT volumes
- Aftermarket contribution
- Product and product support costs
- Increased intellectual property (new products)
- Strategic alliances
- Enhanced technology



Environmental sustainability

We acknowledge the impact of the predominant use of carbon fuel energy in our operations and supply chain. Minimising this effect is important to us and we strive to address this key environmental issue. Business impact on the climate and companies' ability to withstand climate change, are issues of increasing global importance, and vital to our stakeholders.

Material matters:

- Water stewardship
- Waste management and circularity
- Energy and decarbonisation
- Impact of climate change



Helping our people thrive

We recognise that human capital is vital to our success. To deliver on our strategic goals, we need to foster a culture that supports adaptability and innovation, while leveraging the strength of diversity, equity and inclusion.

We are committed to protecting our people's health, safety and wellness and building trusting relationships.

Material matters:

- Health, safety and wellness
- Talent acquisition/retention and development
- Empowerment, transformation and diversity
- Human rights and responsible supply chains
- CSI/SED



Principled governance

We act responsibly and ethically to build trust and accountability and deliver operational excellence. Our risk tolerance and risk bearing capacity thresholds provide forward looking risk management.

Material matters:

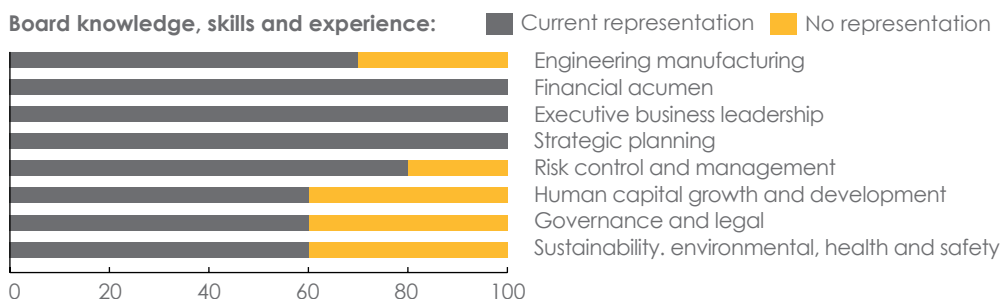
- Legal, regulatory and compliance excellence
- Risk management
- Transparency, ethics and integrity
- Labour relations
- Digital disruption and cyber security



Leadership: board of directors

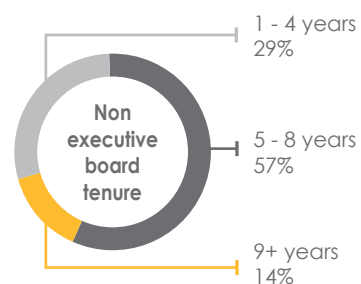
Bell Equipment's experienced board of directors is purpose driven and committed to our values. Our board leads our business with integrity as we pursue sustainable value creation. Our board, as the highest governing body, aims to entrench good governance principles and ethical leadership throughout the business.

BOARD'S COMPOSITION, DIVERSITY AND TENURE AS AT 28 MARCH 2024*

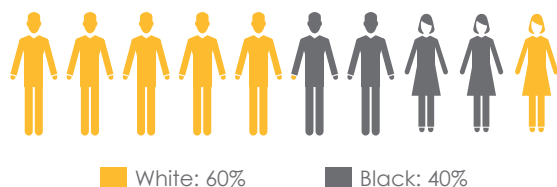


Non executive board tenure:

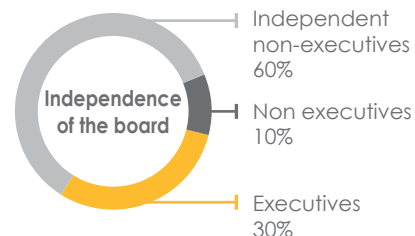
In accordance with Bell Equipment's memorandum of incorporation, at least one third of the non executive directors must retire by rotation each year but may offer themselves for re election. The non executive directors retiring by rotation and standing for re election by the shareholders at the upcoming annual general meeting in 2024 are Hennie van der Merwe, Derek Lawrance and Ushadevi Maharaj.



Gender and racial diversity:



The independence of the board:



*Leon Goosen resigned as group chief executive and director with effect from 31 December 2023



Gary Bell (71)
Non Executive

Chair:
Board

Committee membership:
Risk and sustainability, social, ethics and transformation, remuneration, nominations

Qualifications:
Mech Eng Diploma (Natal Technikon)

Date of appointment as chairman of the board:
2018

Date of appointment as a director: 1977

Skills and experience:
With an engineering and manufacturing background, more than forty years' experience in and knowledge of the mining and construction machinery industry both regionally and internationally.

Meeting attendance FY2023:

| | |
|------------------------------------|-----|
| Board: | 6/6 |
| Risk and sustainability: | 3/3 |
| Social, ethics and transformation: | 3/3 |
| Remuneration: | 3/3 |
| Nominations: | 3/3 |

Directorships in other listed entities:
None



Hennie van der Merwe (76)
Lead independent non executive

Chair:
Risk and sustainability
Nominations

Qualifications and experience:
BA (Law), LLB (Stellenbosch), LLM (Tax) (Wits)


Date of appointment: 2016

Skills and experience:
After practicing as a commercial and corporate attorney for twelve years, Hennie held senior executive positions and directorships in large stock exchange listed corporate entities in the banking, commercial and industrial sectors, both in South Africa and abroad.

Meeting attendance FY2023:

| | |
|--------------------------|-----|
| Board: | 6/6 |
| Risk and sustainability: | 3/3 |
| Nominations: | 3/3 |

Directorships in other listed entities:
Master Drilling Group Ltd

Ashley Bell (41)
Group chief executive

Committee membership:
Risk and sustainability
Social, ethics and transformation

Qualifications and experience:
BCom (Marketing) (UNISA)

Date of appointment as group chief executive:
1 January 2024


Date of appointment as a director: 2015

Skills and experience:
Ashley has ten years' experience in co-founding an OEM servicing the forestry and agriculture sectors, with cross-functional involvement in engineering, manufacturing, marketing and the aftermarket. In a partnership, Ashley also established an aviation contracting company which continues to successfully deliver helicopter services across Africa.

Meeting attendance FY2023:

| | |
|------------------------------------|-----|
| Board: | 6/6 |
| Risk and sustainability: | 3/3 |
| Social, ethics and transformation: | 3/3 |

Directorships in other listed entities:
None




Karen van Hagt (57)
Group finance director

Committee membership:
Risk and sustainability
Social, ethics and transformation

Qualifications and experience:
BCompt (Hons) (UNISA), CA (SA)



Date of appointment: 2006

Skills and experience:
Karen was a senior audit manager at Deloitte & Touche prior to joining Bell as the group financial controller in 2000. She has held the position of group finance director since 2006.

Meeting attendance FY2023:

| | |
|------------------------------------|-----|
| Board: | 6/6 |
| Risk and sustainability: | 3/3 |
| Social, ethics and transformation: | 3/3 |

Directorships in other listed entities:
None

Derek Lawrance (76)
Independent non executive

Chair:
Audit
Remuneration

Committee membership:
Risk and sustainability

Qualifications and experience:
BCom (Economics) (Wits), CA (SA)

Date of appointment: 2016

Skills and experience:
Derek has held numerous senior executive positions in both listed and unlisted South African companies, operating in multidisciplinary environments with both local and foreign partners and shareholders.

Meeting attendance FY2023:

| | |
|--------------------------|-----|
| Board: | 6/6 |
| Audit: | 4/4 |
| Risk and sustainability: | 3/3 |
| Remuneration: | 3/3 |

Directorships in other listed entities:
None




Mamokete Ramathe (44)
Independent non executive

Chair:
Social, ethics and transformation

Committee membership:
Audit
Nominations

Qualifications and experience:
BCom (Wits), BCom Hons (UNISA), Masters (Development finance) (Stellenbosch), Masters (Leading innovation and change) (York St John, UK)

Date of appointment: 2017

Skills and experience:
Mamokete is the Founder and CEO of Mamor Capital, an investment company focusing on the ICT sector. Prior to this role she was the executive head of mergers and acquisitions at Vodacom Group, where she was responsible for evaluating and executing mergers and acquisitions transactions and other relevant corporate actions in line with the group's strategy. She is a seasoned investment executive with more than nineteen years' experience in financial services; spanning corporate finance advisory, private equity, mezzanine finance, infrastructure finance and mergers and acquisitions.

Meeting attendance FY2023:

| | |
|------------------------------------|-----|
| Board: | 6/6 |
| Audit: | 4/4 |
| Social, ethics and transformation: | 3/3 |
| Nominations: | 3/3 |

Directorships in other listed entities:
Master Drilling Group Ltd




Rajendran Naidu (51)
Independent non executive

Committee membership:
Audit
Social, ethics and transformation
Remuneration
Nominations

Qualifications and experience:
BCom (Cape Town), CA (SA)

Date of appointment: 2017

Skills and experience:
Rajendran was a partner at Deloitte in the financial institutions team and corporate finance practices. He was previously a group general manager at Sasol Limited responsible for corporate finance, investor relations and shareholder value management. At that time he was also chairman of the audit committee of Sasol Petroleum International and served on the board of trustees for Sasol's Group Enterprise Development Trust and worked closely with global investment banks and global consulting firms. Rajendran currently manages Pritor Capital which provides strategic and corporate development advisory and investment services.

Meeting attendance FY2023:

| | |
|------------------------------------|-----|
| Board: | 6/6 |
| Audit: | 4/4 |
| Social, ethics and transformation: | 3/3 |
| Remuneration: | 3/3 |
| Nominations: | 3/3 |

Directorships in other listed entities:
None




Markus Geyer (59)
Independent non executive

Qualifications and experience:
Business Administration & Economics (Augsburg University), Business Studies (University College, Swansea), MAN Executive Management Course (Oxford University), CSEP (Columbia University Graduate School of Business)

Date of appointment: 2022

Skills and experience:
After several senior executive positions held at Bosch-Siemen Hausgerate GmbH and Photon AG, he joined MAN Truck & Bus SE in 2004 holding various senior executive positions in a number of the business units both nationally and internationally, whereafter he was appointed Managing Director of MAN Automotive (South Africa) (Pty) Ltd in 2016. After leaving MAN in 2020 he accepted a position as director of finance and operations at AHI Carrier Fze in Sharjah, UAE, until the end of 2021. He has extensive experience in both finance and sales with a specific focus on the automotive manufacturing industry.

Meeting attendance FY2023:

| | |
|--------|-----|
| Board: | 6/6 |
|--------|-----|

Directorships in other listed entities:
None




Ushadevi Maharaj (49)
Independent non executive

Committee membership:
Audit
Risk and sustainability

Qualifications and experience:
BBAcc(Hons)UKZN, CA (SA)

Date of appointment: 2022

Skills and experience:
Ushadevi, a Chartered Accountant by profession, was a Director at KPMG in KZN where she was responsible for People, Finance, and Operations while overseeing an Owner Managed client base. Presently, she is actively involved in leadership development. Since 2016, she served as non-executive director on certain unlisted company boards. In 2017, she joined Trade & Investment KwaZulu-Natal as a non-executive director and member of the Audit and Risk (appointed Chair in October 2022), and HR, Social and Ethics committees.

Meeting attendance FY2023:

| | |
|--------|-----|
| Board: | 6/6 |
| Audit: | 4/4 |

Directorships in other listed entities:
None




Avishkar Goordeen (44)
Alternate executive director to Ashley Bell*

Qualifications and experience:
BCompt (Hons) (UNISA), CA (SA)

Date of appointment: 2017

Skills and experience:
Avishkar has held senior positions within the Bell group in the areas of strategy, corporate finance, commercial activities, business development, risk management and IT.

Meeting attendance FY2023:

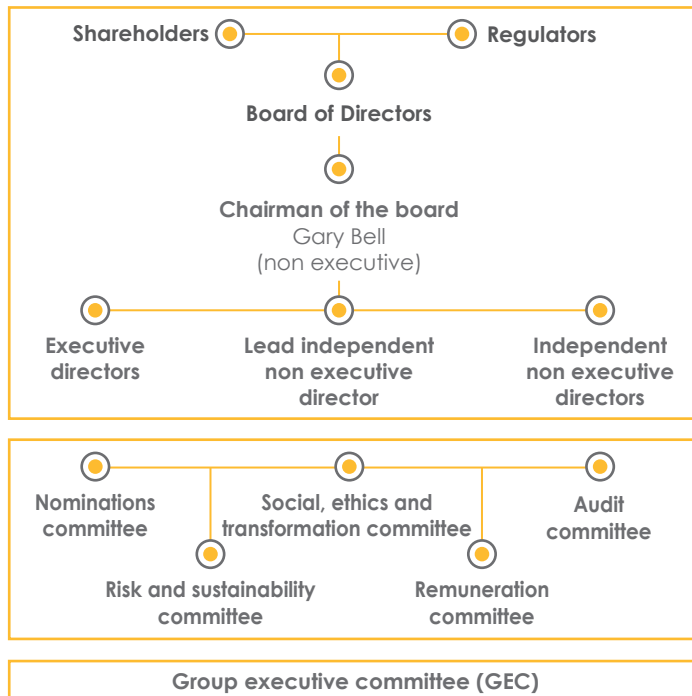
| | |
|--------|-----|
| Board: | 6/6 |
|--------|-----|

Directorships in other listed entities:
None
**previously alternate executive director to Leon Goosen*

Leadership: group executive committee

Bell Equipment's group executive committee consists of 12 members who represent all areas of the business and contribute diverse skills, thought and experience. The group executive committee is empowered and responsible to implement strategies approved by the board and manage day to day affairs of the business. The group executive committee is chaired by the chief executive and comprises the group finance director, the managing directors of each of the regions and the executives alongside.

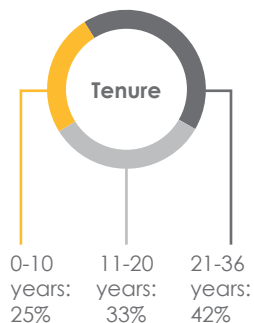
The corporate governance structure as at 28 March 2024



226

years of combined experience

Tenure at Bell as at 28 March 2024






Title:
Group chief executive with effect from 1 January 2024

Qualifications and experience:
BCom (Marketing) (UNISA)

Ashley was appointed as CEO with effect from 1 January 2024, having been on the Bell Equipment Limited Board since 2015.

** Leon Goosen resigned as group chief executive on 31 December 2023.*


Ashley Bell (41) 



Title:
Group finance director

Qualifications and experience:
BCompt (Hons) (UNISA)
CA (SA)

Karen has 23 years' experience at Bell Equipment.

Karen van Hagt (57) 



Title:
Chief strategy officer

Qualifications and experience:
BCompt (Hons) (UNISA)
CA (SA)

Avishkar has 17 years' experience at Bell Equipment.

Avishkar Goordeen (44) 



Title:
Director: group aftermarket & logistics

Qualifications and experience:
National Higher Diploma – Mech Eng (Natal Technikon)
B Tech (Business Management) (Natal Technikon)

Aldo has 28 years' experience at Bell Equipment.

Aldo Mayer (51) 



Title:
Group company secretary and legal

Qualifications and experience:
BCom (UKZN)
LLB (UKZN)

Diana has 7 years' experience at Bell Equipment.

Diana McIlrath (50) 



Title:
Director:
group manufacturing and sales and operations planning

Qualifications and experience:
BCom (Hons) (Logistics) (UNISA)

Dominic has 36 years' experience at Bell Equipment.

Dominic Chinnappen (55) 



Title:
Managing director:
Europe, Middle East and Africa

Qualifications and experience:
BCompt (UNISA)

Douglas has 9 years' experience at Bell Equipment.

Douglas Morris (50) 



Title:
Director:
group human resources

Qualifications and experience:
DMS Dip HRM (Damelin);
DMS Dip IR (Damelin)
B Tech (Advanced Business Management) (Natal Technikon)

Johan has 18 years' experience at Bell Equipment.

Johan van Wyngaardt (55) 



Title:
Managing director:
Bell Equipment Sales SA Ltd

Qualifications and experience:
BCom (Hons) (UNISA)
Earthmoving Mechanic Trade Test
Master of Business Administration

John has 18 years' experience at Bell Equipment.

John Fleetwood (42) 



Title:
Director:
technical services

Qualifications and experience:
BCom (Management & Marketing) (Boston City Campus)
Earthmoving Mechanic Trade Test

Meltus has 20 years' experience at Bell Equipment.

Meltus Badenhorst (43) 



Title:
Director:
group engineering, marketing and product portfolio

Qualifications and experience:
National Higher Diploma – Mech Eng (Natal Technikon)
B Tech (Business Management) (Natal Technikon)

Stephen has 29 years' experience at Bell Equipment.

Stephen Jones (52) 



Title:
Director:
product development

Qualifications and experience:
MEng (Cambridge University)
MBA (GIBS)

Tristan has 21 years' experience at Bell Equipment.

Tristan du Pisanie (48) 



Joint report by the chairman and chief executive

Overview

Against the backdrop of unprecedented global demand for equipment, the Bell Equipment group achieved record sales and production in 2023, which resulted in a rewarding outcome for the second consecutive year. We made great progress during 2023 on a number of exciting new strategic initiatives, including new product developments, the launch of our contract manufacturing division in Richards Bay and the growth of our independent forestry and agriculture product dealer network across South Africa.

We are exceptionally proud of the Bell team as they continued to demonstrate resilience and adaptability through the year and we commend them for the way in which they overcame considerable obstacles, most notably continued supply chain challenges, as well as port congestion in South Africa and labour shortages in Europe.

Port delays, affecting both incoming supplier orders and outgoing customer shipments, coupled with higher logistics costs and inventory buffers have impacted margins, inventory, debt levels, and return on invested capital (ROIC). Inventory levels remain high due in part to the remote location of our Richards Bay factory in relation to a majority of our component suppliers and customer base for our articulated dump truck (ADT) product line. The group also owns certain sales and distribution operations, such as in South Africa (BESSA) and the UK, which results in a longer working capital cycle and greater investment in inventory. We are implementing strategies that will, over several years, reduce our investment in inventory and increase the flexibility and resilience of the business.

We place great value on our reputation of offering strong reliable support to our customers, and during 2023 we made a significant investment in setting up our new American Logistics Centre (ALC), located in Charleston, South Carolina. This state of the art 55000 square feet facility has been established to back up our North American growth ambitions and is testament to our belief that if our customers succeed, then so will we.

Eskom electricity supply in South Africa remained a challenge through 2023, with the number of days where load shedding was experienced increasing to around double that during 2022. Our South African based suppliers have contingency plans in place for load shedding, such as alternative power sources, carrying more inventory, and flexible working hours to work around periods of load shedding. However, these measures drive up costs and the overall impact on the local economy is a huge concern.

We invested in solar power installations at both our Richards Bay factory and our Johannesburg sales and distribution facility. Although this is a long term cost saving project, it offers significant operational advantages by reducing the generator running costs and associated emissions that result from load shedding and municipality infrastructure failure.

We are pleased with the growth in revenue and profitability of 32% and 66% respectively, compared with the 2022 financial year. Inventory and receivables were higher than planned at year end and this impacted on debt levels. Reducing the level of investment in working capital is a priority as are our plans to reposition more ADT manufacturing closer to suppliers and key markets, in time.



Operations and product development

During 2023 the geographic breakdown of revenue across all products sold by the group was 48% into Africa (including South Africa), 28% North America, 16% Europe and the UK, and 8% Australasia.

The global demand for commodities translated into good ADT demand in general from Africa, South East Asia and Australia in mining. Further growth came from the USA, and parts of Europe driven largely by the construction sector, as infrastructure projects continued. The USA is the world's largest ADT market and remains the greatest market opportunity for growth for our ADT business.

Demand for machines exceeded our ability to supply due to constraints and logistical challenges in our supply chain, which negatively impacted our market share in certain markets. With market demand and supply chain pressure normalising, we expect to recover some of our 2023 market share losses going forward.

Infrastructure projects in the UK were either scaled back or put on hold during 2023, which resulted in large fleets of equipment being under utilised and unforeseen pressure in this market.

Our small Russian operation has been on pause since the outbreak of the Ukraine war. Although sales in Russia previously only contributed approximately 5% of group sales, our challenge is recovering restricted cash that we hold on deposit in that country.

The aftermarket segment remains a critical aspect of our business. The group's ability to provide parts and service support throughout the life of a Bell machine largely determines repeat purchases by customers and provides the group with a revenue stream for the life of the machine. In 2023, the group launched Bell BETA (Bell Equipment trusted alternative parts) in South Africa, a mid range offering to bridge the gap between premium Bell parts and remanufactured Bell components (ReMan). This gives customers a wider range of options to suit their needs and the assurance that comes from dealing with our dealer network. Plans are in place to roll out BETA parts to Bell UK and the dealer network in 2024.

Our aftermarket contribution to total revenue amounted to 24.7% and we have strategies to grow this contribution going forward.

As part of our existing growth and investment strategy, and our commitment to all our stakeholders, we are looking forward to launching several exciting new products. Foremost is our Bell motor grader that will be manufactured in Richards Bay as from early 2025. We envisage greater demand for the product initially in the southern hemisphere, but with significant northern hemisphere market opportunity as well. Our motor grader has been in development for several years and this is the time that it takes to design and test a new world class product before releasing it to market. We believe that we've designed a class leading product in respect of innovation, performance and reliability, which will take its place alongside our reputable Bell ADT line in the local and global market.

Our ADT continues to perform well across all markets, supported by ongoing technology innovations to ensure we maintain our position as a global leader. Autonomous controlled ADTs remains a focal point, particularly in the northern hemisphere, with fully autonomous driverless Bell ADTs operating on customer sites in Europe and North America. Our ADT product has incorporated technology to accommodate the interface of autonomous control systems for several years, which reinforces our position as a technology leader. The adoption of our autonomous ADT technology by the market will cement our 'lowest cost per tonne' promise to our customers.

Our engineering team also continues to explore different technologies and avenues towards finding suitable alternative fuel and propulsion solutions for a zero carbon future.

The implementation of new mining safety regulations in South Africa has driven demand for our pedestrian detection system (PDS) solutions on new and existing equipment. This validates the forward thinking design of our 'PDS ready' ADTs, which allows for seamless and cost effective integration with any preferred detection system. As the market adjusts to the new regulatory landscape, we believe our PDS solutions establish Bell as a partner of choice for mines across the country.

To grow our presence in underground mining we are working on a six ton load haul dumper (LHD) and we expect the first two units to be commissioned during the second quarter of 2024, for testing. Having invested significantly in research and development of the Bell tracked carrier, we are exploring the market potential of this range outside of its initially intended market of North America, where subdued demand has challenged the entry and growth of this product.

The tracked carrier has also generated some interest from the African drilling industry where its versatility makes it entirely suitable for carrier applications.

To complement our forestry and agriculture product range we have developed a Bell timber processing head for timber harvesting operations, which we expect to put into production during early 2025. This product has performed well through testing and is potentially a technology step change for our forestry product line up. Added to this, a skidder prototype (whole tree extraction tool) for the forestry industry has been built, which will now undergo infield testing.

Our strategy to develop a strong dealer network in South Africa to provide better coverage and dedicated service and support directly to our agriculture and forestry customers has found real traction. In the past 18 months, our network has grown to 24 dealers and 49 outlets throughout the country, including several BESSA branches.

The JCB agriculture range is proving to be a good fit for the business; particularly pleasing is local farmers' acceptance of the JCB loadall (telehandler) concept, a versatile and capable multi tool that can handle almost any on farm task.

Towards the end of 2023 we announced our new Bell Heavy Industries (BHI) division to the market, which takes our manufacturing solutions beyond 'yellow metal'. We have initiated discussions with potential customers and aim to help stimulate the South African manufacturing sector via contract manufacturing and project engineering to support local demand. We envisage providing services to the construction, energy, mining, and transport sectors.

Sustainability and strategic positioning

The group understands the importance of being a sustainable business and the risks associated with not continuously pursuing this objective. We therefore continue to evaluate ways in which to strengthen sustainability and believe that continuous improvement across all aspects of the business is key.

Our strategy is to grow the business organically by focusing on investing in the ongoing development and enhancement of our Bell OEM products, increasing our market share in key markets, and growing our BHI contract manufacturing business in Richards Bay. This supports the South African economy and, importantly, keeps people and skills employed.

Part of this sustainability strategy includes pursuing a greater level of manufacturing of our ADTs at our German factory due to growth in our northern hemisphere market share and penetration. Our expanding European supplier base has amplified the negative impact of 'round tripping' materials and components from Europe to South Africa and reinforced our decision to manufacture our northern hemisphere ADTs closer to both suppliers and markets.

Our legacy factory in Richards Bay has a broad spectrum of capabilities that we do not intend replicating in the northern hemisphere. Our manufacturing philosophy in Europe is to have a greater level of outsourcing, which will require the establishment of certain new suppliers for significant components. These suppliers and components must be thoroughly tested to meet the Bell quality and reliability standard before changes can be implemented, which will take several years to achieve sustainably. We aim to align the repositioning of our ADT manufacturing with the growth of our BHI division as far as possible.

The largest capital expenditure allocations in recent years have been for IT and the replacement of ageing equipment in the Richards Bay factory. Investment is also required for factory equipment in Germany to support plans to manufacture more of our ADTs closer to suppliers and the northern hemisphere markets.

Corporate governance and ESG

Our commitment to being a good corporate citizen pervades our total approach to the business and we endeavour to act in a responsible, ethical, and commercially sensible manner. Being a JSE listed company is advantageous in terms of operating globally, by providing a high standard of assurance that governance, finances, and sustainability are all equally adhered to and monitored.

We are ever conscious of our impact on the environment and are pleased with our continued progress in measuring and mitigating these risks, as detailed in our sustainability report. This report further carries information on our approach to the environment and corporate social investment.

Bell is committed to the highest standards of corporate governance. We have selected directors who possess the qualities that make them suitable to lead the group, including global experience and knowledge across a variety of fields, excellent character, and broad experience and knowledge of business management. We strive to establish a highly transparent and independent corporate governance structure and to introduce an executive compensation system that is linked to the enhancement of corporate value.

Details of governance structures and the extent to which we apply relevant principles of corporate governance, including King IV™ and regulatory requirements, are provided in our corporate governance report.

Transformation

BECSA and BESSA are both 51% black owned entities, and BESSA is additionally 30% black women owned. With their respective level 3 and level 1 BBEE scorecards, the group is competitively positioned in the local market. BECSA and BESSA's BBBEE certificates are available on the group's website at www.bellequipment.com.

Outlook

Bell operates in a cyclical business environment. For the past few years we have benefited from unprecedented strong global market demand post COVID, however, there are signs of global markets cooling off from record high levels.

The easing of demand in major markets gives the group scope to vigorously pursue growth opportunities in new and existing markets for our current products and the innovations we are pioneering (autonomous drive vehicles and PDS's), both in the mining and construction, and the forestry and agriculture sectors. With the supply chain constraints of the last two years also easing up, we anticipate a smoother year for production during 2024.

The order book for 2024 remains at a reasonable level and total market demand volumes are expected to normalise, following the unprecedented record high experienced through 2023. Over 60 countries in the world are holding elections in 2024, including South Africa in May 2024, which we anticipate could have significant macroeconomic impacts.

Ongoing energy problems, port delays, the general poor performance of state owned enterprises, the risk of potential disruptions from social unrest such as those experienced in 2021, are expected to continue to challenge doing business in South Africa.

The construction sector in South Africa remains volatile with the promised large infrastructure spend not materialising as quickly as hoped. Although coal exports are a concern, Eskom's demand for coal is still high and at this stage we expect demand from other mining sectors to remain fairly consistent with the levels seen during 2023.

The advancing of our innovative new product and technology developments through this next year gives us reason to be excited about what the future holds for Bell.

Our customer focus, world class products and continuous innovation, coupled with our strategy to better balance the business globally, will ensure resilience and sustainability.

Dividends

Over the last two financial years we gained pleasing traction in realising our planned growth, and we will continue along this path. By its nature, growth in our business requires significant working capital investments in inventory and receivables. With this in mind, coupled with a reflection on current volatile global political and economic uncertainties, the board has resolved to preserve cash resources rather than paying a dividend at this time. This will be reviewed at the interim results stage.

Board changes

Following Leon Goosen's resignation as chief executive officer (CEO), effective 31 December 2023, Ashley Bell, previously a non executive director, was appointed as CEO from 1 January 2024 and transitioned to an executive director.

Ashley, having served on the board since 2015, brings a deep understanding of the yellow metal industry, which is integral to our business. His tenure on the board and capital equipment business experience has provided him with comprehensive insights into operational practices and allows him to guide the group's future strategic initiatives.

Prior to his appointment as CEO, Ashley served as a member of the risk and sustainability committee in his capacity as a non executive director. In light of Ashley's new role as an executive director, Ushadevi Maharaj, an independent non executive director, was appointed to this committee effective 1 January 2024. Ashley continues to serve on the risk and sustainability committee, as well as the social, ethics, and transformation committee, now in his capacity as chief executive officer and prescribed officer.

Avishkar Goordeen, previously the alternate director to Leon Goosen, was appointed as the alternate director to Ashley Bell effective 1 January 2024.

The board extends its appreciation to Leon for his leadership and valuable contribution to the group during his tenure as CEO. Under his stewardship, our group not only navigated the complexities of global market fluctuations but also achieved significant growth and innovation. We wish him well in his future endeavours.

Appreciation

With the transition in leadership, we are humbled and encouraged by the positivity and support received from all stakeholders. Our commitment is to go above and beyond for the group, our team members, and our extended Bell family, and we thank you all for standing behind us.

The adaptability and collaborative nature of the executive management team, with its extensive industry and institutional experience, has continued to fuel strategic thinking and enables the group to pursue exciting growth opportunities.

Our Bell team is likewise commended for their unwavering passion, motivation, and loyalty demonstrated for the group. Their pride in their work and strong customer focus in all that they do continues to foster strong relationships that set Bell apart in the market.

We are grateful to our board for their important oversight role, assuring good corporate governance, and always generously giving of their time and expertise for the betterment of the group.

In closing, we extend our heartfelt appreciation to our customers and dealers around the world. As we embark on our 70th year in business, you can be assured that your satisfaction and success is just as important as it was when Irvine Bell, our father and grandfather, started this incredible journey.



Gary Bell
Chairman

28 March 2024

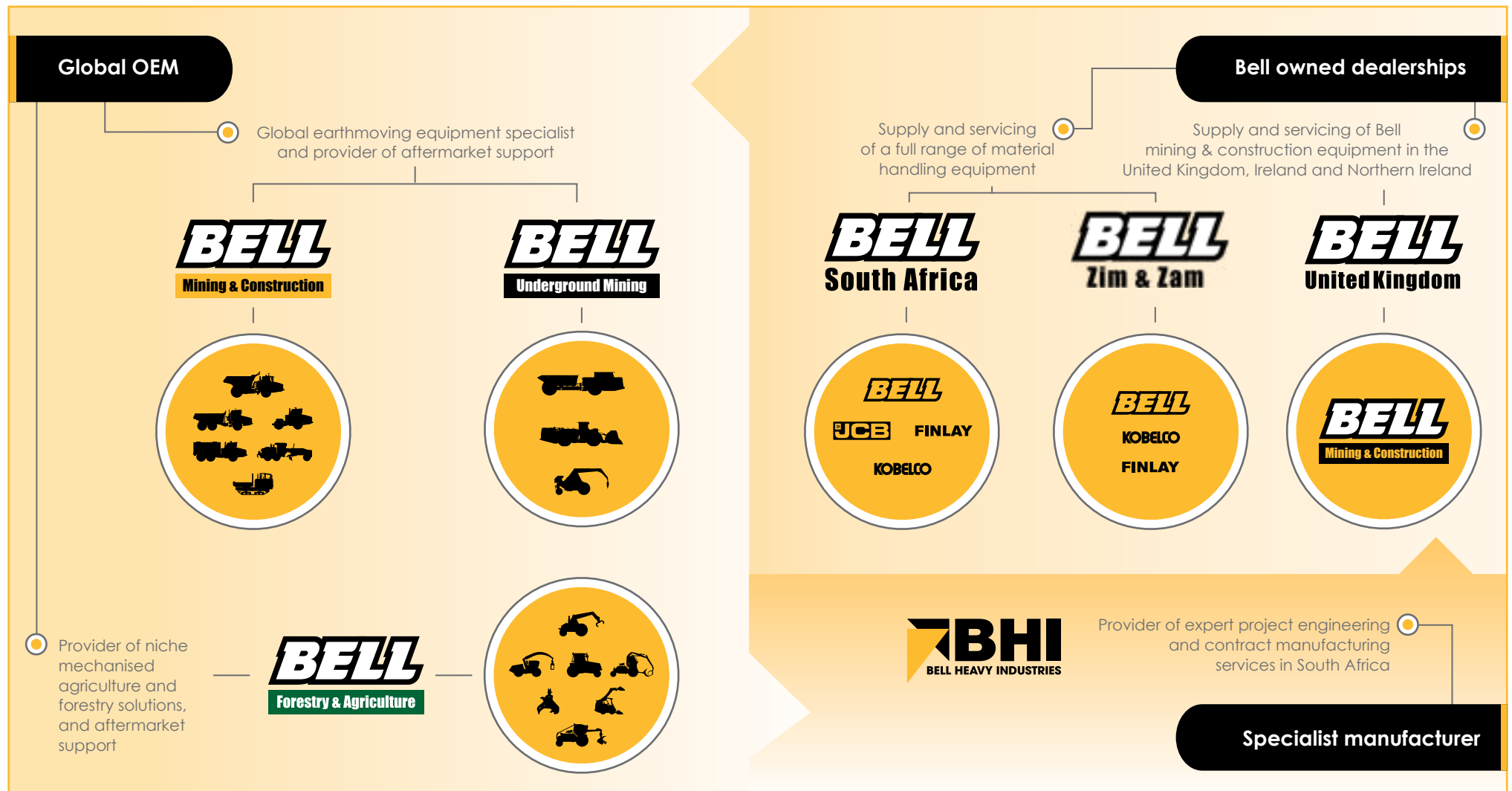


Ashley Bell
Chief executive



Our operating environment

With a common thread of providing product solutions and aftermarket support for customers who require materials handling machinery, the Bell product offering is clearly defined within three groupings.



Global OEM

The group's manufacturing philosophy, since its inception, has been to listen to customer's needs and build innovative, lowest cost per tonne solutions that satisfy these needs and set the benchmark in terms of productivity, safety, and ease of operation.

The Richards Bay factory in KwaZulu-Natal, South Africa designs and manufactures the complete range of Bell forestry and agriculture projects, ADTs for the southern hemisphere markets, and niche application equipment such as Bell water tankers and underground machinery. The factory also produces ADT semi knockdown kits for northern hemisphere markets, which are shipped to the German factory where limited manufacturing and kit assembly takes place. Bell Equipment, as a global OEM, has three defined business units:

Mining & Construction

The group is recognised as a global ADT specialist with the largest and most advanced range in the world. The current E series generation comprises small trucks from 18 to 30 ton for

construction and infrastructure and large trucks, from 35 to 50 ton, suited to bulk earthworks, mining, and quarrying. The niche Bell 4x4 ADT range, led by the B60E, provides cost and operational advantages to customers not needing 6x6 offroad capability.

Bell remains at the forefront of ADT innovation and continuous improvement having pioneered several features that improve productivity, safety, and operational costs. Customers can monitor and manage their fleet with Bell Equipment's proprietary fleet monitoring system, Fleetm@tic®, and are able to integrate their E series trucks with various third party proximity detection, collision avoidance, and autonomous control systems.

Bell tracked carrier sensibly complements the group's range of rough terrain ADTs in a highly specialised segment. This highly customisable machine provides a durable short haul solution for jobsites with soft underfoot conditions that require low ground pressure machines, either for environmental or traction reasons.

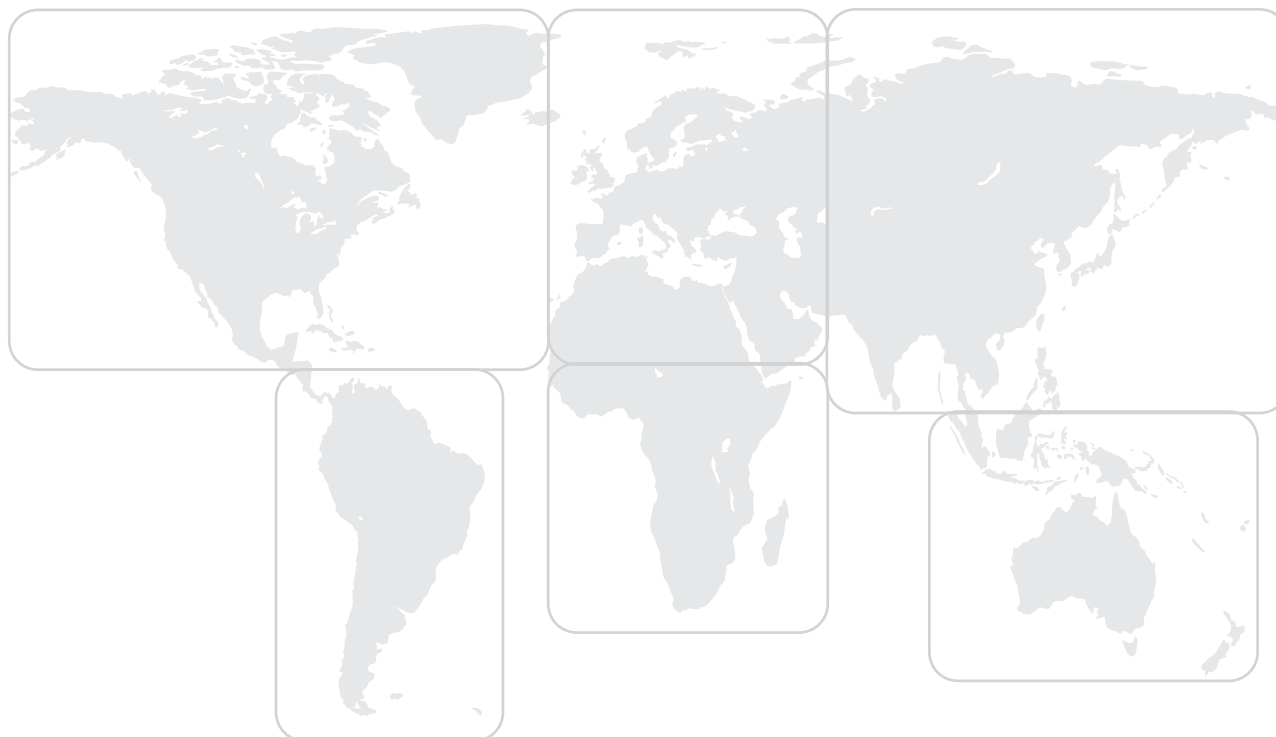
The group has launched its own motorised grader. The three base machines include the G140 for maintenance and light to medium construction tasks, the G160 with increased power and performance for heavy construction applications, and the large G200 for the mining industry. Each has the option of a four or six wheel drive configuration.

Underground Mining

The underground mining unit manufactures and distributes the Bell Rockscaler and two low profile underground mining trucks with plans to develop innovative new products in the pipeline. Bell has been manufacturing these products for the past 40 years and this unit is responsible for further developing the potential that exists in this industry.

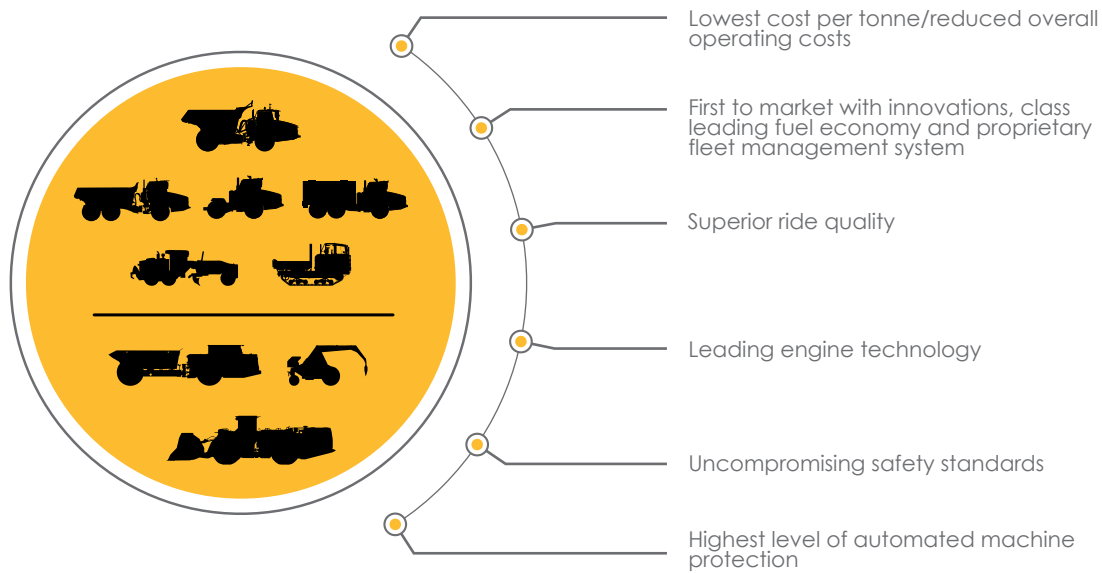
Forestry & Agriculture

The agriculture and forestry industries were the cornerstone of Bell in its formative years and the group sees long term value in continuing to strengthen and grow its Bell forestry and agriculture business unit. The backbone of this range is the group's tri wheeler and haulage tractor products, which have been joined by newer products, such as the Bell timber truck, skogger, fastfell, ulteco slew loader, cane pro and log pro, that meet market demand for mechanised load and haul solutions.



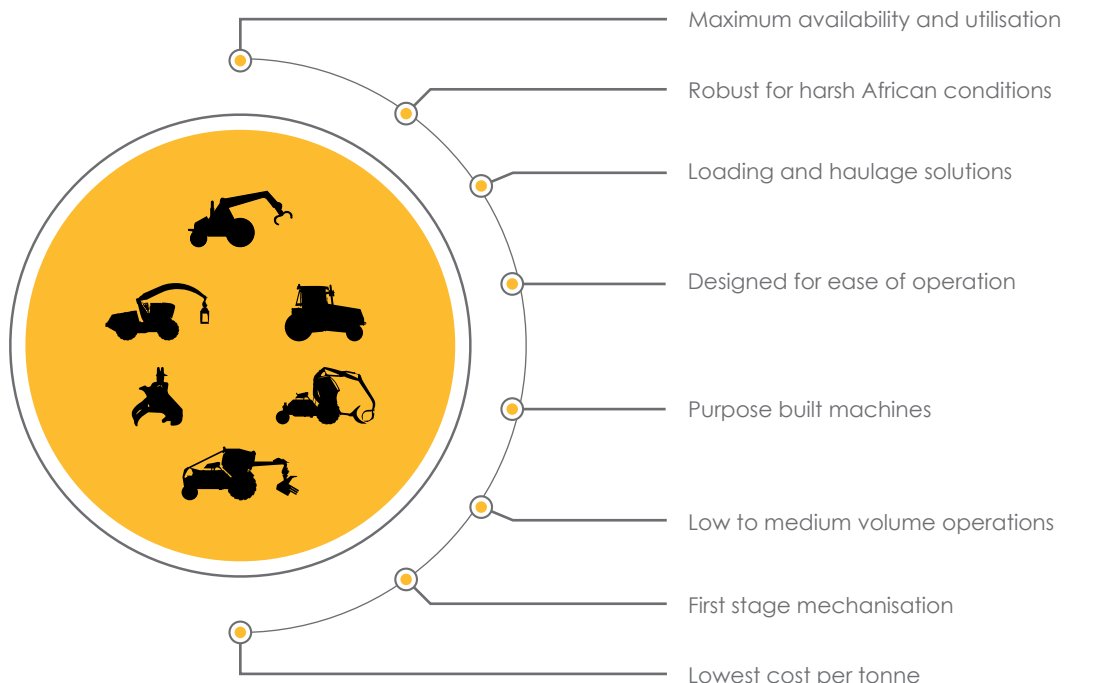
BELL

Mining & Construction



BELL

Underground Mining



BELL

Forestry & Agriculture

Bell owned dealerships

Bell owns four dealerships: Bell South Africa, Bell Zimbabwe, Bell Zambia and Bell United Kingdom.

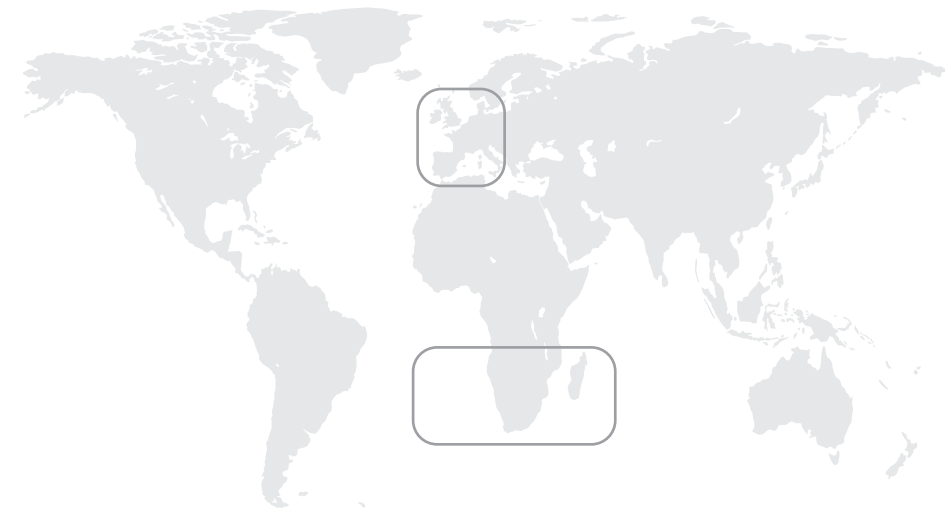
In South Africa, equipment distribution and support are managed through BESSA, which operates 22 customer service centres across the country and the GLC in Johannesburg, offering 24 hour parts delivery nationwide.

Bell South Africa complements its product range locally through partnerships with global manufacturers like JCB, Finlay, and Kobelco, providing a full range of material handling equipment that includes wheel loaders, haulers, excavators, graders, backhoe loaders, telehandlers, forklifts, rough terrain material handling equipment, compaction rollers, and a material processing line.

Bell Zimbabwe and Bell Zambia are well established in their respective countries and represent the Bell, Finlay and Kobelco ranges of equipment by providing distribution, sales and aftermarket support.

Established in 1998, Bell Equipment UK oversees distribution and support of Bell ADTs for mining and construction in the UK, Ireland, and Northern Ireland.

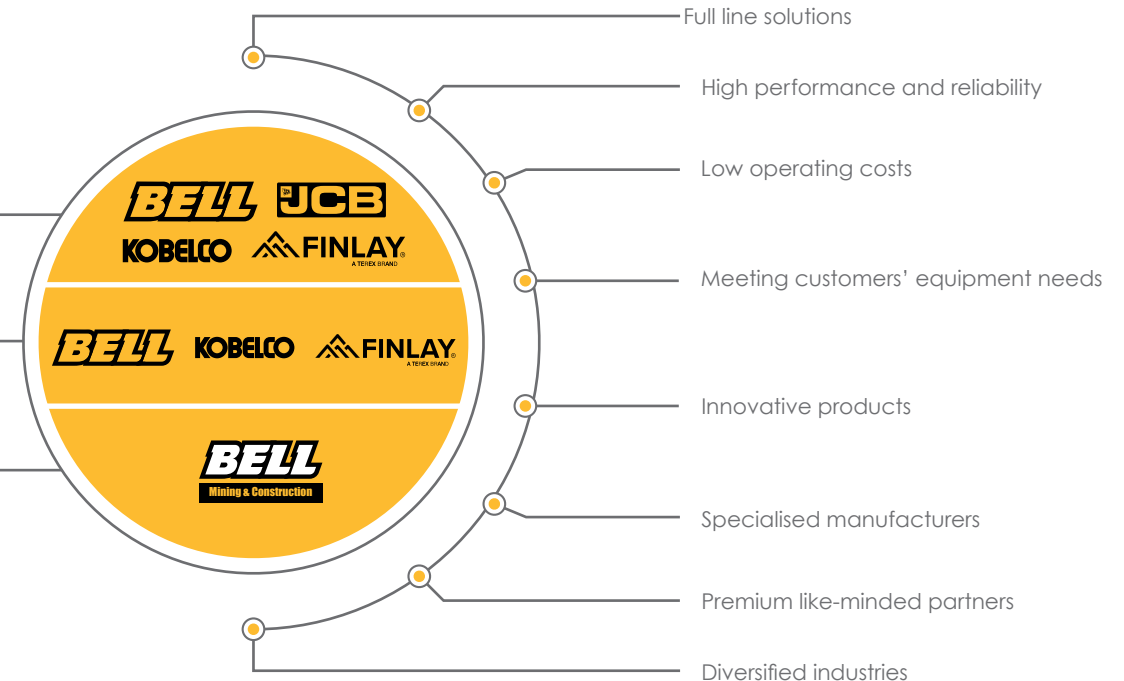
All dealerships offer quality pre owned equipment and a comprehensive collection of aftermarket products, enhancing the Bell ownership experience.



BELL
South Africa

BELL
Zim & Zam

BELL
United Kingdom

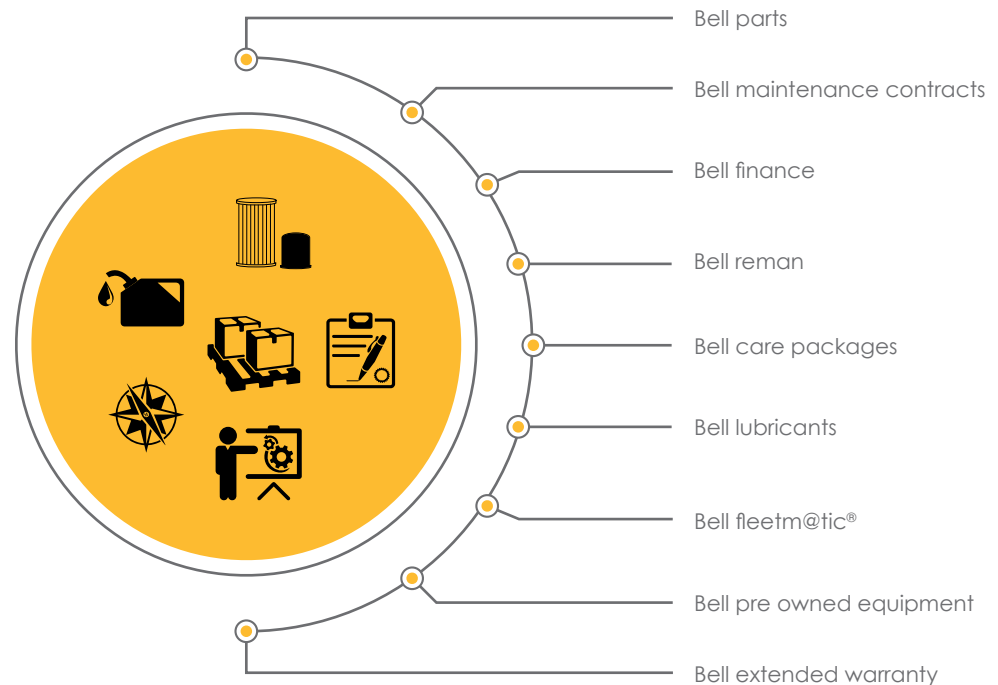
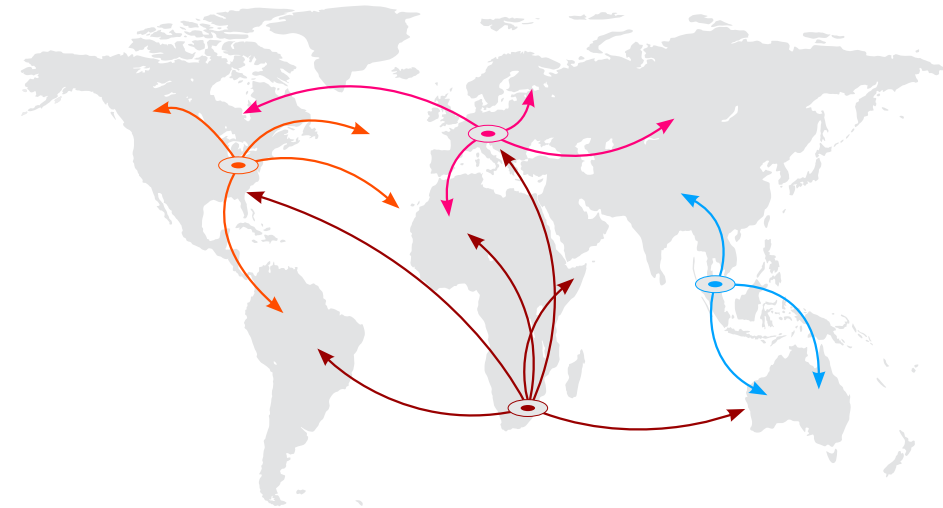


Aftermarket support

With machines operating in over 80 countries worldwide, the group values its global support network, which supplies equipment, ancillary products and after sales services. A robust OEM structure supports this network to ensure efficient lines of communication between end users of the product and the group globally.

Bell Equipment places strategic importance on providing strong reliable machines that are backed by strong reliable support wherever they are working in the world. The group holds the belief that if we help our customers succeed, so will we, and has an aftermarket package that is aimed at positioning the group as a partner more than a supplier by offering multi faceted support through every step of the Bell ownership experience.

Our motto 'Strong Reliable Machines, Strong Reliable Support' represents our customer devoted beliefs, ideals and ethical stance throughout our manufacturing, distribution and support network that provides technical backup and advice to our customers around the globe for our world class products.



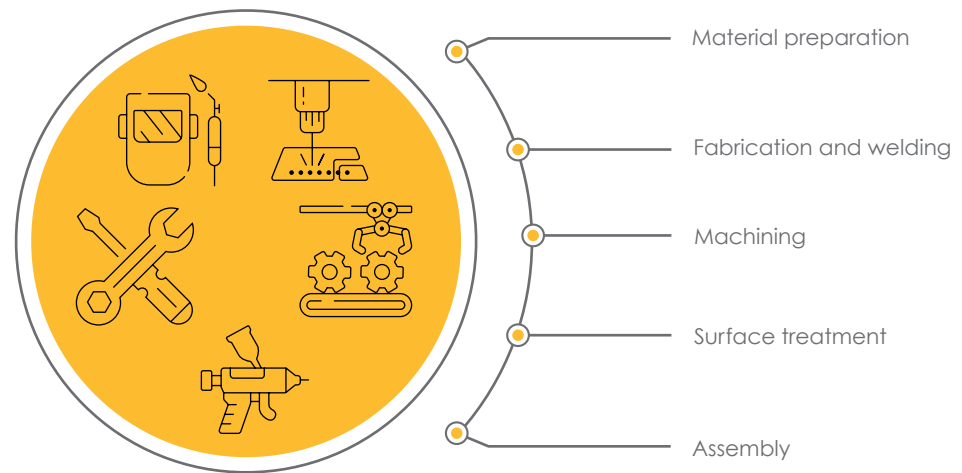
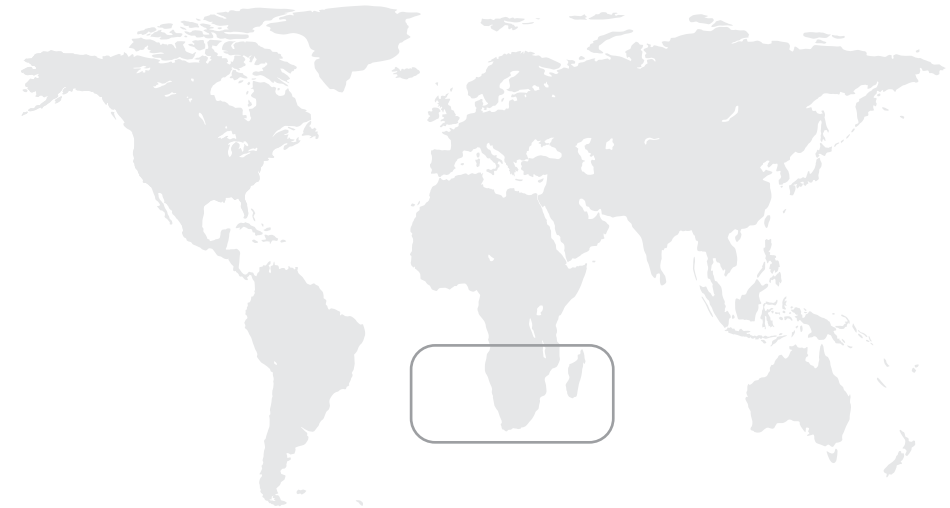
Specialist manufacturer

South Africa has seen a significant decline in companies providing vital engineering skills. With demonstrated expertise in complex engineering, heavy fabrication, and machining for its own range of material handling equipment, BECSA has introduced Bell Heavy Industries (BHI) to fill this gap.

BHI is geared to provide project engineering and contract manufacturing, handling comprehensive turnkey projects of any size and complexity. In addition, BECSA is a 51% black owned entity and BHI, a division of BECSA, contributes to BBBEE scores and can create localisation opportunities for potential customers.

The 45 000m² undercover manufacturing facility is well equipped with specialist machines including both horizontal and vertical CNC (computerised numerical control) machining centres, 5 axis boring machines, laser cutters, high definition oxyfuel and plasma cutters, bending brakes, advanced welding technology and facilities to accommodate a range of surface treatments.

BHI will follow lean manufacturing principles for efficiency and cost effectiveness. The latest technologies and innovations will drive continuous improvement throughout the processes and assure the quality of end products.





Our strategy

VISION

Bell Equipment's vision is to be a globally recognised OEM and a leader in the capital equipment and industrial goods sector, developing, manufacturing and supplying leading, quality brands into the construction, mining, forestry, agriculture and industrial sectors in a number of chosen markets.

OBJECTIVES

- Capture global ADT volumes by providing industry leading/best customer uptime and value •
 - Be the preferred full range material handling solution provider in South Africa •
- Maintain our Bell heritage by providing innovative niche product solutions for the material handling sectors •
 - Premium aftermarket support throughout the product lifecycle •
- Securing contract manufacturing opportunities for diversified revenue growth •

FOCUS AREAS

Return on Invested Capital

- ADT sales volumes • Other OE product sales volumes • Aftermarket contribution •
- Localised manufacturing – relative to suppliers and markets •

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OEM

- Design innovation
- Supply chain excellence
- Manufacturing excellence
- Dealer support and management
- OEM partnerships

DEALERSHIPS

- OEM partnerships
- Sales excellence
- Support excellence
- Absorption

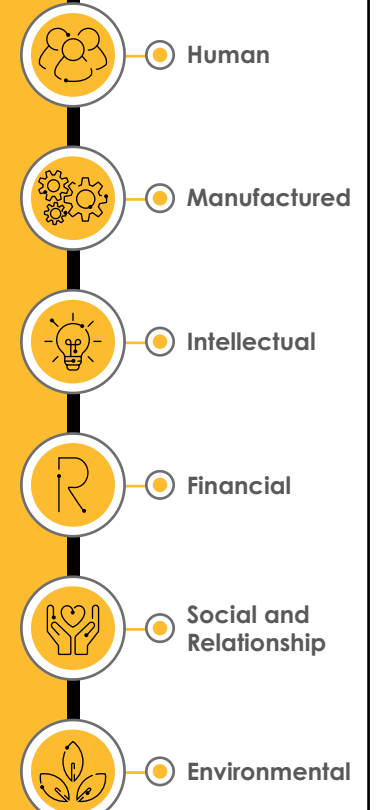
CONTRACT MANUFACTURER

- Manufacturing excellence
- Localised supply
- Absorption
- Lean principles

R
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People and technology driven

Our six capitals



Our values

A Strong Reliable Team - Supporting our Strong Reliable Machines!



Customer

If we help our customers succeed, so will we



Quality

Make a commitment and stick to it



Team

We all share the same goal











Efficiency

Focusing on what counts



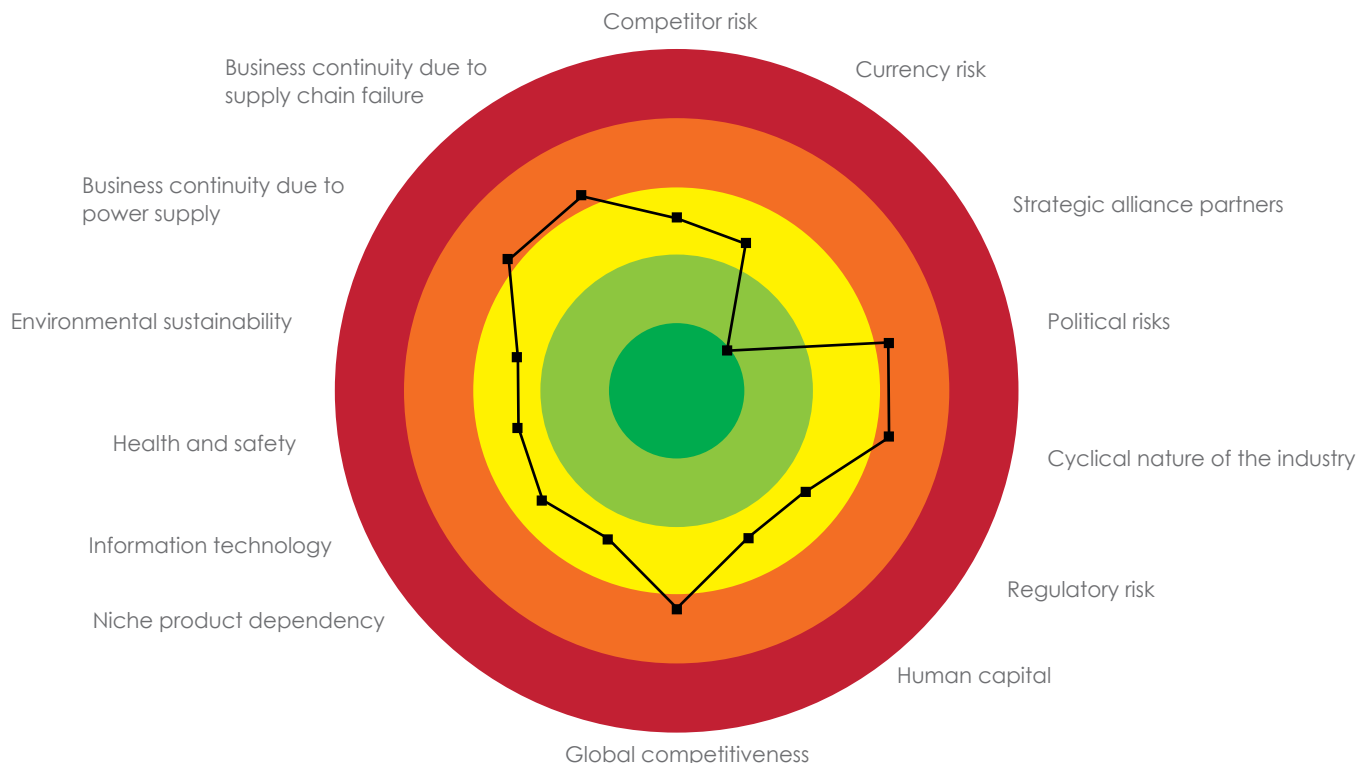
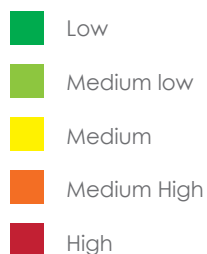
Safety

See you back tomorrow












| Strategic objectives | Strategic focus areas | Measurement | Risks | Capitals |
|---|--|---|---|---|
| <p>Capture global ADT volumes by providing industry leading product uptime and value</p> <p>Be the preferred full range material handling solutions provider in southern Africa</p> | <p>Global ADT volumes</p> | <ul style="list-style-type: none"> Revenue growth Market share Aftermarket contribution NPAT ROIC Product attributes Dealer management 'EYE' customer service contact experience | <ul style="list-style-type: none"> Competitor risk Currency risk Supply chain risk Regulatory risk Political risk Cyclical nature of construction and mining equipment industry |  |
| | <p>Aftermarket contribution</p> | <ul style="list-style-type: none"> Aftermarket revenue growth Innovative aftermarket products NPAT ROIC Aftermarket service levels Dealer management IT system development Development of aftermarket logistics and sales channels 'EYE' customer service contact experience | <ul style="list-style-type: none"> Competitor risk Currency risk Supply chain risk Regulatory risk Alternate parts strategies Skills development IT system risk |  |
| | <p>Product and product support costs</p> | <ul style="list-style-type: none"> NPAT ROIC | <ul style="list-style-type: none"> Competitor risk Currency risk Supply chain risk Regulatory risk Political risk Cyclical nature of construction and mining equipment industry |  |
| <p>Maintain its Bell heritage by providing innovative niche product solutions for the material handling sectors</p> | <p>Increased intellectual property (new products)</p> | <ul style="list-style-type: none"> Research and development investment Attraction and retention of top engineering skills | <ul style="list-style-type: none"> Regulatory risk Loss of skills |  |
| | <p>Empowerment, transformation and human capital</p> | <ul style="list-style-type: none"> Maintain BBBEE recognition levels Work place surveys Leadership Apprenticeships Study assistance Staff turnover Internal promotions Union interactions | <ul style="list-style-type: none"> Skill pool Staff turnover Loss of key skills Health and safety risk |  |
| <p>Premium aftermarket support throughout the product lifecycle</p> | <p>Strategic alliances</p> | <p>Product</p> <ul style="list-style-type: none"> Product market shares Brand recognition 'EYE' contact experience <p>Components</p> <ul style="list-style-type: none"> Value (warranty, cost, availability) Brand recognition <p>All</p> <ul style="list-style-type: none"> Regular evaluation of all strategic alliance partners | <ul style="list-style-type: none"> Alliance partner product risk Currency risk Competitor risk |  |
| | <p>Enhanced technology</p> | <ul style="list-style-type: none"> Enterprise resource planning Systems integration Digital platforms Internet of things capabilities | <ul style="list-style-type: none"> Cybersecurity Regulatory risk Return on investment Skills User acceptance |  |
| <p>Secure contract manufacturing opportunities for diversified revenue growth</p> | <p>Contract manufacturing</p> | <ul style="list-style-type: none"> Contracts awarded Diversified revenue growth targets Overhead recovery/margins Asset utilisation | <ul style="list-style-type: none"> Contract risk Political risk Supply chain risk |  |






Risk management






Risk level

















| No | Risks | Material themes as set out on page 13 | | | | | 2023 | 2022 | Trend | Key Risk Mitigations |
|----|--|---------------------------------------|---|--|---|--|------|------|-------|--|
| | | | | | | | | | | |
| 1 | Competitor risk The risk that the Bell Equipment group's competitors' actions have a significant negative influence on the group's business and shareholders' value. | ✓ | ✓ | | ✓ | | ■ | ■ | - | <ul style="list-style-type: none"> • Live our brand 'Strong Reliable Machines, Strong Reliable Support'. • Adopt and practice the 1-BELL philosophy in all activities. • Constantly exceed customer expectations through superior, innovative products and aftermarket support. • Maintain research and development spend through all business cycles to ensure continuous evolution and enhancement of the Bell Equipment OE product portfolio. • Successfully execute on our chosen strategies. |

| | | Material themes as set out on page 13 | | | | | | | | |
|----|--|---|---|---|---|---|---|---|-------|--|
| No | Risks |  |  |  |  |  | 2023 | 2022 | Trend | Key Risk Mitigations |
| 2 | <p>Currency risk Currency volatility, not only in the Rand but also in other currencies that the group is exposed to, is a significant risk because the group trades in different currencies, has operations in many countries and has trading accounts and loans, including intra group accounts, denominated in different currencies. This has a direct impact on the group's trading results, statement of financial position, cash flows and competitiveness.</p> | ✓ | ✓ | | | |  |  | - | <ul style="list-style-type: none"> A group treasury policy incorporating relevant hedging strategies is in place. Actively monitor and respond to the impact of currency movements, with specific emphasis on input costs and selling prices. |
| 3 | <p>Strategic alliance partners and key supplier relations risk (Alliance partner product risk)</p> | ✓ | ✓ | | | |  |  | - | <ul style="list-style-type: none"> Continually build/improve the group's relationships with strategic alliance partners and suppliers at all levels within the organisation, supporting mutually beneficial objectives. Formal process of setting, monitoring, and evaluating key performance matrices to meet strategic objectives. Add value by enforcing effective communication to all partners and suppliers on market movements and our strategy. |
| 4 | <p>Political risks and geo political conflict The group is inherently exposed to the varying political landscapes in the regions in which it operates due to the global nature of the group's business. The risk manifests through owned operations, sales and/or the supply chain.</p> | ✓ | ✓ | ✓ | | |  |  | ↑ | <ul style="list-style-type: none"> As a responsible corporate citizen that contributes to the well being of the regions in which it operates, the group endeavours to cooperate with the local authorities in those regions while remaining apolitical. Conduct active risk management to understand the impact and develop contingencies through the value chain. Maintain business continuity plans catering for all eventualities the group may be susceptible to arising from geopolitical tensions and conflict. |

| | | Material themes as set out on page 13 | | | | | | | | |
|----|--|---|---|---|---|---|------|------|-------|--|
| No | Risks |  |  |  |  |  | 2023 | 2022 | Trend | Key Risk Mitigations |
| 5 | <p>Cyclical nature of the construction and mining equipment industry</p> <p>The business model, which is based on building to a forecast is highly dependent on achieving sales volumes of the core manufactured products. This is due to the upfront and substantial investment in research and development, production capabilities as well as inventory which is required to maintain a competitive advantage. The inherent cyclical nature of the core sales markets which are largely driven by infrastructure projects and commodity requirements results in unpredictable fluctuations in demand for the group's products. Accordingly, the financial performance and achievement of strategic goals of Bell Equipment is directly dependent on its ability to react to the changes in the business environment.</p> | ✓ | ✓ | | | | ■ | ■ | - | <ul style="list-style-type: none"> Perform regular evaluations of the order book and forecasts to ensure the validity thereof. Secure adequate committed funding lines and actively manage cash flows. Actively manage working capital, reduce expenses and increase efficiencies within the group. Successful execution of the group strategic objectives: <ul style="list-style-type: none"> BHI - diversified contract manufacturing revenue streams leveraging current manufacturing capabilities; new product launches - motor grader, 6 Ton LHD; aligning ADT production closer to key markets and suppliers. Robust capital planning and budgeting processes. Active monitoring and reaction to the key indicators of demand. |
| 6 | <p>Regulatory risk (Legal and regulatory non-compliance)</p> <p>The group has to comply with laws, rules, codes and standards in a large geographical spread of regions in which it conducts business.</p> | | ✓ | ✓ | ✓ | ✓ | ■ | ■ | - | <ul style="list-style-type: none"> A group wide compliance programme has been implemented and continues to mature. Use of local management and specialist resources where required to keep abreast of regulatory changes within their respective jurisdictions. Group wide governance, ethics, and compliance training. |
| 7 | <p>Human capital (Loss of key skills)</p> <p>Human capital risks manifest under the following themes:</p> <ul style="list-style-type: none"> Skills retention Key scarce skills, particularly engineering/technological/manufacturing. | | ✓ | | ✓ | | ■ | ■ | - | <ul style="list-style-type: none"> Promote and live the 1-BELL values. Significant training and investment in employees assist in creating an increasing and enhanced skills base. The Bell Equipment apprentice programme serves as a good foundation for technical skills required for both Bell Equipment and the industry. Implementation of performance management systems. Retention strategy for critical skilled employees. Implementation of a remote work policy. Market related remuneration that incorporates long and short term incentives. |

| | | Material themes as set out on page 13 | | | | | | | | |
|----|--|---|---|---|---|---|------|------|--|----------------------|
| No | Risks |  |  |  |  |  | 2023 | 2022 | Trend | Key Risk Mitigations |
| 8 | <p>Global competitiveness</p> <p>As primarily a South African based manufacturer supplying the global market, the increased cost of doing business in South Africa directly impacts the product cost and therefore influences Bell Equipment's competitiveness. Pressure from organised labour for above inflation wage increases, disruptions to business across the value chain due to strikes, declining productivity, inefficiencies in port operations, escalating fuel and electricity prices, compounded with the necessity of private back up power generation and solar projects due to loadshedding and power outages and increasing compliance costs are some of the expenses that contribute to the increased costs of doing business in South Africa. This hinders the marketability and profitability of South African manufactured products.</p> | ✓ | ✓ | ✓ | ✓ | | | - | <ul style="list-style-type: none"> Continuously evaluate component country sourcing for suitable price advantages. Continuously monitor the effect of cost pressures and strategically evaluate the option of offshore manufacturing. Monitor productivity and critically evaluate the case for mechanisation, where possible. Continuously evolve the group's design philosophy to incorporate new technology, safety and best practices. Aligning ADT production closer to key markets and suppliers. | |
| 9 | <p>Niche product dependence</p> <p>Whilst Bell Equipment has carved out a niche in the global earthmoving equipment industry and continues to strive to be the leading global ADT OEM, the group is cognisant of its dependence on this product, which is exposed to the commodity cycles.</p> | ✓ | ✓ | ✓ | | | | - | <ul style="list-style-type: none"> Successful execution of the group strategic objectives: <ul style="list-style-type: none"> BHI; new product launches - motor grader, 6 Ton LHD; aligning ADT production closer to key markets and suppliers. | |

| | | Material themes as set out on page 13 | | | | | | | | |
|----|--|---|---|---|---|---|------|------|-------|--|
| No | Risks |  |  |  |  |  | 2023 | 2022 | Trend | Key Risk Mitigations |
| 10 | <p>Information Technology Digital disruption New technologies and the business models that these technologies facilitate have impacted the value proposition of many existing goods and services. Digital disruption can be an opportunity to create new engagement channels and markets however it can be a risk impacting the company's ability to remain competitive.</p> <p><u>Cyber security</u> The loss of confidentiality, integrity, or availability of data and information systems adversely impacts operations, assets, individuals and customers.</p> | ✓ | ✓ | | | | ■ | ■ | - | <p>Digital disruption</p> <ul style="list-style-type: none"> A digital technology team has been established with a core focus of enhancing the customer experience with Bell through digital channels. Projects executed and in progress range from online parts channels, digital information hubs to mobile applications to digitise customer interaction processes. <p>Cyber security</p> <ul style="list-style-type: none"> Replace and upgrade legacy systems. Investments in threat detection technologies and active monitoring services by expert cyber security service providers. Employee awareness and training programmes are conducted throughout the year. Robust risk mitigation processes on all vendors accessing systems and critical information have been implemented. |
| 11 | <p>Occupational Health and Safety (Fatal risk incidents) This risk refers to the possibility of human capital being exposed to an unsafe work environment and/or practices which result in injury whilst on duty. There is an inherent risk due to the operating environment.</p> | | ✓ | | ✓ | ✓ | ■ | ■ | - | <ul style="list-style-type: none"> A risk based health and safety management system founded on best practice has been implemented that clearly establishes the company's expectations of employees in terms of health and safety performance. Behaviour based health and safety training is provided across the group to promote awareness and safe behaviour. In fulfilling our commitment, we will provide and maintain a healthy and safe work environment as indicated by acceptable organisational practices and compliance with legislative and other requirements, and we will strive to eliminate any foreseeable hazards which may result in personal injuries or occupational illnesses, fires, security losses and damage to property. |
| 12 | <p>Environmental Sustainability The impact of climate change on the business continuity, stakeholder returns and legislation.</p> | ✓ | | ✓ | ✓ | ✓ | ■ | ■ | - | <ul style="list-style-type: none"> Constant development and improvements on our product range to reduce the effect of harmful gasses and to ensure compliance with international standards. Implementation of effective waste management policies and procedures and development of waste recycling practices. The installation of a grid tied solar system has been completed at our Richards Bay and Jetpark facilities. Development of business continuity strategies in response to severe business interruptions to ensure operational resilience. |

| | | Material themes as set out on page 13 | | | | | | | | |
|----|---|---|---|---|---|---|---|---|-------|---|
| No | Risks |  |  |  |  |  | 2023 | 2022 | Trend | Key Risk Mitigations |
| 13 | <p>Business continuity due to deteriorating infrastructure (Eskom power supply and port backlogs) The inability of government to resolve the crisis at the country's troubled electricity utility, Eskom, and its port facilities is having a negative effect on the group's business and the domestic industry.</p> | ✓ | ✓ | | | |  |  | ↑ | <ul style="list-style-type: none"> All our strategic operations and our factory in South Africa have been equipped with back up power generators. Most of our critical suppliers have back up generators to ensure uninterrupted production and supply of strategic parts. A grid tied solar power supply has been installed at our Richards Bay and Jetpark operations. We are investigating an additional 1 MW roof installation system also for the Richards Bay facility. Dual supply from international service providers on production critical and strategic parts. Extra investment in inventory to buffer shipping delays. Increased airfreight to ensure customer supply. |
| 14 | <p>Business continuity due to supply chain failure (Supply chain failure) A disruption to business arising from a delay in the supply chain caused by supplier specific issues, shortages of raw materials etc.</p> | ✓ | ✓ | ✓ | | |  |  | - | <ul style="list-style-type: none"> Active and ongoing supply chain risk management processes have been implemented. These include dual sourcing and resourcing strategies where applicable as well as ongoing interactions with suppliers at all levels. Safety stock levels were reviewed and adjusted for identified high risk components to mitigate against disruption to production and supply of products. |

Finance director's report



'Strong revenue growth delivered the highest operating profit and headline earnings in the group's history'

An overview of 2023

The group delivered a strong financial performance on the back of record market demand and successfully managed working capital levels, despite challenges in the operating environment.

The group earned profit after tax of R793,6 million for the year, 66% up on R478,9 million earned for the 2022 financial year. Earnings per share and headline earnings per share were 799 cents and 798 cents respectively (2022: earnings per share of 478 cents and headline earnings per share of 473 cents per share) for the year.

The high demand from mining and construction industries in the group's major markets exceeded the group's ability to supply product and fully capitalise on the favourable market conditions. In the southern hemisphere markets, strong mining demand was driven by high commodity prices. In North America and Europe, infrastructure projects drove construction demand.

We are particularly pleased that we delivered on our strategy to grow machine sales volumes to our key target market, North America, the largest ADT market in the world. We look forward to building on this progress in the coming years.

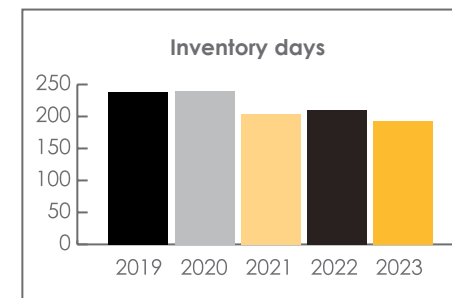
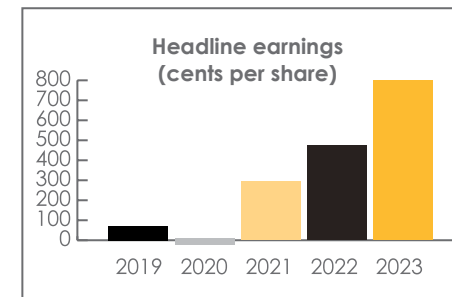
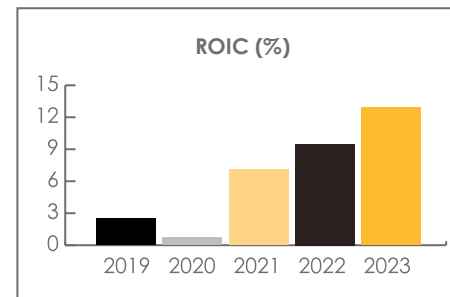
With the growth came an increased demand for working capital funding. The allocation of capital to the sales volume strategy was a priority in 2023, as was the allocation of capital to projects that drive progress on re-positioning ADT manufacturing in the northern hemisphere and on growing BHI.

The positive market conditions came with significant challenges - strain on the global supply chain, port delays in SA and Europe which impacted both inbound and outbound shipments, labour shortages in Germany, higher levels of inflation and interest and currency volatility, not only in respect of a depreciating Rand but also from the perspective of the Euro to USD fluctuations experienced by the group's German operation. The supply chain and port constraints meant that we had to carry more inventory to buffer component and material shortages and logistics delays, which was in conflict with our efforts to reduce the group's substantial investment in inventory.

| Strategic delivery | |
|--|-----------------------------|
| ROIC growth | ✓ |
| Re-position ADT manufacturing in northern hemisphere and grow contract manufacturing in SA | • |
| Ongoing development of our existing and new World Class Products | ✓ |
| Machine sales volume growth | ✓ |
| LTRS growth | - |
| Dealer network growth | ✓ |
| Operating environment | |
| Global market conditions and demand | ✓ |
| ADT manufacturing location | ✗ |
| Supply chain constraints | ✗ |
| Port inefficiencies and delays | ✗ |
| Labour shortages in Eisenach | ✗ |
| Currency impacts | ✗ |
| Inflation | ✗ |
| Interest rates | ✗ |
| Electricity supply | ✗ |
| ✓ Positive - No material impact | ✗ Negative • In progress |

Our most material financial matters

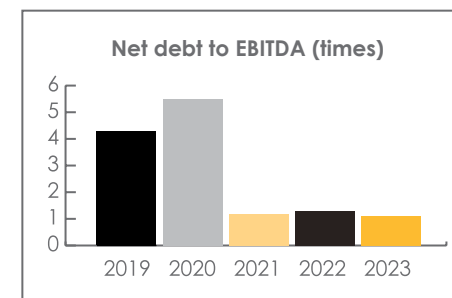
- ROIC** - Progress was made on improving the ROIC to 12,9%. Although this is not yet within the targeted ROIC range of 15% to 24%, this is heading in the right direction and we look forward to further improvement as we execute on the group's strategy to relocate more of the ADT manufacturing closer to suppliers and customers, and to grow BHI, which are aimed at reducing the working capital cycle and delivering a step change in ROIC and sustainability.
- Sales growth** - Global ADT sales volume growth is a strategic imperative for the business because the factories require throughput to support a large, fixed cost base and a substantial investment in ADT research and development. Growth in the aftermarket contribution to total sales is also a key objective. These drive a higher ROIC.
- HEPS** - To be sustainable, the business must be profitable. HEPS increased by 69% to 798 cents per share in 2023.
- Inventory days** - Reducing inventory days is challenging for us given the location of the main factory at Richards Bay, and aggravated by the inventory buffers that are having to be carried to try and offset the impact of port delays and other supply chain obstacles. Optimising inventory days is important because this is a key driver of the group's ROIC and liquidity.
- Liquidity** - The group targets a net debt to equity ratio of around 30%, and not more than 40%, and we ended the year with an acceptable gearing level of 29%. This is monitored on an ongoing basis and where necessary, the group will make adjustments to the sales and production plans to bring the business back to this targeted gearing range.



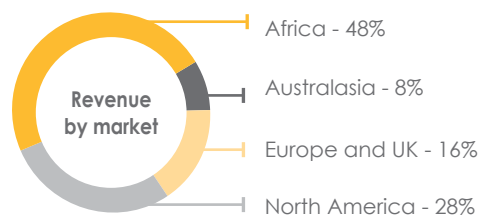
Annual Financial Statements key points

Operating profit and headline earnings increased by 69%, mainly driven by:

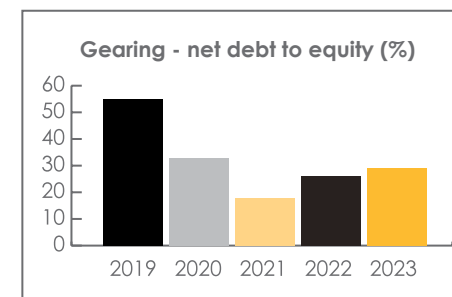
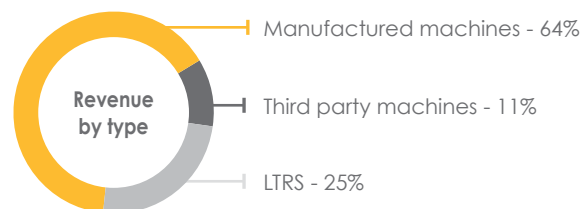
- Revenue that increased by 32% to R13,5 billion from R10,3 billion in 2022.
- Expenses that increased by 16%, contained despite the weaker Rand by the higher production volumes which meant higher recovery of labour and overheads for the year.
- Offset by net interest paid, which increased by 91% to R113,6 million from R59,5 million in 2022, due to higher borrowings levels funding higher working capital.



1. Revenue by market



2. Revenue by type



Segmental performance

OEM, manufacturing, assembly and dealer sales operations in SA

The most notable increase in profitability in 2023 was in the OEM and manufacturing operations in South Africa and this is mainly due to higher production and sales volumes of complete machines and kits at the Richards Bay facility, and higher recovery of labour costs and overheads, compared with the prior year. This OEM business in South Africa reported a significantly improved operating profit of R834,0 million in 2023, up from R369,2 million in 2022. Total external sales increased by 26,5% in 2023. External revenue contributed 19,1% of group sales in 2023 compared with 19,8% in 2022.

OEM, manufacturing, assembly and dealer sales operations in Europe

External sales by the OEM business in Europe increased by 51,5% with the contribution to total group sales increasing to 41,9% from 36,4% in 2022. Sales to North America are reflected in this segment. Operating profit increased to R158,3 million from R141,8 million in 2022. Most of the demand was driven by infrastructure projects in the construction industry. The Russian business remains on pause due to the war in Ukraine.

Direct sales - South Africa

External revenue from direct sales operations in South Africa increased by 11,7% compared with 2022 and the contribution to group sales reduced to 32,5% in 2023, compared with 38,2% in 2022. Sales in this operation were limited by the allocation of machines from the factory and we were not able to capitalise fully on the strong demand for ADT's from the mining sector. The segment reported operating profit of R220,4 million, up from R174,9 million in 2022.

Direct sales - Rest of Africa

The external sales of the Zambian customer service centre in the group's Rest of Africa operations experienced strong growth in 2023. Revenue for the segment increased by 54,1% on 2022. This however remains a small part of the business, contributing 6,6% to group sales in 2023. Trading conditions in Zimbabwe are challenging and the group is considering alternatives for servicing this market in future.

Gross Margin

The gross margin is dependent on the product and geographic mix of sales, market conditions and exchange rates. The depreciation of the Rand against major currencies in 2023 increased the cost of imports and put pressure on gross margins, but the strong market conditions generally supported favourable margins on sales deals. The average gross margin for the year was 20,0% compared with 19,8% in the prior year.

Other operating income

Other operating income relates mainly to production incentives in the form of import duty rebates earned on the South African government's Automotive Production Development Programme. This benefit increased by 65,6% to R239,0 million in 2023 from R144,4 million in 2022, due to the increase in production volumes of qualifying products in 2023.

Expenses

The increased production volumes and higher recovery of labour and overhead costs offset some of the impact of the depreciation in the Rand and inflation, and expenses increased by 16% compared with 2022.

The group has continued its investment in research and development, and development costs totalling R42,3 million were capitalised during 2023. These costs are amortised over the life of new products once projects have been completed. The total cumulative carrying value of capitalised development costs at year end amounted to R238,6 million and the total amortisation of development costs for the year amounted to R28,8 million.

Balance Sheet

During 2023, total assets increased by 22% to R10,5 billion, mainly due to the increased investment in working capital that was required to support the sales growth and due to the impact of the weaker Rand.

Inventory

Inventory increased by 21% in 2023. All categories of inventory increased in Rand terms compared with the end of 2022. Revenue increased by 32% and that growth required an increased investment in inventory. Significant effort was given to managing inventory levels and those efforts paid off, with the group achieving 193 days inventory at year end, despite the supply chain and port challenges experienced. This is the lowest inventory days level reached in a number of years.

Of all the categories of inventory, finished manufactured machine inventory increased by the greatest percentage compared with the prior year. This was mainly due to port and shipping delays. These machines were invoiced and shipped to customers, primarily in North America and Australasia, in early 2024.

The increase in components and WIP at the factories reflects the high production levels going into 2024 and the component and material buffers in place to try and manage supply chain and port delays.

Inventory of R468,8 million in the group's operation in Germany was provided as security for that operation's borrowings base facility.

Receivables

Trade and other receivables increased by 56% and ended 2023 at 54 days compared with 45 days at the end of 2022. The main reason for the increase in receivables days was an extension of credit to the North American distributor. A large volume of ADT's were invoiced and shipped to North America later in 2023 than planned, in the Winter season in North America. We partnered with our North American distributor, provided extended payment terms for this concentrated batch of machines and have used the opportunity to get the machines on the ground in North America for the start of the sales season in 2024.

The general health of trade receivables is good. The group has experienced low bad debts in the past and even if certain customer accounts take time to collect, they are generally recovered in full.

Trade receivables of R605,1 million in the group's operation in Germany was provided as security for that operation's borrowings base facility.

Debt and Liquidity

Bank borrowings are up 87% on 2022, mainly due to the funding of the sales growth and the increase in working capital. Gearing increased to 29,0% from 26,3% at the end of 2022.

Interest cover and net debt to EBITDA improved due to higher earnings in 2023.

The group's funding lines were reviewed during 2023 and a new ABSA supply chain finance arrangement was implemented to replace a portion of the IDC revolving working capital facility. We aim to make further changes to the funding arrangements in 2024, to improve the tenure and pricing of the group's funding. All covenants in funding arrangements were met in 2023.

Cash flow statement

When the group ramps up for stronger market conditions this requires a cash investment in inventory. The increased investment in working capital, in both inventory and receivables, were the most substantial cash outflows during the year.

Interest payments increased due to the higher average borrowings during the year, relating to the funding of the increase in working capital.

Tax payments also increased substantially in 2023 due to the increased profitability in many of the operations.

Exchange rates

The group has a strong natural Rand hedge and foreign currency proceeds, mainly US Dollars, are utilised to settle import commitments in Euros, US Dollars, British Pounds and Japanese Yen. However, different payment terms, the timing of cash flows and the impact of accounting treatment, result in substantial foreign currency gains and losses in the reported numbers. The group's approach to managing foreign currency exposures remains the same as in past years. We aim to match currency inflows and outflows as far as possible, with the group's strong natural currency hedge, and forward cover contracts are used to assist in managing the residual currency exposures.

Realised and unrealised net foreign currency losses totalling R76,9 million were incurred on cash flows during the year, and on the revaluation of monetary balances at year end. The Rand weakened against major currencies in 2023, resulting in an increase in the cost to the Richards Bay factory of imported components and equipment. Machine sales to North America are in US Dollars, and the strengthening of the Euro to the US Dollar meant that the Eisenach factory also incurred foreign currency losses on these sales during the year.

The weaker Rand drove an increase in net assets and the foreign currency translation reserve on translation of the foreign operations increased by R249,3 million.

| | 31 December 2023 | 31 December 2022 | Average 2023 |
|----------|------------------|------------------|--------------|
| USD/ZAR | 18,53 | 16,95 | 18,49 |
| Euro/ZAR | 20,47 | 18,09 | 20,03 |

Share price

The share price increased by 51%, having started the year at R15,25 per share and closing at R23 per share. The net asset value increased by 21,1% to R55,27 per share. The company's

share price is therefore still trading at a significant discount to net asset value per share and as this is an indicator of possible impairment in terms of IAS 36 *Impairment of Assets*, valuations and assessments were performed to determine the recoverable amount of the group's main cash generating unit and certain other key assets in the group. No impairments resulted from these valuations. By focusing on delivering strong ROIC results and growing a more resilient business, the share price should increase and the gap to net asset value should reduce.

Dividends

We have taken a conservative approach and preserved cash rather than paying a dividend. This will allow us time to gain a clearer understanding of the changing market conditions, which is especially important because of the 6 to 7 month pipeline of incoming components and materials that we are managing for the manufacturing plant in SA. This will be reviewed again in September, at the time of release of the group's interim results.

CEO and CFO financial controls attestation

Bell Equipment strives to maintain a strong financial controls environment to support the integrity and reliability of the financial statements. We have implemented adequate and effective internal financial controls, and a comprehensive controls framework and self-assessment tool which we continue to develop and enhance. Ashley Bell and I were therefore able to make the attestation required by the JSE.

External auditors

In anticipation of the introduction of mandatory audit firm rotation, the group followed a comprehensive request for proposals process and PWC was selected as the incoming audit firm to replace Deloitte & Touche, subject to shareholder approval at the upcoming AGM in May 2024. Whilst the anticipated mandatory audit firm rotation rules have since been set aside, we are committed to the principles of audit firm independence and Deloitte & Touche will rotate off the external audit of the group on conclusion of their duties for the year ended 31 December 2023. I extend the group's thanks to Deloitte & Touche for their service to the Bell group over many years.

Acknowledgement and looking ahead

My sincere appreciation to the dedicated finance team across the group for their support and for their commitment to Bell during 2023. The people at Bell set this company apart.

Markets are not expected to remain at the same high levels as in 2023, and this will bring new challenges in 2024. Due to signs of markets cooling off, we have tempered the planned production volumes for 2024 since year end and we will continue to monitor market conditions and will make further adjustments to the plan if required.

We look forward to another exciting year in the history of this great company.



KJ van Hagt CA(SA)
Group finance director
28 March 2024

Sustainability report and ESG roadmap

The Bell Equipment sustainability report presents our stance and journey on sustainability management, social innovation business and ESG as well as initiatives conducted in fiscal 2023 (including initiatives addressing our material matters). This report is intended as an engagement tool for all stakeholders to disclose information in accordance with international guidelines, including the United Nation’s Sustainable Development Goals (SDGs). Bell Equipment subscribes to the SDGs, which reflects our commitment to responsible business practices and global citizenship. We recognise the interconnectedness of economic, social, governance and environmental wellbeing and work within our spheres of influence to address challenges such as quality education and responsible consumption and production to create positive and lasting impacts for the business and the society in which we operate.

We are progressing our sustainability journey through the three focus areas that we consider material themes on page 13 for the group’s future from an ESG perspective - namely: responsible environmental stewardship, helping our people thrive and principled governance. In this process, we examine current and prospective business opportunities and assess impacts for stakeholders.

Our sustainability road map





Environmental pillar

Manufacturing for efficiency



Our focus on continuous improvement in manufacturing means our manufacturing processes grow stronger and more reliable as we progress. The Bell WOW initiative (war on waste) builds on the foundations laid during the development of Bell Equipment and forms part of the larger 1-BELL philosophy ensuring all our activities are focused on ultimately serving our customers, employees, and other stakeholders.

Strong progress has been made in Bell 5 (5 S initiative) in terms of measuring our manufacturing processes and identifying waste. Measuring and making these measures visible to the team has resulted in improved utilisation of our resources over the year and improved reporting of lost time from the shopfloor.

With these foundations set we are moving into the projects phase of the initiative where improvements can be prioritised, measured, and managed. The motivating effect of participating in improvement projects which improve processes, and the workplace, cannot be overestimated. These projects will be identified and driven from each team ensuring ownership and permanence in the long term.

This will achieve three key objectives of:

1. better utilisation of industrial engineering and production resources,
2. quantifiable improvements to efficiency, and therefore
3. a tangible improvement in employee attitude and morale.

Manufacturing resources will also be better positioned to execute on BHI and new product strategies planned for 2024 and into the future.

The resilience initiative and our Kindel plant assembly and manufacturing processes will be the next phase of this initiative starting mid 2024 where we will be incorporating the lessons learnt during the first phases.

The thin plate plant is our WOW pilot area and consists of six different work centres. At the operator level we measure how many components a welder can make in the target time per shift.

Target time is the time available for production after allowances for a lunch break and clean up at shift end.

Available time is the actual time spent on production after lost time, which includes time waiting for parts, breakdowns, etc.

Produced time is any components made multiplied by the standard time to produce the component.

$\% \text{ Utilisation} = \text{Available time} / \text{Target time}$
 $\% \text{ Efficiency} = \text{Produced time} / \text{Available time}$

Typically, utilisation is in the control of management, and efficiency is a measure of the operator.

Since February 2022, when we started measuring, two variables have improved:

- the consistency of the measures (erratic in the first year)
- the % utilisation, which was initially measured at around 60% is now above 90%.

This is attributed to a combination of better reporting, higher awareness, and actual increased utilisation.

5 S

is a system to reduce waste and optimise productivity through maintaining an orderly workplace and using visual clues to achieve more consistent operational results

The 5 S pillars:

- Sort
- Set in order
- Shine
- Standardise
- Sustain

10% improvement in utilisation across the Richards Bay factory in FY2023



Innovating and growing our own IP

Bell Equipment has long understood the role that continuous innovation and growing IP plays in strengthening the group's brand credibility on a global scale, which in turn impacts on its long term economic sustainability.

Having invested significantly in research and development of the Bell tracked carrier, Bell is eager to explore the market potential of this range outside of its originally intended market of North America. With its ability to 'go anywhere and do anything', Bell sees potential to expand market reach and growth, most notably in Europe, where the machine was enthusiastically received at the Bauma Germany expo. The group is currently in the process of attaining the CE mark for Europe. The tracked carrier has also generated interest from the African drilling industry where its versatility makes it entirely suitable for carrier applications.

The implementation of new mining safety regulations in South Africa has driven demand for our pedestrian detection system ('PDS') solutions on new and existing equipment. This validates the forward thinking design of our 'PDS ready' ADTs, which allows for seamless integration with any preferred detection system at the most cost effective price point. This adaptability allows customers to choose the best technology for their specific needs, while complying with current legislation and ensuring operator and pedestrian safety. As the market adjusts to the new landscape, we believe our PDS solutions will establish us as a partner of choice for mines across the country. We've also experienced demand for our PDS ready ADTs from Zambia, where they are now in operation.

Bell has fully autonomous ADTs operating on customer sites in North and South America, where customers are experiencing the site efficiency and safety advantages that this technology delivers. In line with the increase in autonomous machine enquiries – both for full autonomous solutions and remote controlled – additional sites are due to be established in Europe and Australia in 2024. Autonomous remains an important offering and will be a focus when we exhibit during 2024.



R30,5
million

invested in research and development of the Bell tracked carrier.



Environmental

Aligned with the global shift towards environmental consciousness, we acknowledge the moral obligation to provide zero carbon solutions to address environmental sustainability and we are exploring various options to deliver low to zero carbon operations within our product line. Our aim is to exceed customer expectations by innovating environmentally responsible ADT solutions that meet the demands of the market, set new benchmarks in sustainability within our industry, and make a lasting positive impact on the environment.

Bell Equipment is working to expand its underground mining range. The initial focus is the development of a six tonne LHD (load, haul, dump), which fits well with Bell Equipment's manufacturing capabilities and complements our existing underground dump trucks and rock scaler. This LHD marks Bell's first true low profile underground mining machine and will target a niche application in South Africa.

The Bell forestry and agriculture division is developing a harvesting attachment for eucalyptus trees which can fell, debark, delimb and cut trees to the correct lengths for the pulp and pole markets. Known as the Bell 2204E harvesting attachment, it has been well received by the contractor and the landowner in the northern KwaZulu-Natal forest where it is being tested. The contractor has reported production levels on par and better than that of the nearest competitor product. The machine has been presented to dealers who likewise gave positive feedback and are eager to see the attachment in production. Three more test units will now be built and tested in other areas to vary testing conditions.

The attachment is currently running with a Kobelco carrier, but since our software and operating system is designed in house, the attachment and controlling components can be sold as a kit to fit any carrier. New and improved software is being developed to increase the attachment's measuring accuracy and improve the logging and reporting of shift data. This data will be available in the industry standard StanForD format, for seamless integration with all existing customer systems.



Making the grade

The development of the Bell motor grader is a testimony to the group's strength in developing its own IP and creating innovative advancements with complex heavy equipment.

Reliability and precision – key elements of a motor grader's operational excellence – were key focus areas during design and testing. Bell motor grader prototypes have operated in applications ranging from landscaping, mining, road maintenance, road construction and levelling, where both elements have been tested extensively with excellent results.

Technological advancements that have improved efficiency and functionality, along with simplified service and maintenance requirements, place the Bell motor grader at the forefront of innovation and user friendly functionality when tested against other graders.

The Bell motor grader will achieve the objective of increasing manufacturing throughput of the South African factory, while strengthening our product line up to complement our flagship ADT range, and the construction equipment available through our strategic partnerships with JCB, Kobelco and Finlay.

Bell Equipment's long standing expertise in supplying and supporting graders, and the confidence and enthusiasm created during our numerous demonstrations and events, has driven a high interest prior to the start of production.

Production is set to begin at the beginning of 2025. This follows the identification of several opportunities for improvement and the acceleration of the stage 5 project timeline for developed markets.

Delivering value digitally

For Bell Equipment, investing in digital transformation is a necessary journey that enables the group to holistically drive business efficiencies and build value for customers by creating and maintaining new and better integrated solutions. In terms of business efficiency, investment in enterprise resource planning (ERP), which started with the SAP implementation at the ALC and the migration of the logistics hubs and Kindel assembly plant onto the new SAP S4Hana Rise platform, continues with the implementation of SAP for the Richards Bay manufacturing facility in 2024 with the expected completion and go live in 2025.

The Bell ERP roadmap has the ultimate objective of consolidating existing legacy ERPs onto this new platform to provide greater reporting capability, facilitate inventory management and intercompany transacting within the group. It further allows Bell to invest in available add on technology to enhance planning and inventory management capabilities.

Utilising the SAP S4Hana investment and the tools available on this platform, opportunities for internal business process digitisation are actively being explored with the objective of enhancing efficiencies and gaining greater visibility into key internal processes.

Employees will have the capability to address personnel related matters through the upcoming employee portal. This encompasses digital payslips accessible via the employee portal and on mobile devices, a repository for employee related correspondence, and a unified platform for managing employee correspondence.

From an aftermarket perspective, the rollout of the multi echelon planning tool will continue. Measurable improvements have been demonstrated in both off the shelf availability and inventory investment where this solution has been deployed.

The digital technology team is focused on creating easy to use digital tools which makes it effortless for our customers to do business with us, whether it is getting a quote, booking a service, buying a part, troubleshooting a problem, getting advice, evaluating machine productivity and many more.

The business portal has been designed as the 'menu' entry point for customers to get to what they need. The information shared through this portal is kept up to date which eliminates problems with outdated offline and paper copies of information.

The support portal is the heart of linking various systems together creating a digital thread to the source master data. Linking machine information to ownership and the correct support personnel is key to making sure the right people are getting the right data at the right time. Linked to the telematics information, both the customers and the Bell dealer support personnel can be proactive in planning service and repair work needed on each machine to maximise productivity and efficiency. Keeping track of this information over the life of the machine helps plan the continuous support and next life of the machine to create improved value for all.



Green leadership

Bell actively strives for high standards of environmental compliance in all our operations by integrating world class environmental principles into our business processes and our Environmental Policy was reviewed during 2023 to ensure its applicability.

Our material environmental matters are:

1. Energy and decarbonisation
2. Water stewardship
3. Waste management and circularity
4. Impact of climate change



Our commitment to the environment is to:

- Implement and maintain environmental management systems that focus on continuous improvement.
- Reduce environmental impact across the group with emphasis on energy consumption, water usage, waste reduction and recycling.
- Provide ongoing and effective assessment and training to ensure employee knowledge of environmental risks.
- Reduce waste and recycle materials where the means to recycle materials exist.
- Prevent and reduce all forms of pollution by employing effective technologies.
- Increase the use of modern communication techniques to reduce the need for travel.
- Comply with and, where possible, exceed all relevant legislation, commercial requirements and codes of conduct regarding the impact on the environment of our business.
- Maintain transparent, consultative relationships with all stakeholders through effective communication channels.
- Contribute to the long term social, economic and institutional development of our employees and the communities within which our operations are located.
- Effect positive change and ensure that the group's ecological footprint is minimised through innovation and constant monitoring of international best practices.

Our approach towards environmental management

Environmental management is practiced daily with spillages and high risk environmental areas monitored closely by the safety department. Environmental related problems are reported to the safety department and actioned accordingly.

Hazardous waste management, storm water management and hydrocarbon storage and spillage are considered to be high environmental risks.

Assurance is achieved by scheduled internal compliance inspections and annual external audits at the group's main operations.

An accredited external environmental compliance service provider conducted an audit at the Richards Bay facility during 2023 and no reportable incidents or conditions were reported.

1. Energy and decarbonisation

Bell is constantly investigating energy saving programmes and has initiated various energy saving strategies, including the installation of energy efficient lighting, airconditioning, and ventilation. With the global focus on renewable energy as an alternative source of electricity, the group is also cognisant of the need to consider alternative sources of power. In addition to the environmental benefits, this will help Bell remain competitive in South Africa where electricity supply is unreliable and will continue to increase in cost in the foreseeable future.

Richards Bay Factory

Most offices at the Richards Bay factory are equipped with energy efficient airconditioners that use double inverter technology with a 70% power saving capability.

In 2023, a solar power project designed to generate 1MW was undertaken by installing solar panels to the undercover parking bays. This turnkey option offers the quickest return on investment and options exist to expand the project and generate additional power. Although this is a long term cost saving project, the project offers significant operational advantages by reducing generator running costs, and associated emissions, due to load shedding and municipality infrastructure failure.



Richards Bay factory

Jet Park

A 770KW grid tied solar system was completed at the Jet Park operations, which is split between BESSA and the GLC with generator integration. This system provides electricity during daylight hours and reduces electricity costs and the generator running hours during times of load shedding. This project was initiated between Bell and its landlord.

Kindel and ELC Operations

The ELC administration building and offices at the Kindel factory extension are fitted with energy saving lights that are activated by passive infrared motion sensors to contribute to further energy efficiencies.

A gas heating system, currently the most energy efficient way to heat and more environmentally friendly than conventional oil/diesel heating, is used during the winter months. In addition, the warehouse and office building insulation is of the highest available quality thereby providing good heat retention, which reduces gas consumption.

2. Water Stewardship

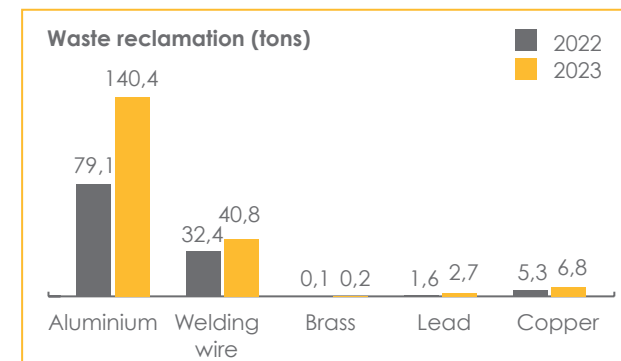
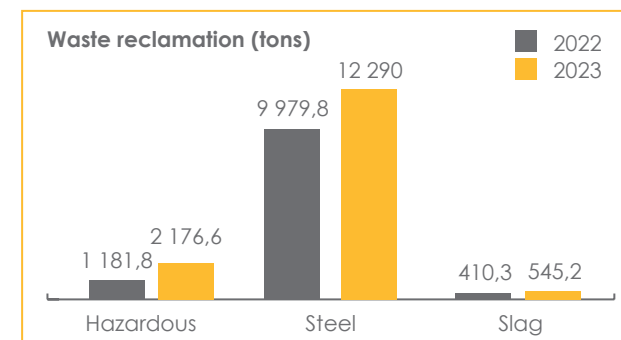
Bell Equipment is involved in the water and environmental management plan of the Richards Bay local municipality and makes recommendations towards water saving initiatives and a cleaner environment through its long standing representation on the uMhlathuze Crisis Committee in Richards Bay.

Harvested rainwater is used in the operational areas of the Richards Bay factory for supplying the wash bays and for flushing toilets and urinals in the factory ablution facilities. Relating municipal water consumption to production, the Kl/ADT rate decreased slightly from 11,91 kl/ADT in 2022 to 11,58 kl/ADT in 2023.

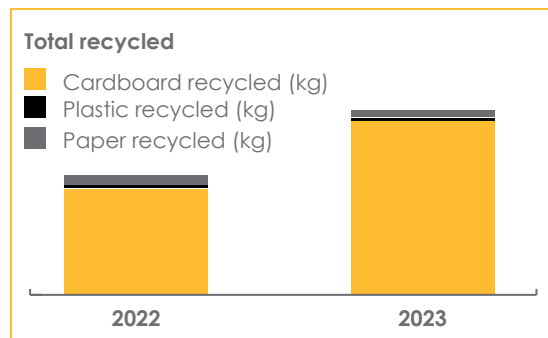
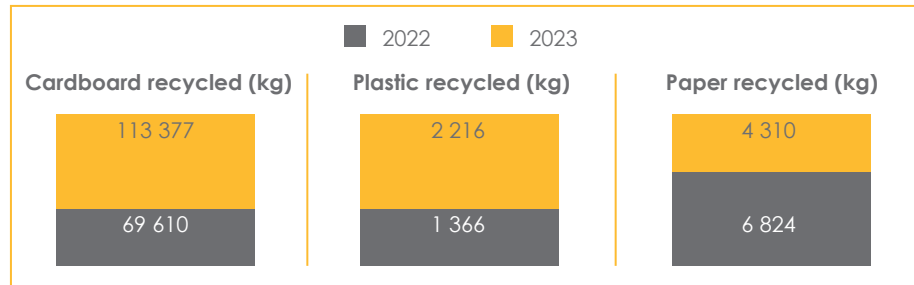
3. Waste Management and circularity

Bell Equipment Richards Bay has completed a programme to classify waste as per the current Waste Act regulations and all hazardous waste has been correctly classified. Our service provider supports the initiative to divert waste to recyclers instead of landfill, thereby reducing the group's environmental impact. All documents have been received and maintained as per regulation requirements.

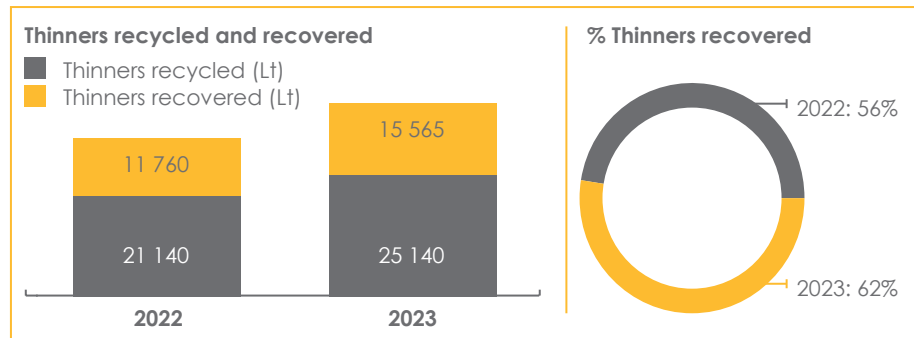
On site recycling sees separation into three categories taking place at source as far as possible. Elsewhere hazardous and non hazardous waste streams are monitored by type, volume and disposal method and disposed of at certified waste disposal facilities, which ensures consistency, compliance, and comparability.



All waste is monitored for further improvements to recycling, and records are kept at the SHE office for cradle to grave and auditing purposes.



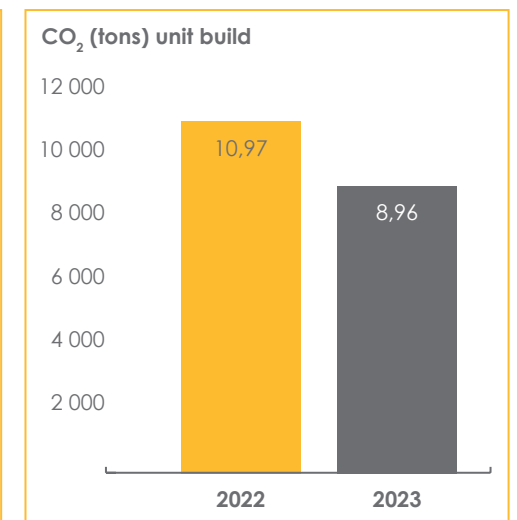
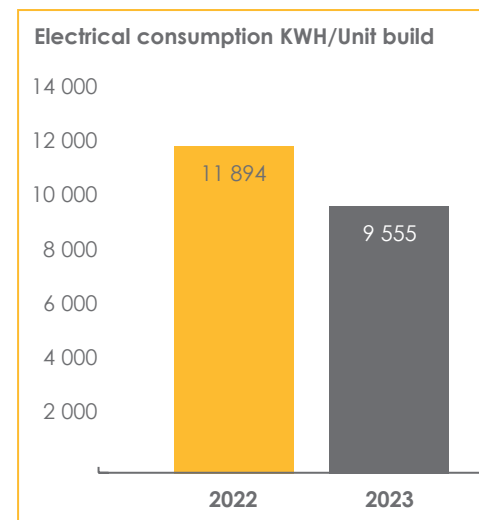
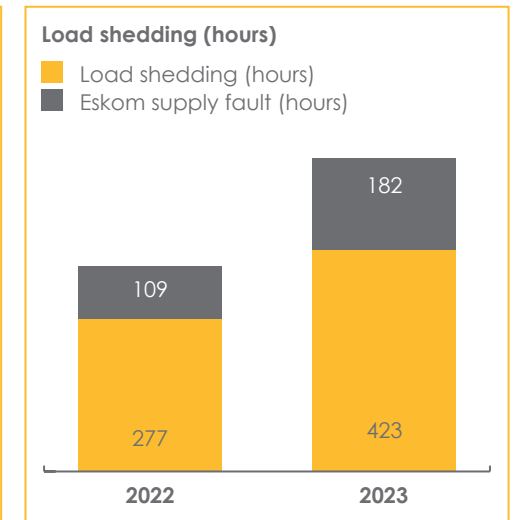
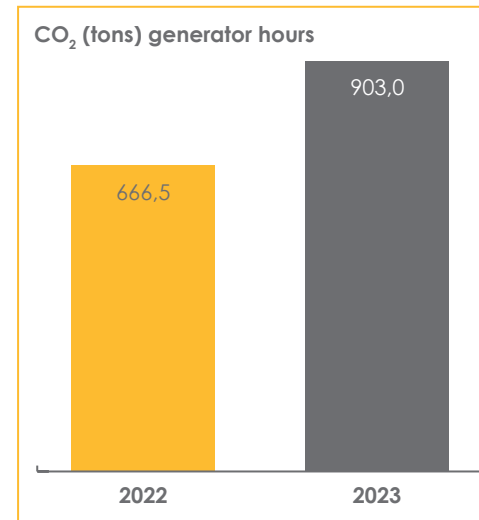
Specialised recycling units recycle liquids at the Richards Bay site. The thinners recycling plant has significantly reduced the volume of contaminated thinners needing to be disposed while reducing costs in terms of the quantity of new thinners being purchased and the associated disposal costs. It is also environmentally friendly by reducing the amount of hazardous liquid waste.



Machining coolant is also being recycled before disposal is required. This is controlled by a process to maintain the quality of coolant whilst preventing unnecessary disposal of usable coolant.

4. Impact of climate change

Bell Equipment currently falls outside the requirements for reporting and paying carbon tax. However, recognising the importance of reducing carbon emissions, internal carbon footprint measurements are taken by calculating emissions on diesel burned and kWh used through our Richards Bay manufacturing operations annually. Due to increased generator usage as a direct result of load shedding this measurement increased in 2023 compared to 2022. Total kWh/unit built and CO₂/unit built, however, reduced compared to 2022.





Social pillar



**Our role in the wider community:
a provider of meaningful employment**



The number of employees in Bell Equipment's South African operations increased by **7,2%** in 2023.

Black women made up **14,0%** of our total South African workforce in 2023. [FY2022: 12,95%]

50,0% of our total South African workforce in 2023 were black men. [FY2022: 48,61%]

21,4% of the South African workforce was female in 2023.



Geographic breakdown of group workforce

| | Male | Female | Total | Male % | Female % |
|----------------|--------------|------------|--------------|-----------|-----------|
| Rest of Africa | 91 | 18 | 109 | 83 | 17 |
| Australasia | 5 | 0 | 5 | 100 | 0 |
| Europe | 346 | 62 | 408 | 85 | 15 |
| North America | 11 | 6 | 17 | 65 | 35 |
| South America | 2 588 | 703 | 3 291 | 79 | 21 |
| Total | 3 041 | 789 | 3 830 | 79 | 21 |

Employment equity summary: December 2023

| | Female | | | | Male | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |

Occupational levels

| BESCA | Female | | | | Male | | | | Total |
|----------------------------|------------|-----------|-----------|-----------|-------------|-----------|------------|------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior management | | | | | | | | | 1 |
| Specialists/mid-management | 5 | | 2 | 3 | 8 | | 16 | 15 | 49 |
| Skilled | 15 | 1 | 10 | 9 | 72 | 10 | 91 | 35 | 243 |
| Semi-skilled | 257 | 13 | 36 | 10 | 992 | 61 | 245 | 70 | 1684 |
| Unskilled | 33 | 2 | 3 | | 159 | 10 | 22 | 9 | 238 |
| Non-permanent | 34 | | 4 | 1 | 60 | 4 | 7 | 2 | 112 |
| Total | 344 | 16 | 55 | 23 | 1291 | 85 | 381 | 133 | 2328 |

| BEGS | Female | | | | Male | | | | Total |
|----------------------------|-----------|----------|-----------|-----------|------------|----------|-----------|------------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top management | | | | | | | | | 1 |
| Senior management | | | | 3 | | | 2 | 6 | 11 |
| Specialists/mid-management | 4 | | 3 | 15 | 20 | 2 | 10 | 70 | 124 |
| Skilled | 14 | 3 | 11 | 19 | 42 | 3 | 20 | 21 | 133 |
| Semi-skilled | 31 | 1 | 12 | 15 | 86 | 1 | 7 | 3 | 156 |
| Unskilled | 1 | | | | 7 | 1 | | | 9 |
| Non-permanent | 3 | | 2 | 1 | 8 | 1 | 2 | 2 | 19 |
| Total | 53 | 4 | 28 | 53 | 163 | 8 | 41 | 103 | 453 |

| BESSA | Female | | | | Male | | | | Total |
|----------------------------|-----------|-----------|----------|-----------|------------|-----------|-----------|------------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior management | | | | 1 | 1 | | | | 3 |
| Specialists/mid-management | 2 | 1 | 1 | 2 | 3 | | 3 | 14 | 26 |
| Skilled | 7 | 3 | 2 | 10 | 104 | 12 | 12 | 103 | 253 |
| Semi-skilled | 40 | 11 | 5 | 28 | 73 | 12 | 15 | 14 | 198 |
| Unskilled | 2 | | | | 3 | | | | 5 |
| Non-permanent | 12 | | | | 8 | 2 | 1 | 2 | 25 |
| Total | 63 | 15 | 9 | 40 | 192 | 26 | 31 | 134 | 510 |

Employees with disabilities - BECSA, BEGS and BESSA, and females and males combined

| | Female | | Male | | Total |
|--|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | |

Occupational levels

| | African | Coloured | Indian | White | Total |
|----------------------------|----------|----------|----------|----------|----------|
| Specialists/mid-management | 0 | 0 | 1 | 0 | 1 |
| Skilled | 0 | 0 | 1 | 0 | 1 |
| Semi-skilled | 1 | 0 | 1 | 0 | 2 |
| Skilled | 0 | 0 | 0 | 1 | 1 |
| Specialists/mid-management | 0 | 1 | 0 | 0 | 1 |
| Total | 1 | 1 | 3 | 1 | 6 |

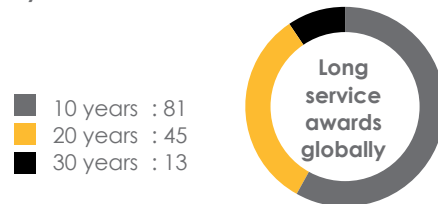
Meaningful engagement

Team building events are undertaken by the various operations and functional areas during the year and take the form of team braais and other occasions, such as team workshop sessions conducted by MOTTO Consulting to ensure team cohesion, unity, and employee engagement to improve team member relationships and alignment to our corporate culture of 1-BELL.

Our organisational policies and procedures are focused on legislative compliance and discipline, improving employee engagement, inclusion, transformation, diversity, and overall employee health and safety, ensuring good corporate governance, and promoting employee participation achieving the group's goals and objectives.

Bell celebrates the loyalty of our team members for their tenure of unbroken service to the organisation across the globe. An annual Bell long service awards luncheon is held in Richards Bay and our other operations arrange their own function. Long servicing employees at our German factory were presented their awards at the factory's 20th anniversary function. This included a special 50 years of service tribute to our group chairman, Gary Bell.

Employees celebrating long service globally in 2023:



Richards Bay long service awards



Long service recipients in Germany



Long service recipients in Richards Bay

The Richards Bay factory shutdown in December 2023 provided an opportunity to introduce our incoming CEO, Ashley Bell, to the Bell team and to present awards to the top performing welders and assemblers of the year. This highly anticipated annual event is excellent at building camaraderie after a long and busy year and includes entertainment, lucky draw prizes, and a social get together to conclude the year.



Richards Bay factory shutdown



Fair remuneration

2023 saw the end of the three year wage agreement reached at the Metal and Engineering Industries Bargaining Council (MEIBC) in 2021 for the period 2021 to 2023 for scheduled employees in South Africa. Wage increases for scheduled employees were between 5% at the upper end of scheduled grades, grade A, and 6% on the lower end of scheduled grades, grade H. The centralised wage negotiations at the MEIBC for 2024 will start in February 2024.

An inflation related wage increase of on average 5% was granted to all non scheduled employees in South Africa during 2023. Increases at foreign operations varied and were made in line with country specific inflation rates. Wage negotiations are underway in Germany with the workers' council for our operations in Germany for 2024.

We reviewed and reprofiled all our non scheduled positions during 2022 and 2023 and reviewed our remuneration policy for the South African operations. This project has now been finalised and will be implemented in 2024.

Taking wellness to heart

As a caring employer we believe Bell has a responsibility to help employees lead healthier lifestyles, and to make them aware of their health status by:

- Providing an on site clinic at our Richards Bay factory to cater for occupational health and injuries, and day to day medical and health services and care.
- Providing a psychologist service for employees who need EAP (employee assistance programme) counselling and support.
- Arranging regular assessments.
- Promoting good nutrition and making sure the canteen serves healthy food.
- Promoting physical activity.
- Providing regular educational talks on health matters.

We consider the following in assisting our employees with health and wellness advice:

- Teach stress reduction techniques such as deep breathing and meditation.
- Setting time aside to exercise to achieve a healthy work life balance.
- Setting priorities to manage time and energy efficiently.
- Practicing good sleeping habits.
- Providing healthy and balanced dietary options at reduced cost through our canteen to encourage employees to follow a healthier diet.
- Providing advice on how to overcome drug, alcohol and other habit forming addictions, such as smoking dependence. This is achieved through regular tool box talks and the availability of SANCA and our clinic to counsel employees with these dependencies and addictions.

The annual wellness week at our Richards Bay factory was held from 28 July 2023 to 2 August 2023 and had a target of reaching at least 2 000 employees across the various shifts. The aim is to promote improved physical and mental health and includes testing for glucose, cholesterol, body mass index (BMI) and blood pressure.

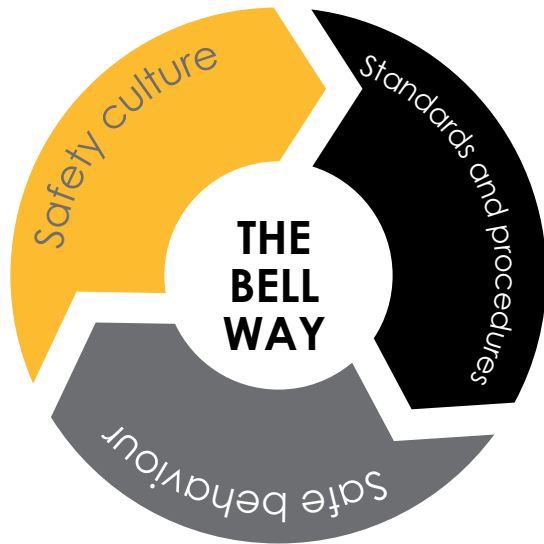


44%
870 employees supported Bell Wellness Week 2023



■ 82% males
■ 18% females





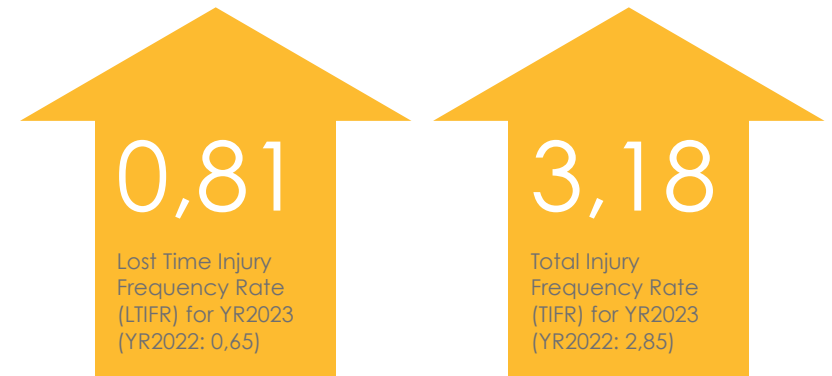
Keeping health and safety under the spotlight

Our Bell culture embeds the value of safety at every level of the workforce. Our aspiration is to operate sustainably, without harm to people, the environment, and the communities in which we operate.

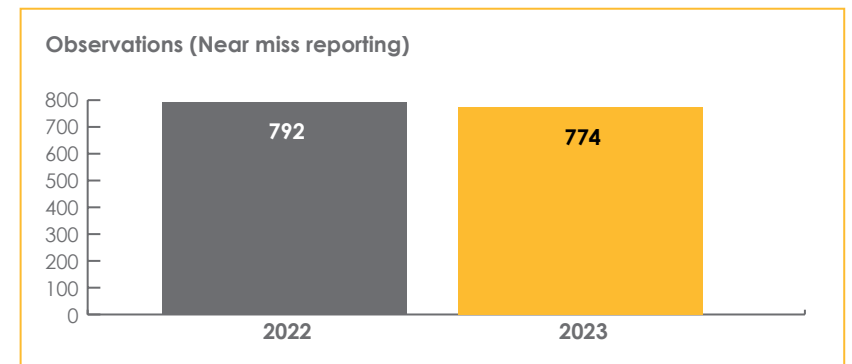
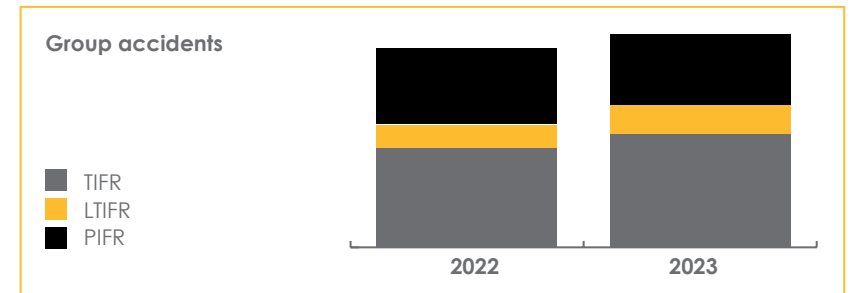
Our behaviour based safety programme enables management and employees to work together towards a total safety culture, where employers and employees at all levels of the organisation are 'safety champions'.

The programme has moved the group beyond workplace audits and inspections, past the policing role and closer to knowing how much our workforce understands work practices, procedures, conditions, and behaviours that cause them to make mistakes. Behaviour based safety is a proactive process that helps to get changes in our work group's safe behaviour levels before incidents happen.

The group LTIFR and TIFR are higher compared to 2022 with increased production, new employees, and increased rework due to line shortages having created a higher risk environment.



Richards Bay factory SHE team





Improving lives through education and training



Bell appreciates the importance of education and training both for the sustainability of our group and in the wider social context. We are a fully accredited training provider with well equipped training facilities in Richards Bay and Johannesburg, South Africa where we focus on 'growing our own timber' through our MERSETA registered apprenticeship programme and providing operator and technical training for Bell employees and customers.

Apprentice training during 2023

| Apprenticeship | Year | Female | | Male | | | | Grand Total |
|---------------------------------|----------------------------|-----------|----------|------------|-----------|----------|-----------|-------------|
| | | African | Indian | African | Coloured | Indian | White | |
| Apprentice Auto Electrician | Apprentice 1 | | | 2 | | 1 | | 3 |
| | Apprentice 2 | | | 1 | | 1 | | 2 |
| | Apprentice 3 | | | 1 | | | | 1 |
| Apprentice Boilermaker CoS | Apprentice Boilermaker CoS | 4 | | 15 | | 1 | | 20 |
| Apprentice Earthmoving Mechanic | Apprentice 1 | 5 | | 47 | 1 | 2 | 12 | 67 |
| | Apprentice 2 | 3 | | 40 | 5 | 1 | 8 | 57 |
| | Apprentice 3 | 2 | | 15 | 1 | | 6 | 24 |
| | Apprentice 4 | | | 1 | | | | 1 |
| Apprentice Millwright CoS | Apprentice Millwright CoS | 4 | | 15 | 2 | 2 | | 23 |
| Apprentice Turner | Apprentice 1 | 2 | | 3 | 1 | | | 6 |
| | Apprentice 2 | 2 | | 3 | | | | 5 |
| | Apprentice 3 | | 1 | 2 | | 1 | | 4 |
| Grand Total | | 22 | 1 | 145 | 10 | 9 | 26 | 213 |

| Entity | Technical training | Soft skills | Legislative training | Apprenticeship training | Parts trainees | Assembler trainees | Education assistance | Graduates/ interns/ in-service / vac work | Bursaries | Work experience (YES) | TOTAL |
|--------------------|--------------------|-------------|----------------------|-------------------------|----------------|--------------------|----------------------|---|-----------|-----------------------|-------|
| BECSA | 3 | 330 | 1142 | 264 | 12 | 5 | 11 | 41 | 3 | 96 | 1907 |
| BESSA/BEFT | 266 | 16 | 602 | | | | 4 | | | 20 | 908 |
| BEGS | 26 | 89 | 128 | | | | | 9 | | | 252 |
| BENA | 2 | 1 | | | | | | | | | 3 |
| EMEA | 1 | 17 | 69 | | | | | | | | 87 |
| External customers | 120 | | | | | | | | | | 120 |

BECSA external bursaries granted for 2023

| Candidate | Field of study | Institution |
|----------------|---|---|
| African female | Bachelor of Education | UNISA |
| African male | Diploma in Mechanical Engineering – extended course | Cape Peninsula University of Technology |
| African male | Bachelor of Science in Information Technology: Computer Science | University of Johannesburg |
| African female | Bachelor of Engineering Technology: Electrical Engineering | University of Johannesburg |

Bell Foundation external bursaries granted for 2023

| Candidate | Field of study | Institution |
|----------------|---|----------------------------|
| African female | Bachelor of Mechanical Engineering | Stellenbosch University |
| African female | Bachelor of Mechanical Engineering | Stellenbosch University |
| African female | Bachelor of Science in Computer Science | University of Johannesburg |

R447 789

BECSA spending on external bursaries for FY2023

R394 985

Bell Foundation spending on external bursaries for FY2023

R437 616

BECSA, BEGS and BESSA spending on employee education assistance for FY2023



Facilitating the change we want to see in our communities: facilitating a better life for all



We acknowledge the impact of our business operations on the communities around us. We want to support our communities' health and wellbeing and are committed to building trusting relationships. By contributing to educational programmes in these communities we want to empower people to uplift their standard of living and grow the talent pool from where we can employ.

BECSA supported the following initiatives during 2023

| Beneficiary | Grant amount |
|---------------------------|--------------------|
| Nguluzana Primary School | R 179 322 |
| Thuthukani Special School | R 555 000 |
| Amangwe Village | R 505 000 |
| Mother's Nest | R 10 000 |
| TOTAL | R 1 249 322 |

- BECSA and BESSA supported a community outreach project at Nguluzana Primary School in Nseleni where the funds were used for building materials to repair and upgrade the school premises and assembly points.
- Thuthukani Special School outside Empangeni has used funding to improve facilities for their learners and includes recompacting the existing wheelchair pathways at the school and extending the pathway to the gardening area, including a concrete slab and the provision of seedling tables so that learners with mobility problems can participate in gardening in a sedentary position. A dozen durable plastic benches have been placed around the school for learners to use during break/learning times outside of the classroom and a project to provide box learner desks for the senior school has been extended to the rest of the school to provide additional storage space in classrooms. The senior bathrooms have been repainted and repaired and an inverter has been ordered to replace the school's aging generator, which causes harmful noise pollution and is expensive to run. The inverter will power the intercom, telephone, and bell, which are essential tools for communication and safety.

R1,25 million

BECSA spending on SED for FY2023 (FY 2022: R548 320)

R1,74 million

BESSA spending on SED for FY2023 (FY2022: R1,25 million)

- Amangwe Village outside Richards Bay has used the funds to procure a vehicle to better mobilise social workers in the community. The balance of the funds, including those provided by BESSA as detailed below, were spent on adding value to the home based care programme including supplying school uniforms to orphaned and vulnerable children, procuring food parcels for families and children in need, supplying school stationery, training courses and creating a database to track patients' care and assistance.
- Mother's Nest is a non profit organisation in Brenthurst, Brakpan that provides a home for children in distress, including those who have been abandoned, abused, or neglected. BECSA contributed toward their electricity bill.

BESSA supported the following initiatives during 2023

| Beneficiary | Grant amount |
|--|--------------------|
| Nguluzana Primary School | R 128 251 |
| SAME Foundation – school paint party | R 40 000 |
| Hlobane Primary School | R 40 637 |
| SAME Foundation – Forte Secondary School | R 630 000 |
| Thuthukani Special School | R 225 424 |
| Bright Eyes Trust | R 396 993 |
| Synergistic Covenant Network | R 36 760 |
| Ferdinand Primary School | R 242 196 |
| TOTAL | R 1 740 261 |

- In addition to supporting the abovementioned initiative to refurbish Nguluzana Primary School, BESSA also provided funding to construct a borehole and sewage system for Ferdinand Primary School at Weenen.
- As part of a Mandela Day initiative by the SAME Foundation, BESSA participated in a school paint party at Kelokitso Comprehensive School in Meadowlands West, Soweto. A further R630 000 was granted to the SAME Foundation to provide physical and life science laboratories at Forte Secondary School in Soweto.
- A jungle gym was construction for learners at Hlobane Primary School in Vryheid.
- Bright Eyes Trust was established in 2009 to meet the critical need for early intervention, care, education and support for visually impaired children and their care givers in Durban, KwaZulu-Natal. They allocated their funding towards their screening budget and purchasing a classroom container.
- Synergistic Covenant Network used the funding to drill a borehole in a disadvantaged community.

Partnering to build strong foundations

Four houses built for indigent families in the Govan Mbeki Local Municipality by BESSA and the Overlooked Group (OVL) to reduce the housing backlog were completed and officially handed over in November 2023.

BESSA contributed over R1,1 million in funding to the project during 2022 as part of its commitment to socio economic advancement, given its customer base, which includes mining houses, emerging contractors, and various government spheres. OVL, a 100% black owned company renowned for its expertise in housing projects, facilitated and provided project management expertise.

The project also had a holistic community approach by engaging local contractors, subcontractors, labourers, and suppliers, to amplify the project's impact on the ground.

"Bell Equipment appreciates the opportunity to work together with the Overlooked Group and the Govan Mbeki Local Municipality to create change for the betterment of people in South Africa. This type of project fits in well with what we do around the country. We work in hundreds of different regions and have many such projects."
Group Chairman, Gary Bell



OVL housing handover

Supporting economic transformation through ESD

Access to financial assistance is a barrier to entry for many EMEs and/or QSEs including those companies wanting to establish themselves as suppliers to Bell Equipment and customers wanting to purchase our equipment for their businesses. The Bell ESD Programme bridges this gap by providing grants and developmental loans to qualifying EMEs and/or QSEs that are 51% black owned.

In 2023 BECSA contributed R2,9 million towards supplier development beneficiaries consisting of R1,9 million outstanding in supplier development loans as at 31 December 2023. In addition, BECSA allows two of its beneficiaries to utilise space at no cost amounting to R1 million.

BECSA also had R1,8 million in outstanding enterprise development loans as at 31 December 2023.

BESSA has invested in supplier development grants with recognised contributions of R3,2 million through Tectonic. An additional R1,6 million was provided to Tectonic for enterprise development where KwaNgwane Consulting and Mvelotech Engineering and Environmental Services were supported.

Disabled learnerships

The following spend was made by BECSA and BESSA in 2023:

| | BECSA | BESSA |
|-------------------------------------|--------------|----------|
| Disabled black learnerships | R1,2 million | R832 000 |
| No. of learners (all black females) | 12 | 8 |

In addition, BESSA implemented further black learnerships amounting to R416 000 in December 2023 for one Indian male, one African female, one Coloured female and one Indian female.



Governance pillar



Business with integrity

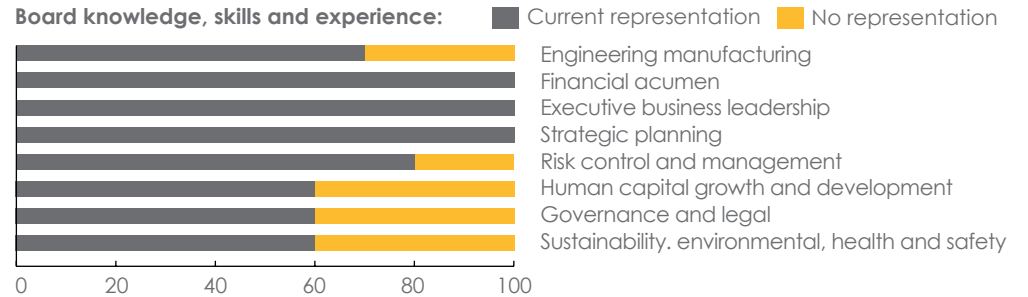


We embody a business with honesty and integrity, that respects human rights, provides a safe workplace, and is trusted by society. We reflect a system of ethical and responsible business conduct in our business activities and decision making standards, working together with our employees, collaborative partners, and communities throughout the supply chain. We endeavour to ensure the distinct separation of board oversight and business execution, to establish a system for the agile execution of business, to determine appropriate compensation and to achieve highly transparent management.

Specifically, we have selected directors who possess the qualities that make them suitable to lead the group, including global experience and knowledge across a variety of fields, excellent character, and broad experience and knowledge of business management. We strive to establish a highly transparent and independent corporate governance structure and to introduce an executive compensation system that is linked to the enhancement of corporate value.

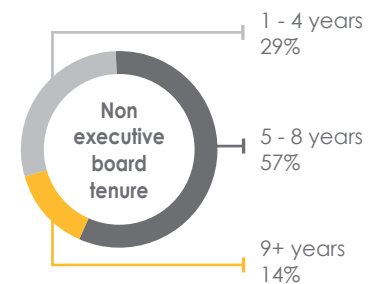
With the globalisation of the economy, overarching regulations and differences in governmental and economic frameworks, the importance of building a culture based on ethics, honesty and integrity are key. Bell Equipment believes that business ethics and compliance are the foundation of our company, and we engage in fair, transparent, and honest management. We are committed to creating an open environment in which employees perform at their best and in which every employee feels safe in acting ethically. In this way, we work together to create environments where everyone is empowered to speak up and to perform at the highest standards.

BOARD'S COMPOSITION, DIVERSITY AND TENURE AS AT 28 MARCH 2024*



Non executive board tenure:

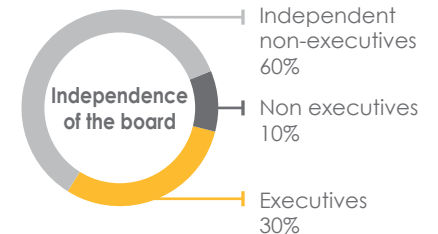
In accordance with Bell Equipment's memorandum of incorporation, at least one third of the non executive directors must retire by rotation each year but may offer themselves for re election. The non executive directors retiring by rotation and standing for re election by the shareholders at the upcoming annual general meeting in 2024 are Hennie van der Merwe, Derek Lawrance and Ushadevi Maharaj.



Gender and racial diversity:



The independence of the board:



*Leon Goosen resigned as group chief executive and director with effect from 31 December 2023



Stakeholder engagement

Overview

Engaging and building relationships with our stakeholders is key to driving value creation, ESG goals, and the group's sustainability. Open, accessible, and effective communication is at the heart of our engagement both with internal and external 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 our core values of respect, honesty, and integrity.

Our approach

The value we create for our stakeholders is as important as the value we create for ourselves. Through in person engagements, surveys, and greater investor communication, we understand our social impact and our stakeholder needs and interests and can respond appropriately during the course of business. Our approach is guided by our 1-BELL philosophy that unites our organisation through shared focus areas and key values, namely.



Customer
If we help our customers succeed, so will we



Quality
Make a commitment and stick to it



Team
We all share the same goal



Efficiency
Focusing on what counts



Safety
See you back tomorrow

Stakeholder groups

Our stakeholders are those individuals, groups, and organisations that affect and are affected by Bell Equipment's activities, products or services and associated performance.

Our main groupings are:



Employees

Material Themes



Helping our people thrive



Driving business resilience

Our people are the heart and soul of the business. Their skills and commitment determine the group's ability to realise its strategy. Engaging with our employees ensures they are involved and productive, helps to attract and retain key and critical skills, and embeds an ethical culture throughout the group.

| What they care about | How we engage | Our response to important matters during the reporting period |
|---|--|--|
| <ul style="list-style-type: none"> • Healthy working conditions. • Fair remuneration for their service. • Recognition. • Strengthening employee engagement. • Health and safety. • Career advancement. • Transformation and diversity. • Greater flexible working conditions. • Their human rights being respected and respecting the human rights of those who may be affected by our business. | <ul style="list-style-type: none"> • Employee forums (e.g. health and safety, employment equity committees). • Regular engagement with trade union representatives on key issues. • Investment in skills training and career development. • Learning programmes for persons with disabilities. • Information road shows about employee benefits (e.g. medical aid and pension funds). • Feedback through improved performance management. • Regular ethics and fraud awareness road shows. • Induction programmes. • Internal newsletter, intranet, and internal communication via digital platforms. • Health and safety 'toolbox talks'. • Employee wellness days. • Long service awards. • Anonymous tip off reporting line. | <ul style="list-style-type: none"> • Training and skills development both in house through our accredited training centre and externally. • Ongoing focus on labour and employee relations. • Our commitment to a zero harm culture. • Ongoing health and safety programmes. • Trade union meetings and negotiations. • Review and improvement to bonus scheme and incentive schemes linked to group performance. • Progress with diversity and inclusion. • Hybrid/remote working policy implementation. • Quarterly GEC feedback sessions to the group. • Fraud management briefs. |

Capitals:



Human



Social and relationship

Richards Bay team showing support for the Rugby World Cup



Bell customer evening in Cape Town



Bell Empangeni





Customers

Material Themes



Executing strategy



Environmental sustainability



Principled governance

We continue to grow customer trust and support by understanding their business, codeveloping world class products that deliver performance in rugged environments and demonstrating dedication to maximising their uptime. Meeting our customers' needs goes a long way to elevating the Bell brand, growing marketing share, and building long term customer loyalty.

| What they care about | How we engage | Our response to important matters during the reporting period |
|---|---|--|
| <ul style="list-style-type: none"> Product quality, performance, and reliability. Remaining informed. Product innovation. Aftersales service. Finance availability and options. Responsible supply chain. Digital disruption and cyber security. Overall value proposition. Having a personally committed and trusted advisor. BBBEE compliance and local economic development within South Africa. | <ul style="list-style-type: none"> 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, Facebook, LinkedIn, Instagram, and YouTube. Website. Ongoing product testing. | <ul style="list-style-type: none"> Driving digital transformation throughout the group to better serve our customer's needs. Using the EYE external customer service monitoring service to understand our customer's needs. Innovating solutions to reduce environmental impact. The provision of competitive finance offers. Regular sales training on products. Managed supply chain disruptions. Enhanced service levels to customers. Continued good governance in place to meet legislative and regulatory requirements. Focused on empowering EMEs/QSEs through the Bell ESD programme. |

Capitals:



Social and relationship



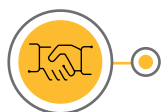
Manufactured



Intellectual

Factory visit





Suppliers and strategic OEM partners

Material Themes



Driving business resilience



Executing strategy



Environmental sustainability

Suppliers and strategic OEM partners are key to the group's performance and core to the group's strategic positioning. Through a culture of continuous improvement and the effective use of our suppliers' expertise, we focus on consistently meeting and exceeding our promise to our customers.

| What they care about | How we engage | Our response to important matters during the reporting period |
|---|---|--|
| <ul style="list-style-type: none"> Timely payment and fair terms. Regular engagements. Long term beneficial relationships. Increased revenue and volume growth. Future growth of the group and understanding expectations of the group. Reputational consistency. Responsible and positive brand management. BBBEE compliance and local economic development within South Africa. | <ul style="list-style-type: none"> Adopting the 1-BELL philosophy in dealing with our suppliers and strategic partners. Product launches and demonstrations. Trade exhibitions. Maintaining the Quest for Gold supplier improvement initiative that acknowledges key suppliers for outstanding service. Effective communication and ongoing regular direct engagements. Service level agreements and audits. Suppliers conference. Factory and site visits. | <ul style="list-style-type: none"> Increased contact with partners. Transparent communication to keep partners informed of our operational requirements. Collaboration to overcome supply chain challenges. Positive negotiations to agree on mutually beneficial contractual terms. The growth of services and the aftermarket for both parties. |

Capitals:



Social and relationship



Manufactured



Intellectual

JCB Loadall training given by JCB in the United Kingdom





Local communities

Material Themes



Environmental sustainability



Principled governance

Our business activities impact the communities around us. We have a responsibility to reduce our negative impacts, increase our positive influences and provide support to our communities, which in turn, safeguards our reputation. Empowering local economies builds trust in Bell Equipment while communities benefit from social and environmental initiatives.

| What they care about | How we engage | Our response to important matters during the reporting period |
|---|---|--|
| <ul style="list-style-type: none"> Socio economic empowerment. Environmental issues – including the impact of climate change. Economic upliftment and job creation. Enterprise development. Preferential procurement. Infrastructure development. | <ul style="list-style-type: none"> Education and job creation. CSI/SED spend 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 communities where the group operates. Support of NGO fundraising events, e.g. CANSA, Lifeline. | <ul style="list-style-type: none"> Ensured our social activities and interactions align with our core purpose and business objectives while addressing ESG related risks and opportunities. Provided resources and joined the community to fight a woodchip fire in Richards Bay. Collaborated with a mining customer to provide low cost housing. Skills development through the Bell apprenticeship programme. Focused on addressing the needs of educational institutions. Supplemented labour force from surrounding communities. Initiatives focused on energy consumption, water stewardship, and waste reduction. Realised preferential procurement opportunities for community businesses. |

Capitals:



Social and relationship



Human



Environmental

Fire fighting assistance in Richards Bay





Government and regulators

Material Themes



Environmental sustainability



Principled governance

Our government stakeholders are policymakers, and they guide our operations through the relevant policies and regulations that impact our business. The group's relationship with government impacts on its ability to contribute towards job creation, broader economic, social, and environmental objectives globally. We recognise that we need to engage continuously with regulators, in a manner that fosters growth and trust.

| What they care about | How we engage | Our response to important matters during the reporting period |
|--|---|--|
| <ul style="list-style-type: none"> Adherence to legislative and regulatory requirements. Social economic growth. Skills development. Employment creation. Transformation and diversity. BBBEE status (South Africa). | <ul style="list-style-type: none"> Statutory reporting that cultivates a zero tolerance culture for regulatory non compliance. Communication through 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; - SEIFSA. 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 undertaken by Bell at its training facility; BBBEE reporting requirements (South Africa). | <ul style="list-style-type: none"> Ongoing regulatory and legal compliance. Protection of personal information. Cybersecurity. Responsible taxpayer. Responsible corporate citizen. Engagement in industry related bodies and matters. Promotion of local manufacturing to support job creation and economic growth. Continued to meet our BBBEE commitments. Energy, water and waste reduction and compliance with environmental legislation. Education and job creation. |

Capitals:



Manufactured



Intellectual



Environmental



Social and relationship



Shareholders, investors, financiers and insurers

Material Themes



Driving business resilience



Executing strategy



Environmental sustainability



Principled governance

Providers of capital, which include investors, debt funders, investment analysts and potential investors, are a crucial element of our long term sustainability. Engagement with these stakeholders creates an informed perception of the group and its activities. The feedback we receive from our engagement with these stakeholders informs our reporting practice.

| What they care about | How we engage | Our response to important matters during the reporting period |
|--|--|---|
| <ul style="list-style-type: none"> Group strategy implementation. Group performance and sustained returns on investment. Legal, regulatory and compliance excellence. Leadership strength and management depth. Good corporate governance. Risk management. Transparent executive remuneration. Alignment of values. Responses to macro economic and socio economic environment. Approach and implementation of ESG. | <ul style="list-style-type: none"> AGM and voting. Our reporting suite, including the IAR. Annual and interim results presentations. Media relations, including press releases, SENS announcements and trading updates. Group website including a dedicated investor relations website. Local and international one on one or group engagements. Site and factory visits and open days. | <ul style="list-style-type: none"> Commitment to sound corporate governance. Group results presentations. Engaging with shareholders and investors through virtual and in person roadshows. Annual general meeting. The use of investor perception polls. Development of an ESG framework as part of our ESG roadmap. |

Capitals:



Social and relationship



Financial



Intellectual



Environmental

Corporate governance report

The Bell Equipment board, through effective leadership, applies good corporate governance to ensure sustainable growth, embeds an ethical culture in the group and enhances long term equity performance.



Principles guiding our governance

Bell Equipment's board is the focal point and custodian of good corporate governance for the group.

The group's governance and compliance framework is founded on the principles of accountability, transparency, ethical management and fairness. Governance processes and group policies are regularly reviewed to ensure alignment with regulatory changes, reflect best practice, seek out opportunities to incrementally improve the group's governance and ascertain whether the policies and processes are still fit for purpose as the group's businesses change over time.

As a global company, Bell Equipment needs to adhere to a wide range of legislative requirements. Regulatory compliance is prioritised across the group and the embedding of board approved policies is monitored. Members of senior management are regularly informed of all relevant new legislation and amendments.

The board confirms that the group complied with the JSE Listings Requirements, the provisions of the Companies Act, the company's MOI and King IV during the year under review, and in all material respects, complied with the laws of the countries in which Bell does business, including the laws of South Africa, where the company is incorporated.

In the past year, notable governance matters in the group included the following:

- a structured and formalised annual evaluation of the independence of the non executive directors was undertaken, and six non executive directors were considered independent as defined by King IV and the JSE Listings Requirements, namely Hennie van der Merwe, Derek Lawrance, Mamokete Ramathe, Rajendran Naidu, Ushadevi Maharaj and Markus Geyer;
- a dedicated strategy session was held at the Bell Germany operation during June 2023 where the board and the GEC members attended to consider and approve the group strategy;
- on 10 July 2023, Leon Goosen tendered his resignation as chief executive and stepped down as a director with effect from 31 December 2023. On 30 November 2023, Ashley Bell, a current non executive director of the company, was appointed as chief executive of the company with effect from 1 January 2024;
- following the amendment to the Financial Intelligence Centre Act, two of Bell's subsidiaries (BECSA and BESSA) were considered accountable institutions. In line with such Act, the required registration was completed and ongoing compliance with obligations is being undertaken by such entities;
- the bi annual formal board, committee, external and internal auditor, company secretary and chairman self evaluations were undertaken towards the end of 2023 and the outcome thereof will be considered by the nominations committee during the first quarter of 2024, with appropriate action items reported to the board; and
- the ongoing monitoring of compliance with King IV and other material legislation affecting the group.

Governance focus areas in 2024:

- in an environment of heightened global awareness of data protection and privacy issues, and the related risks that are amplified in the current digital age, the group will continue to position itself to take advantage of its investment in technology to protect its digital information and continue to ensure that effective governance policies and processes are in place to address these issues;
- the company's ESG journey is continuing with the appointment of an external service provider to assist the company to develop and refine its ESG framework, thereby enhancing and coordinating its approach to ESG, especially in respect of how it reports its performance externally, utilising best practice guidance and frameworks that are appropriate for its business;
- close monitoring of economic conditions continue to take place given the macroeconomic uncertainty associated with continued port delays, supply chain concerns, rising interest rates, high inflation, and the ongoing strain on talent. Pursuing long term sustainability of the business will remain a focus area of the board.

The group has an established and comprehensive group approvals framework aimed at clarifying the various limits of authority in place within the group. This framework is reviewed by the board annually.

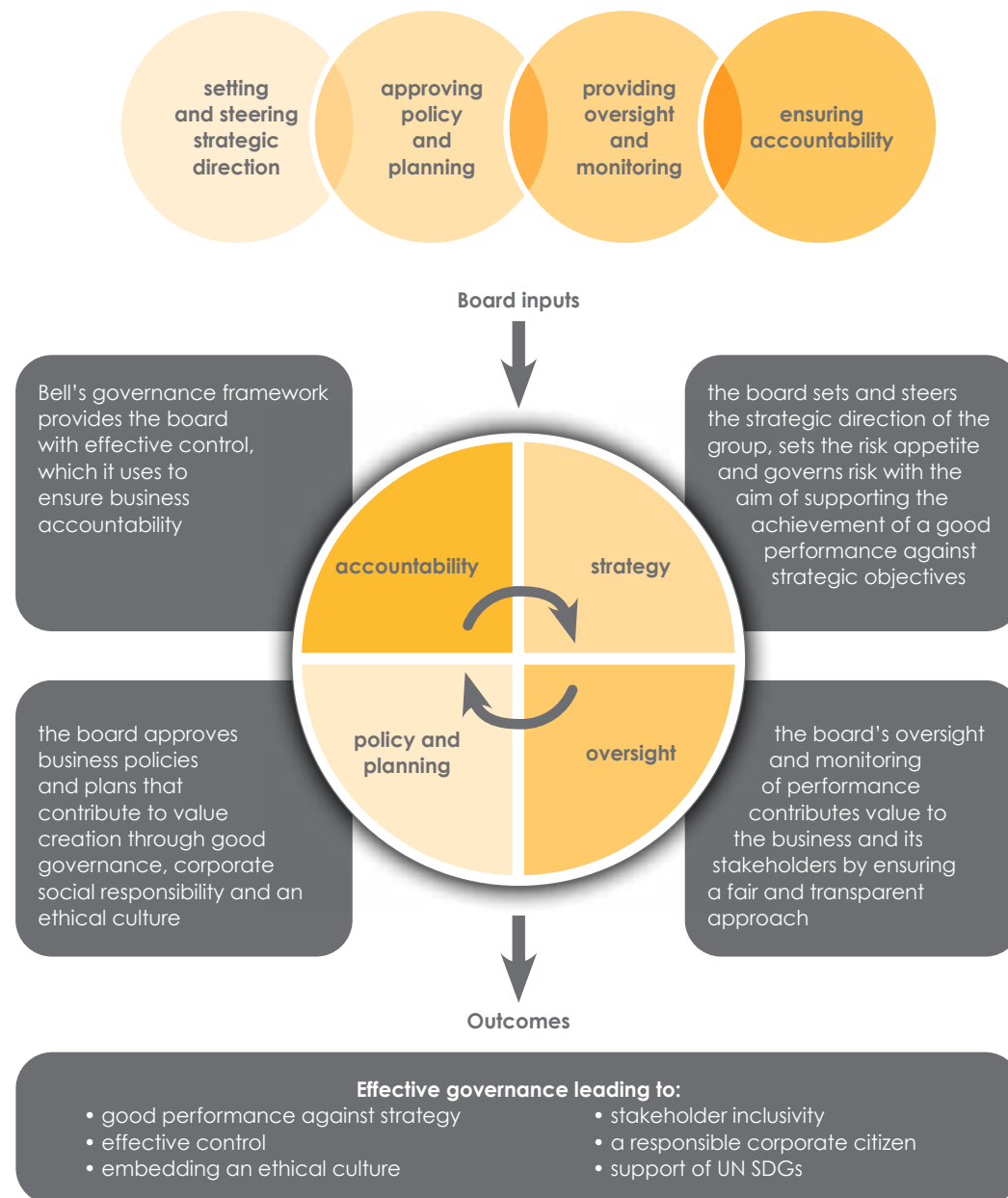
The board recognises that delegating authority does not reduce the responsibility of directors to discharge their statutory and common law fiduciary duties. As a parent company, Bell Equipment Limited strives to exercise appropriate governance oversight over its subsidiaries while acknowledging their independence and the legal and governance responsibilities that apply to each subsidiary. The subsidiary directors are bound to adhere to the group approvals framework and group policies although this does not absolve the directors of subsidiary boards from exercising their fiduciary duties.



A key responsibility of the board is to set and steer the strategic direction of the group with the aim of supporting the achievement of good performance against its strategic objectives while taking into account the interconnectedness of its core purpose, risks and opportunities, business model, performance and sustainable development.

On an annual basis the GEC formally presents the short, medium and long term strategy to the board which challenges it constructively in respect of its assumptions, time frames and objectives and, if satisfied, formally approves the strategy, budget and targets for the ensuing year. The board and the GEC work closely in determining the strategic direction and objectives of the group as set out in the strategic vision of the group on page 32.

The board's collective responsibility for its primary governance roles



King IV principles

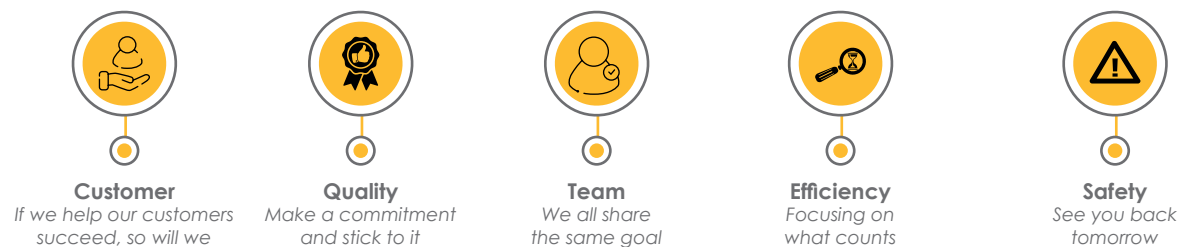
King IV promotes good governance, transparency in leadership and decision making, and focuses on sustainability. In line with King IV's recommendation to apply and explain how Bell Equipment practices good governance, we have prepared our detailed King IV application register on the investor website, confirming the group has applied the King IV report throughout the 2023 financial year and the directors confirm that the group has in all material respects voluntarily applied the principles of the code. The group views developments and governance trends as opportunities to continuously improve and entrench its own standards.

Ethical culture

Good corporate governance is essentially about effective, ethical leadership. While leadership starts with each individual director, it finds its expression through the board as a collective, setting the appropriate example and tone, which is referred to as ethical governance. Bell Equipment is committed to conducting healthy business practices with honesty and integrity.

The Bell group has a developed code of business conduct, a code of ethics and a prevention of fraud and commercial crime policy and is continuously involved in group wide efforts to re-emphasise the ethical values in dealing with its stakeholders that underpin these codes and policies and to provide regular ethics training to its employees.

Management is driving this leadership culture of ethical conduct by establishing the correct tone at the top in respect of the group's corporate culture by ensuring it is based on the 1-BELL philosophy and aligning it to evolving best practice.



The group will not engage in, condone or tolerate any corrupt practices and rejects all forms of dishonesty, fraud, corruption and unethical behaviour. Corruption is a risk that is managed on an ongoing basis, particularly in the diverse areas in which the group operates. Ongoing awareness training is provided on the prevention of fraud and commercial crimes. The entrenchment of applicable policies sets stringent standards relating to the prevention of fraud and the prosecution of offenders, the acceptance of gifts from third parties and the declarations of potential conflicts of interest.

A group fraud risk assessment model was developed and is frequently reviewed. Mitigating action plans and controls are in place and are updated as and when required.

The annual submission by employees of their electronic employee governance declarations confirming their compliance to the group codes and policies, their declaration of any potential conflicts of interest as set out in the conflicts of interest policy as well as their disclosure of any approved outside activities, continues to be undertaken. Any non-compliance with policies or perceived material conflicts of interest is reviewed and addressed by the GEC.

During the reporting period, an external service provider conducted a focused approach of the outside activity declaration and policy. Appropriate enhancements to the outside activity policy were made in order to improve the overall governance. Adequate training will be rolled out to the employees and a review undertaken against the updated policy and improved processes during 2024.

The established fraud working group meets quarterly or more regularly when required and monitors and oversees the investigation of all fraud related and unethical matters and reassesses the adequacy of the internal control environment (particularly those controls directly impacting on the incidents). The fraud working group provides strategic guidance to different departments on fraud and unethical behaviour detection and preventative actions. Fraud awareness training in prevention and detection of fraud in the workplace is ongoing and the staff are encouraged to report suspected fraudulent or unethical behaviour on a confidential basis via the anonymous tip off reporting line.

For this reason, Bell Equipment subscribes to the Deloitte whistle blowing service that enables all stakeholders to report anonymously on suspected dishonest behaviour. This service is administered independently by Deloitte and enables all stakeholders to anonymously report environmental, safety, ethics, accounting, auditing and control issues or other concerns. Awareness is created by advertising on staff notice forums and subsidiary company websites.

All matters reported through the anonymous tip off reporting line are also assessed by the fraud working group and meetings are set up with the internal auditors and investigators to ensure matters are effectively investigated in terms of the prevention of group fraud and commercial crime policy.



Adequate and effective control

Our board and executive leadership

The composition of the board reflects both executive and non executive directors, comprising a majority of non executive directors, of whom the majority are independent, in order to ensure that there is a clear balance of authority so that no one individual has unfettered decision making powers. All directors, both executive and non executive, understand their legal duty to act with independence of mind in the best interests of the company.

The board annually considers whether the size, composition and diversity are appropriate to ensure its effectiveness. Further details in respect of the composition and diversity of the board are set out in the leadership report on page 15.

Roles and responsibilities of the chairman, lead independent non executive director and chief executive during the reporting period

| Position | Chief executive: full time executive director | Chairman: non executive director | Lead independent non executive director |
|------------------|---|---|---|
| Incumbent | <ul style="list-style-type: none"> • Leon Goosen resigned as chief executive with effect from 31 December 2023 • Ashley Bell was appointed as chief executive with effect from 1 January 2024 | <ul style="list-style-type: none"> • Gary Bell | <ul style="list-style-type: none"> • Hennie van der Merwe |
| Role | <p>The role of the chief executive, as determined by the board, is formalised and is separate from that of the chairman and is clearly defined to include:</p> <ul style="list-style-type: none"> • own the vision and build the culture of the group; • oversee and deliver the group's performance; • lead the group and the management team; • be ultimately responsible for all day to day management decisions and operations of the group in order to implement the strategic goals set by the board through the GEC; • be the group's principal spokesperson; and • act as direct liaison between the board and management and communicate with the board on behalf of management. <p>The chief executive does not currently have any additional professional commitments.</p> | <ul style="list-style-type: none"> • provide leadership and firm guidance to the board, while encouraging proper deliberation; lead the board and not the company; • be the link between the board and management; • be the main link between the board and shareholders; and • provide skills and industry experience to the group. <p>As Gary Bell is not an independent non executive chairman, a lead independent non executive director is appointed to handle all matters where the chairman may be perceived to be conflicted.</p> | <ul style="list-style-type: none"> • provide independence as the chairman is not an independent non executive director; • ensure adherence to good governance principles; • handle all conflict of interest matters that may arise; • assume the responsibilities of the chairman when the latter is unable to attend relevant board and committee meetings; and • assume the responsibilities of the chairman when the chairman's performance is being appraised or term of office is being reviewed. |

Ashley Bell, the chief executive, and other executive directors are employed on service contracts. Karen van Haght is a full time executive finance director of the group. There is a formalised succession plan in place for the members of the GEC including the chief executive and finance director.

All non executive directors have unrestricted access to management at any time. When required, non executive directors are entitled to access the external auditors and, at Bell Equipment's expense, are able to seek independent professional or expert advice on any matters pertaining to the group.



Board charter

Our board charter and code of conduct regulates the parameters in which a board operates and ensures the application of good corporate governance principles in all dealings in respect of and on behalf of the company and the group. The board charter and each of the committees' charters are reviewed annually. The board and committee charters are available on request from the company secretary.

The directors retain overall responsibility and accountability for:



- monitoring corporate governance, approval of the group's strategy, setting objectives, monitoring implementation of board plans and strategies, effective leadership on an ethical foundation;
- approving the strategic direction of the group and the budget necessary for the implementation of the strategy;
- being the guardian of ethics and the values of the group;
- exercising leadership, integrity and judgement in directing the group so as to achieve continuing prosperity for the group, retaining full and effective control of the group;
- appointing the chief executive and ensuring proper succession planning for the group's executive directors and senior management;
- assuming overall responsibility for risk management;
- safeguarding the integrity of corporate governance processes;
- ensuring that technology and systems used in the group are adequate to run the business properly and evaluating and monitoring IT governance within the group;
- implementing best practice disclosure and reporting practices that facilitate transparent and open communication with key stakeholders throughout the year;
- ensuring that procedures and practices are in place, including systems of internal control, that protect the group's assets and reputation; and
- approving the annual financial statements and the integrity of the integrated annual report.




Committees' mandate and charters

The board charter allows for the delegation of responsibilities to committees formed by it to assist in the execution of its duties, power and authority, taking into account the dictates of the Companies Act and the JSE Listings Requirements. The board applies responsible governance in ensuring the managing of the business within the approved risk appetite through various board committees and delegation to such committees is formal and involves approved and documented charters for each committee, which are reviewed annually, and any changes are approved by the board. The board annually reviews whether each committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively.

In line with the Companies Act and King IV, the group has a separate audit committee, a remuneration committee, a social, ethics and transformation committee, a nominations committee and a risk and sustainability committee. They play an important role in enhancing good corporate governance and improving internal controls, thus assisting in the sustainable performance of the group. There are further management committees, including the Bell audit services committee which the audit committee chairman attends, the fraud working group and the credit committee.

The board is satisfied that the committees are aligned with the principles set out in King IV and are appropriately structured and competent to deal with the company's existing and emerging issues and that they have effectively carried out their responsibilities according to their charters and terms of reference, and the annual work plans that are approved at the commencement of the year.

| | Composition | Members and meetings in the reporting period | Role |
|-----------------------------------|---|---|--|
| Audit Committee | <p>A minimum of three members, all of whom are independent non executive directors who are elected annually at the AGM, until the next AGM.</p> <p>The chairman of the risk and sustainability committee will be an ex-officio invitee of the audit committee.</p> | <p>Chairperson:</p> <ul style="list-style-type: none"> Derek Lawrance - independent non executive director. <p>Members:</p> <ul style="list-style-type: none"> Rajendran Naidu - independent non executive director; Mamokete Ramathe - independent non executive director; Ushadevi Maharaj - independent non executive director. <p> meetings were held during the year.</p> | <p>The roles and responsibilities of the audit committee are aligned with the statutory functions as set out in the Companies Act and the regulations to the Companies Act and include:</p> <ul style="list-style-type: none"> oversight of the group's financial reporting; ensuring continued independence of external auditors; overseeing the external audit process; overseeing the integrated reporting; applying, as practical, the combined assurance model to ensure a coordinated approach to all assurance activities; reviewing the expertise, resources and experience of the finance function; considering the appropriateness of the expertise and experience of the finance director; and overseeing the internal audit function. <p>The audit committee has ensured that the group has established appropriate financial reporting procedures and that those procedures are operating. This included considering the group structure to ensure that it has access to all the financial information to allow the group to effectively prepare the report on the financial position of the group. The audit committee has also ensured that the appointment of the auditor is presented and included as a resolution in the upcoming annual general meeting.</p> <p>Further detail can be found in the full report by the chairman of the audit committee, forming part of the audited annual financial statements.</p> |
| Risk and Sustainability committee | <p>At least four directors, the majority of whom shall be non executive directors.</p> <p>At least one of the non executive directors appointed by the board shall be appointed from the members of the audit committee. The chief executive and the finance director shall be standing members of the risk and sustainability committee.</p> | <p>Chairperson:</p> <ul style="list-style-type: none"> Hennie van der Merwe - lead independent non executive director. <p>Members:</p> <ul style="list-style-type: none"> Ashley Bell - chief executive; Gary Bell - non executive chairman of the board; Derek Lawrance - independent non executive director; Ushadevi Maharaj - independent non executive director, appointed with effect from 1 January 2024; Karen van Haght - finance director. <p> meetings were held during the year.</p> | <p>The risk and sustainability committee is responsible for:</p> <ul style="list-style-type: none"> the review and monitoring of the implementation of the group's risk management policy and plan; the review of the Bell Equipment group risk appetite and risk tolerances and the review of the risk appetite and risk tolerance matrices, the Bell Equipment group strategic risk register and the high impact risks that are reported on at the risk and sustainability committee meetings; the review and assessment of the risk philosophy, strategy and policies recommended by the GEC and the consideration of the reports by the GEC on these issues; reporting to the audit committee on its findings in respect of material legal and compliance risks and in respect of the company's policies on risk assessment and risk management which may have an impact on the group's financial statements; reviewing the adequacy of insurance coverage; focusing on the development, progressive implementation and monitoring of the policies and plans to deal with the sustainability issues which relate to the long term sustainability of the group; reviewing the integrated annual report to shareholders with regard to the relevant sustainability considerations as set out in the stakeholder relations report; and considering whether and to what extent external assurance is required on integrated reporting to shareholders with regard to the relevant sustainability considerations. |

| | Composition | Members and meetings in the reporting period | Role |
|---|---|--|--|
| Social, ethics and transformation committee | <p>Not less than three directors and/or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business and must not have been so involved within the previous three financial years of the company.</p> <p>The social, ethics and transformation committee shall be chaired by a non executive board member and who is not the chairman of the board.</p> | <p>Chairperson:</p> <ul style="list-style-type: none"> Mamokete Ramathe - independent non executive director. <p>Members:</p> <ul style="list-style-type: none"> Gary Bell - non executive chairman of the board; Ashley Bell - chief executive; Rajendran Naidu - independent non executive director; Karen van Haght - finance director. <p> meetings were held during the year.</p> | <p>The responsibilities of the social, ethics and transformation committee, which are aligned with the statutory functions as set out in the Companies Act and the Regulations to the Companies Act, include:</p> <ul style="list-style-type: none"> monitoring group activities on social, transformation and economic development, good corporate citizenship, environment, environmental risks, health and safety, consumer and other stakeholder relationships, labour and employment; compliance with the Employment Equity Act and BBBEE legislation; and educational development of its employees. <p>Further detail can be found in the full report by the chairman of the social, ethics and transformation committee on page 82.</p> |
| Remuneration committee | <p>At least three non executive directors of the board, a majority of whom are independent non executive directors.</p> <p>The chief executive attends all remuneration committee meetings by invitation.</p> | <p>Chairperson:</p> <ul style="list-style-type: none"> Derek Lawrance - independent non executive director. <p>Members:</p> <ul style="list-style-type: none"> Rajendran Naidu - independent non executive director; Gary Bell - non executive chairman of the board; Mamokete Ramathe - independent non executive director. <p> meetings were held during the year.</p> | <p>The roles and responsibilities of the remuneration committee are to:</p> <ul style="list-style-type: none"> oversee the establishment of and regularly review the group remuneration policy; ensure that the remuneration policy and the implementation report are both put to non-binding advisory votes at the AGM of shareholders and that the process of engagement with shareholders in the event of a 25% or more vote against such reports is followed; oversee the preparation of the remuneration report for inclusion in the integrated annual report; advise on non executive directors' remuneration; advise on and monitor executive remuneration and ensure that the group's executive directors and management are rewarded fairly in accordance with their individual contribution to the group's overall performance objectives; review and approve incentive bonus or share schemes, and evaluate the chief executive's performance. <p>The detailed responsibilities of the remuneration committee can be found in the remuneration committee report on page 86.</p> |
| Nominations committee | <p>At least three non executive directors, a majority of whom shall be independent non executive directors, and one of whom shall be the chairman of the board and/or the lead independent director who shall also be the chairman of the nominations committee.</p> | <p>Chairperson:</p> <ul style="list-style-type: none"> Hennie van der Merwe - lead independent non executive director. <p>Members:</p> <ul style="list-style-type: none"> Rajendran Naidu - independent non executive director; Gary Bell - non executive chairman of the board; Mamokete Ramathe - independent non executive director. <p> meetings were held during the year.</p> | <p>The roles and responsibilities of the nominations committee are:</p> <ul style="list-style-type: none"> to ensure appropriate board composition in order to achieve the appropriate balance of skills, experience and diversity required to lead, control and best represent the group; to consider the performance of directors and oversee the development and implementation of continuing development programmes for directors; to review the policy which details the procedures for appointments to the board, and which ensures a balance of power and authority at board of directors' level so that no one director has unfettered powers of decision-making; and to review succession planning arrangements for the board and the executive management of the group. |



The company secretary

The company secretary plays a pivotal role in the corporate governance of the group. She attends all board and committee meetings and provides the board and directors, collectively and individually, with guidance on the execution of their governance roles. She continues to ensure that board procedures, regulations and governance codes are observed. She coordinates the induction programme for newly appointed directors, as well as the board and committee evaluation process.

Directors have unrestricted access to the advice and services of the company secretary. The board remains satisfied that the company secretary has the requisite competence, qualifications and experience to carry out the required responsibilities and continues to be independent of the board. The company secretary is not a director of the company.

The company secretary is able to interact with the board and its individual directors at arm's length. Abbreviated biographical details of the company secretary are set out in the leadership report on page 18.

Attendance at board and committee meetings

The board meets at least once every quarter. Additional meetings are convened to consider specific business issues that may arise between scheduled meetings. During the year under review, an additional board meeting was convened to consider specific business. Further details of the board and committee attendances can be found in the leadership report on page 15.

Conflicts of interest, insider trading and share dealings

The board recognises the importance of acting in the best interests of the group and protecting the legitimate interests and expectations of its stakeholders. The board consistently applies the provisions of the Companies Act on disclosing actual direct and indirect conflicts of personal financial interests as well as the perception of a conflict, including that of their related parties.

Directors are required to declare their personal financial interests in contracts or other matters in which Bell Equipment has a material interest, or in matters which are to be considered at a board meeting, in general annually and specifically at the commencement of each board meeting and each committee meeting, in accordance with the requirements of the Companies Act. Any director or attendee that declared a conflict of interest or a personal financial interest is excused from the meeting for the duration of the relevant matter being considered.

All directors are required to comply with the group code of ethics, the provisions of the Financial Markets Act, 2012 (as amended) and the JSE Listings Requirements regarding inside information, price sensitive information, dealings in securities and the disclosure of such dealings which are covered in various Bell codes, policies and procedures, including the group code of business conduct and the group information and corporate conduct policy.

Bell's group information and corporate conduct policy prohibits directors, prescribed officers and the company secretary from dealing in securities relating to the company in closed or prohibited periods or without receiving the required written clearance. Details of all dealings by directors, prescribed officers, the company secretary and their associates during the reporting period are contained in the directors' report, forming part of the audited financial statements, and were disclosed within the prescribed time frames and announced timeously via SENS to the market.

Financial statements and internal controls

The group has developed an effective group controls framework to provide reasonable assurance to management with respect to financial statement preparation, asset safeguarding, order to cash, IT general controls, inventory, payroll, treasury, procure to pay, warranty and company secretariat functions.

The minimum controls required in each group operation for each business cycle, with clear accountability by name for each control, are in place and such a framework is key to driving an improvement in controls throughout the group. A control self assessment tool to assist managers in managing the internal controls within their areas of accountability is being successfully utilised by the group.

The implemented standards and systems of internal controls continue to be improved by management to provide reasonable assurance on the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for shareholder investments and group assets.

The board is of the opinion that the internal financial controls are adequate and that the financial records can reliably be used for preparing the financial statements in accordance with IFRS and to maintain accountability for the group's assets and liabilities. This allows the chief executive and chief financial officer to provide the necessary representation in terms of the JSE listings requirements that the essential internal financial controls are adequate and operating as intended.

During the year under review no matters came to the attention of the directors to indicate that a breakdown in the functioning of controls, resulting in material loss to the group, had occurred during the year and up to the date of this report.

External audit

The group announced via SENS in 2021 that the board endorsed a recommendation by the company's audit committee, to propose PricewaterhouseCoopers Inc. for appointment by shareholders as the new external auditor of Bell Equipment and its subsidiaries for the financial year commencing on 1 January 2024, with Mr. Pieter Vermeulen as the designated individual auditor. A proposal to this effect is being tabled at the company's upcoming AGM in May 2024.

The incumbent external auditor, Deloitte & Touche, remained as the company's auditors for the 2023 financial year and their appointment will terminate upon the conclusion of the audit of the financial year ending 31 December 2023.

The external auditors are responsible for reporting on whether the financial statements are fairly presented and whether they are prepared in all material respects in compliance with IFRS.

Their audit also includes an assessment of selected internal controls. The preparation of the annual financial statements and the adequacy of the systems of internal control remain the responsibility of the directors. Further information on the external auditors can be found in the audit committee report and forming part of the audited financial statements.

Internal audit

Ernst & Young Advisory Services continues to provide the group with internal audit services on an outsourced basis. The risk based audit approach continues to be adopted. The annual internal audit plan is developed giving due consideration to the risks identified as well as business requirements and is approved by the audit committee.

IT and cyber related risks, system upgrades, rollouts and significant IT projects have been incorporated in the internal audit plan. The GEC and the Bell audit services committee are kept fully up to date with the internal audit function's activities through comprehensive reports that include the internal audit findings and recommendations, management comments and regular status updates. During the year in review, the Bell Equipment group internal audit function fulfilled its duties with the support and cooperation of the board of directors, management and staff.

IT governance and compliance

Information and technology governance and compliance is an integral part of Bell Equipment's business operations and acts as an enabler to achieve the group's strategic objectives. The appointed chief information officer and IT steering committee ('the steering committee') ensures accountability and oversight of the IT risk, governance and compliance across the group.

The steering committee will also ensure that information and technology are leveraged to produce the information required, optimise IT resources to deliver value, manage risk, sustainability and business performance. The steering committee ensures that matters such as ever increasing regulatory and governance compliance, cybersecurity and digital transformation are adequately addressed, whilst continuously focusing on innovative and business centric IT solutions.

The IT controls framework is aligned to COBIT and includes robust information security systems, protocols and procedures to enable the business to effectively protect its assets.

Information and technology are seen by the board and the GEC as having a profound impact on the business processes within the organisation, and therefore emphasis is placed on ensuring that necessary skills are in place, that the responsibilities are adequately discharged and the potential benefits that result from using technology are being embraced and closely monitored.

The IT strategy is continually revised to ensure alignment with business strategic goals, incorporation of the impact of technology drivers and trends, and appropriately mitigate IT risks. The implementation of cybersecurity measures and the initiatives to maintain the integrity, confidentiality and availability of data assets and technologies are well established and ongoing. The security incident monitoring system is an effective, developed reporting system that is used to identify issues that may turn into potential violations and is closely monitored by the cybersecurity team and reviewed monthly by the chief information officer and IT operations manager.

Security awareness training was rolled out to all users on a scheduled basis during the course of the year with

an 85% overall successful completion rate. Simulated phishing tests are used to measure the success of Bell's awareness campaign, presently reflecting behaviour patterns 15% ahead of industry peers. In 2023 role based awareness training was incorporated in the plan, further enhancing awareness initiatives. IT governance and compliance audits are ongoing, which includes ISO 27001 standards as a guiding framework. Both internal and external audit continue to perform annual reviews of the IT compliance and controls. There are systems in place to continue to monitor and ensure that POPIA and GDPR are communicated and complied with.

In order to enhance performance, increase security, reduce downtime and improve communication, investment was made to migrate systems off old infrastructure to new production clusters and relocate key infrastructure to a datacenter in Europe.

In 2023 Bell transitioned from conventional antivirus software by investing in Endpoint Detection and Response ('EDR') capability, better positioning the company to detect and respond to advanced and sophisticated cyber threats. To further augment cybersecurity capabilities, Bell invested in a Managed Detection and Response service to complement the deployment of EDR and fortify existing team resources. This aims to further strengthen the overall cybersecurity posture and enhance the capacity to proactively manage and respond to potential threats.

Having successfully migrated the logistics ERP systems to SAP S4Hana in 2023, the roadmap and investment in consolidated, upgraded, fit for purpose ERP foundation systems continue in 2024. The initial stage of a two phase implementation for a manufacturing ERP solution, set to replace our legacy systems, begins in 2024.

All planned information and technology investment is undertaken to ensure that the business addresses stakeholder expectations and drives long term sustainability.

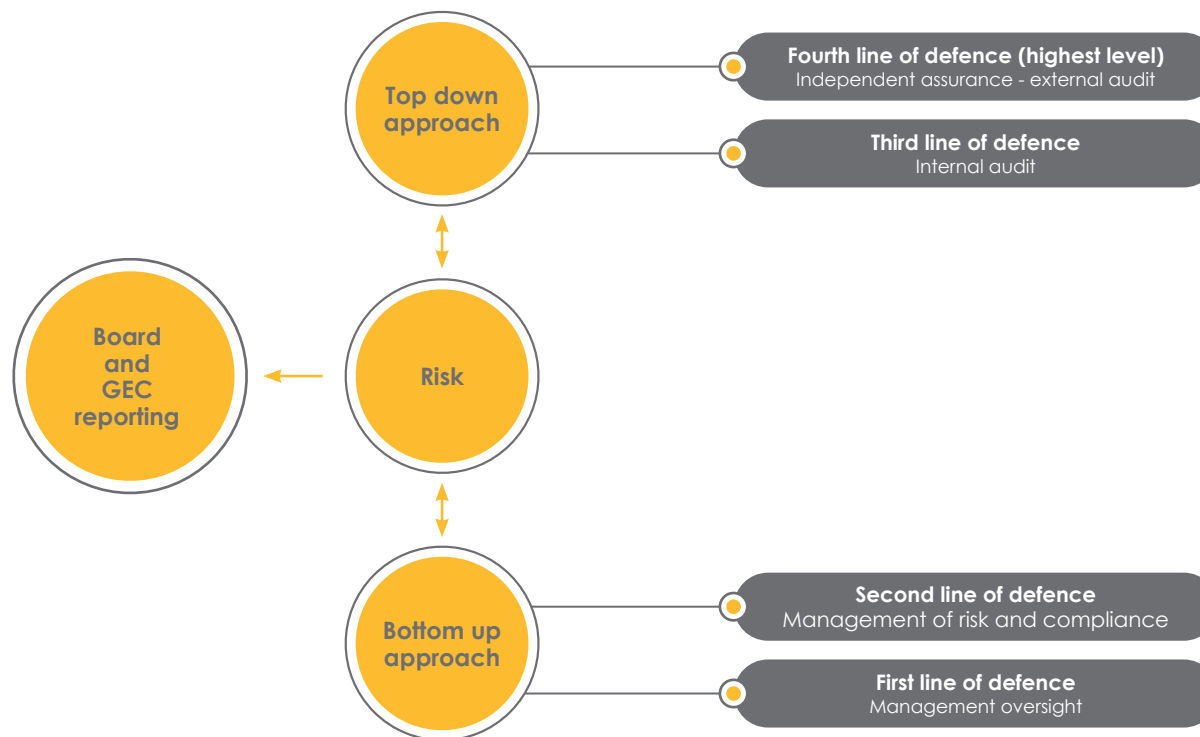
Risk Management

The board is responsible for the governance of risk management within the Bell Equipment group and has approved a policy and framework to identify, analyse, report and mitigate risks, and thereby govern the group risk management process. Oversight is delegated to the risk and sustainability committee, which is a committee of the board. The board sets the Bell Equipment group risk appetite and risk tolerances annually on the recommendation from the committee. The strategic risk registers, high impact risks, risk plans, risk appetite and risk tolerances are presented to the committee. The chairperson of the committee reports the most significant risks derived from the above process to the board.

Management assesses risk in accordance with international best practice based on probability, impact, and quality of the existing control environment. These measures produce residual risk scores that indicate the significance of the risk and allow for prioritisation of risk mitigation measures.

The Bell Equipment risk management framework model classifies the risks into types of risk with a potentially positive or negative effect on the ability of the business to meet its strategy and protect or create value. It then goes on to formulate the approach to be followed in managing risks, monitoring controls in place, identifying additional controls required and allocating who is responsible in managing the risk.

Combined assurance is based on identified risks and how assurance is achieved and reported to the board through the various committees.



Trust, good reputation and legitimacy

Legal and regulatory environment

The board is responsible for the governance of compliance with applicable laws and with adopted non binding rules, codes and standards.

The company secretary, supported by external counsel, is responsible for providing advice to the operational business units, creating awareness and developing an understanding of the relevant existing, new and amended legislation and regulations. An analysis of the current and pending legislation and regulations relevant to the group is presented to the board and to the relevant committees during the year. The company secretary has unrestricted access to management, employees, activities and all information considered necessary for the proper execution of the legislative compliance function.

Board members are committed to complying with the disclosure, transparency and listing rules of the JSE and King IV. The group voluntarily complies with a range of non binding rules, codes and standards throughout the group.

The Bell Equipment group takes very seriously its compliance with all regulatory obligations, including compliance with competition law. The group has not been sanctioned for anti competitive practices or for non compliance with the Competition Act during the year. The Bell Equipment group does not condone price fixing or any form of collusion whatsoever.

Bell Equipment continues to engage the services of specialist competition lawyers, including senior counsel, to advise the group in respect of the Competition Commission's referral of a complaint to the Competition Tribunal against the Contractors Plant Hire Association ('CPHA') and its members, including Bell, as an associate member at the time, alleging that the respondents have entered into an agreement and/or are engaged in a concerted practice wherein they have fixed the rate at which they rent out their machinery and plant equipment and/or fixed trading conditions relating to the renting of their machinery and plant equipment in contravention of section 4(1)(b)(i) of the Competition Act.

Bell Equipment is not a plant hire company and its interactions with the CPHA and its members have since come to an end. Bell Equipment is not aware of any wrongdoing regarding its interactions with the CPHA and its other members during the relevant period.

No significant incidents of legislative infringements were recorded during the year reflecting effective compliance management and governance processes that were adhered to across the group. There were no prosecutions of group companies or directors and officers for failure to comply with any applicable legislation or codes of conduct.

Engagement with stakeholders

The board acknowledges that it is ultimately responsible for the management of relationships with the group's major stakeholders. A strong emphasis is placed on its customers, alliance partners, suppliers, employees and shareholders.

Factory visits

Due to our global presence many people are unaware of our South African roots and the extent of our operations. We have found that inviting customers, dealers, and other stakeholders through our Richards Bay factory is an effective way to showcase who we are and what we do. The immersive experience shows our commitment to driving progress and shaping the future of our industry.

Richards Bay factory visitors in 2023

International visitors
83

South African visitors
164

Financial and non financial information continues to be disseminated timeously and accurately to all stakeholders. The publication of the annual reporting suite, including the integrated annual report was undertaken in 2023 and both interim and annual financial results were presented to investors by executive management.

The voting rights of Bell's shareholders are detailed in the company's MOI and are subject to the requirements and the limitations prescribed by the JSE's Listings Requirements. All shares currently authorised and in issue are ordinary shares, with no differing share classes being provided for.

All authorised and issued ordinary shares have the same voting rights and rank *pari passu* in all respects.

The AGM took place on 31 May 2023 virtually in order to provide easier access to the meeting by a greater number of shareholders. The annual financial statements, report of the social, ethics and transformation committee and various other resolutions for voting by shareholders were presented.

The board through the social, ethics and transformation committee receives formal feedback from management on a quarterly basis as to the nature of the interaction that has taken place with the relevant stakeholders during the reporting period, and as more detailed in the stakeholder engagement report on page 60.

The social, ethics and transformation committee also receives quarterly reports on forensic and fraud related investigations and progress with initiatives under the prevention of fraud and commercial crime policy.

The board ensures the integrity of the company's integrated annual report. The board also oversees the publication of the group's annual financial statements, the reports of the audit committee, the social, ethics and transformation committee report as well as the remuneration report to ensure that such online or printed information complies with legal requirements and meets the legitimate and reasonable information needs of stakeholders.

Dispute Resolution

In line with the group's stakeholder engagement considerations, conflict and dispute resolution is dealt with through constructive dialogue with the relevant parties. Where this preferred method does not result in adequate resolution of the matter, external legal advisers, mediators and/or arbitrators are engaged to expedite resolution.

Access to information

Bell Equipment continues to comply with the requirements of the Protection of Access to Information Act ('PAIA') and its corporate manual required to be disclosed in accordance with PAIA, is available on the website at www.bellir.co.za. During the reporting period no PAIA applications were received.

Social, ethics and transformation committee report



The social, ethics and transformation committee ('the committee') is constituted as a formal committee of the board in accordance with the Companies Act read with the regulations promulgated thereunder and King IV.

Dear shareholders,

I am pleased to present the committee report for the year ended 31 December 2023.

The committee's terms of reference detail its composition, functioning and duties in terms of the Companies Act, the JSE Listings Requirements and King IV, as well as responsibilities allocated to it by the board. The board approved terms of reference are annually reviewed for relevance.

This report should be read together with the corporate governance report on page 71, the stakeholder engagement report on page 60 and the sustainability report on page 44 which reports will provide stakeholders with a comprehensive review of how the group creates sustainable value.

The group is committed to endorsing the 10 principles set out in the United Nations Global Compact Principles ('UN Compact'), advocated by the Universal Declaration of Human Rights and International Labour Organisation.

THE GLOBAL GOALS
For Sustainable Development



Role and responsibilities of the committee

The committee acts in terms of the board's delegated authority and performs an independent oversight function. It assists the board in monitoring the group's and that of its subsidiaries' activities and disclosures in terms of law and codes of best practice relating to:

- embedding an ethical culture in the organisation;



- the environment, health and public safety, including the impact of its activities and of its products, and the annual review of the group's environmental policy;



- corporate social investment, including sponsorships, donations and charitable giving;



- stakeholder relations including consumer relationships and contribution to the development of the communities in which it operates;



- strategic empowerment and transformation;



- labour and employment, including the group's standing in terms of the International Labour Organisation ('ILO') protocol on decent work and working conditions, its employment relations and contribution toward the educational development of its employees;



- promotion of equality, prevention of unfair discrimination, and zero tolerance of corruption;



- compliance by the group's supply chain with the group's ethical standards.



Composition and functioning of the committee

The committee comprises independent non executive directors, Mamokete Ramathe, the chairperson, and Rajendren Naidu. The chairman of the board, Gary Bell, Ashley Bell, the newly appointed chief executive, and Karen van Hagt, the executive group finance director, are also members of the committee. The members of the committee are nominated and appointed by the board. The five suitably skilled and experienced members have an appropriate mix of talent with a majority of non executive directors who are not involved in the day to day management of the business. Both the human resource executive and the chief strategy officer attend the meetings of the committee as standing invitees.

The effectiveness of the committee is assessed as part of the board and committee self evaluation process. The latest self assessment was undertaken in December 2023 and the outcome of such assessment will be considered by the committee in the first half of 2024.

Attendance at committee meetings in 2023

| | February | August | November |
|------------------|----------|--------|----------|
| Mamokete Ramathe | ✓ | ✓ | ✓ |
| Rajendren Naidu | ✓ | ✓ | ✓ |
| Gary Bell | ✓ | ✓ | ✓ |
| Ashley Bell | ✓ | ✓ | ✓ |
| Karen van Hagt | ✓ | ✓ | ✓ |

Fees paid to the chairperson per meeting

R24 330 in 2023 (R22 950 in 2022)

Fees paid to the committee (including the chairperson) per member per meeting

R24 330 in 2023 (R22 950 in 2022)

Focus areas of the committee

During the course of the reporting period the committee met three times. The following focus areas were considered by the committee:

- In understanding the importance of the committee's oversight role in respect of the environmental, social and governance ('ESG') factors used in measuring the sustainability of an organisation, ESG was a standing agenda item for each meeting in order for the committee to focus on meaningful disclosure, the anticipation of risk and the identification of opportunities. An external service provider was appointed to assist the group in 2024 with commencing its ESG journey by developing a framework to ensure compliance required from an ESG reporting perspective.

Good corporate citizenship

- The committee supported the importance of building the ethical culture of the organisation by evaluating the progress made towards the maturation of the ethical culture within the group and reporting such progress to the board. The committee continued to monitor the code of ethics and the application of such ethical leadership principles throughout the group to ensure continued ethics awareness remains a key focus area for the committee. The committee considered the Institute of Directors of South Africa's paper on the governance of corruption: lessons for boards and social and ethics committees; and noted the guidance provided on how the committee could safeguard the company against corruption, including the importance of the tone at the top, an ethical culture, the importance of external assurance providers and effective whistleblowing facilities.
- The committee monitored the group's continued commitment to zero tolerance of fraud, theft, corruption or any similar illegal behaviour. It noted its commitment to compliance with all applicable anti bribery and anti corruption laws and regulations in line with the maturing group anti bribery and anti corruption compliance framework including the fraud risk assessments undertaken and the effective internal controls, ethics and compliance policies and management plans that have been developed to combat corruption and fraud.
- Reports on material disclosures received through the group's anonymous tip offs reporting line administered by Deloitte as well as any resultant investigations that had taken place during 2023 were reviewed, in conformance with the formalised tip offs policy.
- The committee considered the annual budget in line with the group's social and economic development. During 2023 Bell ensured its CSI/SED spend was undertaken with an ongoing focus on education. The group CSI and SED spend for 2023 was directed at community based projects as highlighted in the sustainability report on page 44.

Corporate governance

- The committee undertook the annual review of its charter to ensure that the correct focus was being maintained by the committee in terms of its roles and responsibilities.
- The annual work plan was reviewed to continue to align the plan with the committee's mandate, as guided by the Companies Act and King IV, with ongoing emphasis on ESG matters.
- The committee considered the relevant laws and regulations applicable to the group's operations during the reporting period and its compliance with these. The amendments to the Financial Intelligence Centre Act, 2001 ('FIC Act') specifically the amendment to Schedule 1 to the FIC Act which was amended with effect from 19 December 2022 to include high value dealers in the list of accountable institutions, was noted by the Committee, understanding that in respect of those items sold by Bell Equipment in the ordinary course of its business which have an individual value of R100 000 or more, would define Bell Equipment as a high value goods dealer and accordingly an accountable institution in terms of Schedule 1 to the FIC Act. The additional responsibilities on Bell Equipment including registering as an accountable institution, the appointment of a compliance officer, the compliance with record keeping and reporting obligations in terms of the FIC Act and identifying and vetting its customers were considered by the committee.

Social and economic development

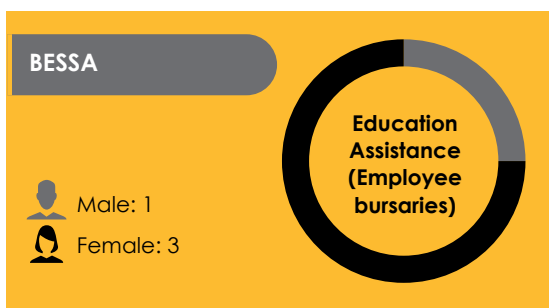
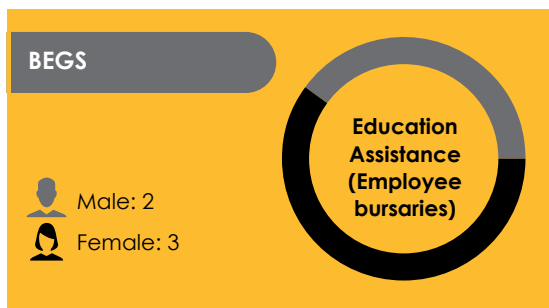
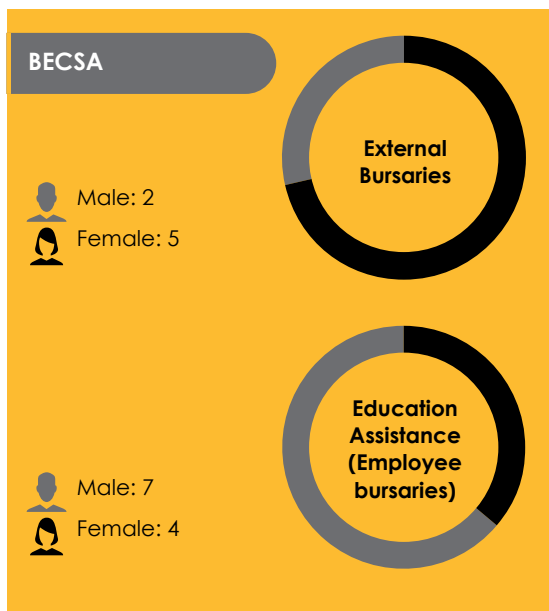
- The group's subsidiaries, BESSA and BECSA, completed their verification processes in August and September 2023 respectively and achieved a level 1 and level 3 BBBEE contributor respectively, based on the measurement criteria contained in the BBBEE Codes of Good Practice.
- The committee continues to monitor the progress of the group's South African operations in relation to its transformation targets to ensure alignment with the group's business objectives and strategies. The committee monitors the company's BBBEE progress in order to improve the group's competitiveness within the South African environment and to ensure compliance with the reporting duties required of it in terms of the regulations to the BBBEE Act and Employment Equity Act, and the BBBEE legislation in general. The committee noted the challenges that the group continues to face in respect of the sustainable absorption of black apprentices in the industry who have successfully completed their training.
- The board published its voluntary commitment to reach more than 25% female representation on its board and black member representation on its board of 30%, noting that the current composition of the board was in line with the board approved diversity policy and the voluntary race and gender diversity targets as the board had reached its race measurable target and exceeded its gender measurable target. The committee continued to deliberate on matters of diversity in a much broader sense in the past year and will continue to review progress at all levels of the organisation to promote diversity in terms of gender, race, culture, age, field of knowledge, skills and experience.

R1,25 million

BECSA spending on SED for FY2023
(FY2022: R548 320)

R1,74 million

BESSA spending on SED for FY2023
(FY2022: R1,25 million)



Labour and employment activities

- In line with the Employment Equity Act, the committee monitored the group’s development in employment practices locally and internationally and monitored progress against transformation targets and the group’s employment equity plan, a summary of such plan can be found in the sustainability report on page 44.
- Bell has participated successfully in the YES programme for 6 years and continued to enjoy the benefits of hosting the candidates inhouse, giving Bell the opportunity to monitor the candidates and identify potential full time employees, trained with the skills required within Bell, that can be absorbed into the company on completion of the twelve month programme and thereby improve the absorption statistics.
- A greater emphasis by the group in its reporting to the committee of the global view of the group’s international operations, specifically from an employee and trade union perspective was provided and assurance was received that the group remains committed to promoting equal opportunities and fair employment practices, globally, across all its businesses, and observing the principles advocated by the International Labour Organisation Protocol on decent work conditions.
- A great deal of time and money continues to be invested in the recruitment, training and development of employees and as such every effort is made to retain its current scarce and critical skills, and to recruit new talent with already developed scarce and critical skills. Bell is a significant trainer and supplier of artisans for the earthmoving industry in southern Africa.
- Further plans are being considered to ensure that the group invested, developed, upskilled and retained its human capital from a global perspective, including in service training that takes place in Germany.

Environment, health and safety

- Reports on the environment, health and public safety, including the impact of the group’s activities and products on the environment and society and the group’s continued responsible use of natural resources were considered by the committee and any issues relating to potential risk of non compliance were addressed. All risk mitigations put in place were applied and there was strict adherence to rules when it comes to matters of environment, health and safety. The group’s safety management system that is based on behaviour based safety, an identification of appropriate control measures to mitigate the risks at the individual operations, visible felt leadership and ongoing training requirements were complied with.

Stakeholder relationships

- The committee reviewed the group’s consumer relationships reports, including the group’s engagement with its customers, employees and other material stakeholder groups; and considered the group’s public relations publications, both internal and external, undertaken during 2023. Further detail can be found in the stakeholder engagement report on page 60.
- The committee considered the process and outcomes from the survey undertaken by an external service provider, who engaged with the group’s stakeholders and asked certain questions to understand their perceptions of Bell. The committee further noted that each of the stakeholders, namely customers, suppliers, employees, shareholders and banks/funders were approached to undertake the survey. Such survey would be undertaken on an annual basis to understand how the group had improved each year.

On behalf of the committee, we are satisfied that it has fulfilled its mandate as set out in the Companies Act, read with regulation 43 of the Companies Act and its terms of reference. For the period under review there have been no instances of material non compliance with relevant legislation or non adherence to codes of best practice that fall within the committee’s mandate. As chairperson of this committee, I will be available at the group’s AGM on 31 May 2024 to respond to any enquiries regarding the statutory obligations of the committee.

Mamokete Ramathe
 Chairperson
 Social, ethics and transformation committee
 28 March 2024

Remuneration committee report



This report sets out our remuneration policy and remuneration implementation report for all group employees. The report reflects how the remuneration policy and practices were implemented in the reporting period to align with shareholder value creation, thereby enabling shareholders to make informed decisions when voting on remuneration related resolutions. The report is presented in three parts.

SECTION A

Background Statement

The report summarises the philosophy and principles of and approach to remuneration at Bell. In addition, it provides an overview of the remuneration of all group employees together with the details of both executive and non executive director remuneration which is underpinned by the alignment thereof with shareholder value creation. The structure and the content of the report considers the corporate governance principles recommended in King IV in relation to the remuneration policy and the disclosure and listing requirements of the JSE.

The delivery of Bell Equipment's strategy is dependent on the values, talent and skills of all employees across the group and the committee has been mandated to ensure that the group's remuneration policy remains fair, transparent and relevant in order to drive a growing and sustainable business. This requires that there is a meaningful consideration of the group's external and internal operating environments together with the competitive landscape in respect of levels of remuneration required to ensure that the right talent is attracted and retained at appropriate levels and/or positions. This was achieved, *inter alia*, by making use of independent salary surveys, benchmarking exercises and professional advice from Deloitte Human Capital and Global Business Solutions in respect of the South African market and from Willis Towers Watson in respect of the group's European operations.

Further ongoing actions in this regard include investing in people through initiatives including talent management, development opportunities for employees and needs based training courses.

The committee will continue to provide stakeholders with clarity on how Bell Equipment's remuneration policy informs the actual pay and awards received by its executive directors, senior executives and prescribed officers as defined in the Companies Act.

Committee governance

The committee has conducted its affairs in compliance with its terms of reference, which are reviewed annually, and has discharged its responsibilities in accordance therewith. The board remains ultimately responsible for remuneration policy and will refer matters to shareholders for approval when required.

The board accepted all the recommendations made by the committee during the year and the committee's terms of reference continue to be subject to the provisions of the Companies Act, the MOI and any other applicable laws or regulatory

● **SECTION A**
The background statement which provides context to our remuneration policy and performance.

● **SECTION B**
An overview of the forward looking remuneration policy applicable in the 2024 financial year.

● **SECTION C**
Implementation report which sets out in detail how the existing policy was implemented during the year under review, including disclosure on payments made to executive directors and non executive directors during the year ended 31 December 2023.

provisions. In this regard, the committee has reviewed and implemented the King IV principles in the policy design, implementation and reporting with specific reference to Principle 14 addressing fair and transparent remuneration. It continues to consider and interpret the recommended practices in the context of King IV in a way that is appropriate for the group and the sector in which it operates.

In line with the recommendations of King IV, the committee comprises of two independent non executive directors and one non executive director as further detailed in the leadership report on page 15. The three suitably skilled and experienced members have an appropriate mix of talent.

The chief executive attends meetings by invitation to ensure that the strategic imperatives of the business and its trading environment provide context to the many and varied considerations with which this committee engages. However, he has no voting rights and is recused when his own remuneration is reviewed. In addition, other members of executive management, including but not limited to the group human resources executive, may be invited to committee meetings from time to time when appropriate, but they too have no voting rights and are not present when their particular performance is evaluated and/or when their remuneration is discussed.

The company secretary serves in her capacity as secretary to this committee which convened on three occasions during the year. The attendance details of members of the committee who participated therein are set out in the leadership report on page 15.

Key activities of the committee during the reporting period

The activities undertaken by the committee during the reporting period included the following:

- the basis for remuneration of non executive directors for the 2025 financial year was approved by the committee subject to approval by the shareholders at the AGM scheduled to take place on 31 May 2024;
- Bell was involved in a labour dispute with NUMSA, and out of the negotiations, a new bonus scheme was introduced that replaced the previous short term incentive scheme. The new bonus scheme allowed for an incentive bonus to be paid to all permanent employees in April of each year after the release of the audited group results and provided the group hurdle NPAT and inventory days targets were met;
- certain of the 2018, 2019 and 2020 strike based and zero strike based LTIS awards vested in quarter 1 of 2023 and were in the money. Following the release of the 2022 audited annual financial results of the group, they were paid out to the participating GEC members;
- the Board approved the strike based and zero strike LTIS awards per GEC member to be granted in four equal tranches over the following four years, from 2023 to 2026. The first tranche was awarded to participants in the first quarter of 2023;
- MOTTO Business Consulting continued to assist with the implementation and execution of the development plan for the GEC members and their direct reports;
- a redesign of the group's job profiles in South Africa was finalised towards the end of 2023 with the assistance of Global Business Solutions;
- a self evaluation performance review of the board and its various committees was undertaken towards the end of 2023, and the results will be considered by the committee in the first quarter of 2024.



A change to the group's member risk benefits for non scheduled employees on the Old Mutual Pension and Provident funds to create flexibility at the individual level, due to increased consumerism and financial awareness, and increased participation by members in their retirement and other benefits provisions was undertaken and implemented on 1 October 2023. The Old Mutual Pension and Provident Funds were merged into one provident fund with a compulsory contribution of 7,5% by the employer and a voluntary contribution from 0% upwards by the member. Voluntary risk benefits for death cover were also introduced and instead of a compulsory cover at 4,725 times annual pensionable salary, the member could choose cover of 1x, 2x, 3x, 4x or the 4,725 times that was available from inception of such cover.

Future focus areas of the committee

During the 2024 financial year the committee will continue to focus on the execution of its mandate according to its terms of reference, and will primarily focus on the following key areas:

- reviewing our remuneration strategy and policies to ensure equity in competing for talent in a market where there is a war on talent. We will also evaluate our international remuneration practices to ensure we are compliant with international legislation and competitive in the everchanging employee remuneration and benefits environment;
- continuing to ensure that the group's internal human resources and remuneration policies support transformation across the business;
- ongoing peer group review applicable to the LTIS and non executive directors' fees;
- the allocation of the LTIS awards for the 2024 financial year.

Independent external advisers

During the reporting period, the committee contracted Investec, Deloitte Human Capital and Global Business Solutions for independent external advice. The committee was satisfied with their independence and objectivity.

The group remains focused on rewarding in a responsible, fair and sustainable manner to ensure the retention of key employees so as not to hamper succession plans, whilst also continuing to focus on transformation. The remuneration philosophy and reward principles have remained consistent and the group continues to focus on maintaining the long term sustainability of the business and achieving balance for all stakeholders by setting appropriate performance targets that are aligned with the group's strategic plan.

This report of the committee, approved by the board of directors of Bell Equipment Limited, provides an overview of organisation wide remuneration policy. The committee has applied its collective mind to the preparation and presentation of the information in this report and believes that this report addresses the material issues and presents a balanced and fair account of the group's remuneration policy.



Derek Lawrance
Chairman
Remuneration committee
28 March 2024

Approval of remuneration policy and implementation report

In terms of the King IV principles and the JSE Listings Requirements, the group's remuneration policy and implementation report, as set out in sections B and C which follow, are required to be approved by separate non binding advisory votes at the AGM of shareholders scheduled for 31 May 2024.

Should 25% or more votes be cast against either or both of the non binding advisory resolutions, the company undertakes to engage with shareholders to ascertain the reasons for the dissenting votes. Details of the engagement process, if applicable, will be published on SENS after the AGM.

The steps taken to address legitimate and reasonable concerns (if any) of shareholders will be disclosed in the following year's remuneration committee report.

For ease of reference, the five previous AGMs rendered the following voting results pertaining to the company's remuneration policy and the remuneration implementation report, which meant that the group was not required to engage with shareholders on the remuneration policy or implementation report.

| AGM Date | Resolution | Vote in favour |
|--------------|-----------------------|----------------|
| 15 May 2019 | Remuneration Policy | 91,49% |
| 15 May 2019 | Implementation Report | 95,06% |
| 15 July 2020 | Remuneration Policy | 87,86% |
| 15 July 2020 | Implementation Report | 96,40% |
| 18 June 2021 | Remuneration Policy | 95,38% |
| 18 June 2021 | Implementation Report | 95,49% |
| 31 May 2022 | Remuneration Policy | 94,23% |
| 31 May 2022 | Implementation Report | 99,67% |
| 31 May 2023 | Remuneration Policy | 97,01% |
| 31 May 2023 | Implementation Report | 97,01% |

SECTION B

REMUNERATION POLICY

The remuneration policy is aligned with King IV and outlines the group's approach to fair, responsible and transparent remuneration processes.

This policy is applicable to all executive directors, prescribed officers and employees. Its purpose is to provide the philosophy, framework and approach in matters pertaining to employee remuneration and reward in order to ensure the attraction, motivation and retention of employees, as well as compliance with good corporate governance under appropriate statutes and regulations. The latter requires the alignment of shareholder interests with the remuneration policy as well as fair practices in this regard based on prevailing statute. The information provided in this policy has been approved by the board on recommendation by the committee. This remuneration policy will be put to a non binding advisory vote by shareholders at the next AGM on 31 May 2024 and the committee is confident of constructive engagement and a positive outcome in this regard.

The remuneration of employees should direct employee behaviour in a manner which aligns such behaviour with the business strategy and objectives of the company. Put differently, remuneration and reward are viewed as sub functions of how the business goals and governance standards will be achieved and maintained. As an ethical employer, Bell requires its remuneration and rewards policy to be discrimination free, fair and market related to reflect employee skill levels, functions and roles.

The design principles underpinning the remuneration policy take the following primary drivers into account:

- best practice in terms of market comparability;
- benchmarking based on peer group and competitor reviews;
- alignment with shareholder interests;
- mechanisms to ensure that executive remuneration is fair, transparent and responsible in the context of overall group remuneration;
- mechanisms for remuneration structures to be consistent with the group's long term requirements;
- the need to attract and retain exceptional talent as well as support career and succession planning;
- the provisions of statute, including the Employment Equity Act;
- pay for performance based on defined ranges of financial metrics;
- alignment of performance to the overall business strategy of the company and linked to strategic business objectives;
- best in practice and standardised employment contracts and policies in support of the above.

From a sustainability viewpoint, remuneration policy needs to be evaluated in the context of internal and external factors as well as the prevailing and future anticipated trading and operating conditions. The company understands its responsibility for maintaining a fully engaged workforce in order to secure the group's future and the committee understands the importance of effective communication, recognition and reward.

Indications are that the Employment Equity Act amendments will introduce sectoral targets for the representation of black women and persons with disabilities and it is anticipated that these will be implemented during 2024.

The group's remuneration policy seeks to position remuneration levels appropriately and competitively by providing a blended and weighted approach to the composition of pay packages which comprise both fixed and variable components linked to the primary strategic objectives of value creation and talent retention.

Elements of remuneration

The group operates a total cost to company ('CTC') philosophy whereby cash remuneration, and certain guaranteed benefits form part of employees' fixed total CTC remuneration. With effect from 2023 all employees will participate in a group bonus scheme as set out in this report.

GEC members also participate in a cash settled long term incentive scheme. In addition there are a number of non financial incentives associated with working for Bell Equipment which encompass shared values on governance and social responsibility, and an inclusive culture which promotes a safe and sustainable working environment, personal development and career opportunities.

Guaranteed remuneration

Annual review process

The committee conducts an annual review of the individual total CTC packages for executives and approves an overall annual percentage increase for employees below the executive level, unless no increase is granted. Increases are based on external factors such as the prevailing rate of inflation and market forces as well as on individual performance, skills, experience and effort.

The chief executive, who generally attends committee meetings by invitation, can make submissions regarding proposed CTC remuneration package increases, with the exception of his own, during the said review meetings.

Variable remuneration

Group bonus scheme

During 2023, following negotiations with NUMSA, the STIS was replaced with a group bonus scheme which consists of two parts, namely:

- an annual bonus payable with the December salaries. For scheduled employees including labour broker employees a one month's leave enhancement pay is guaranteed, in accordance with the MEIBC Main Agreement; for the non scheduled employees from task grade 1 to 10 one month's salary is guaranteed; and for non scheduled employees from task grade 11 and above, a maximum of one month's salary is payable at the discretion of the board if the group's financial performance allowed for such a bonus; and
- an incentive bonus payable to all permanent employees in April of each year after the release of the audited group results, provided the group hurdle NPAT and inventory days targets are met.

The incentive bonus:

- is based on an incentive pool of 50% of the excess audited Bell group NPAT above the hurdle NPAT for the relevant financial year;
- includes a working capital hurdle, in the form of budgeted inventory days that must also be met for an incentive to be earned;
- is limited to one month's salary;
- rules make provision for an additional bonus for the GEC at the discretion of the board, to enhance the 1 month pay incentive for executives, provided that the executives have met their personal performance targets;
- measures and rules are reviewed annually and changes are approved by the committee.

Cash settled LTIS

The cash settled LTIS makes provision for long term incentivisation in the form of a notional share appreciation rights scheme:

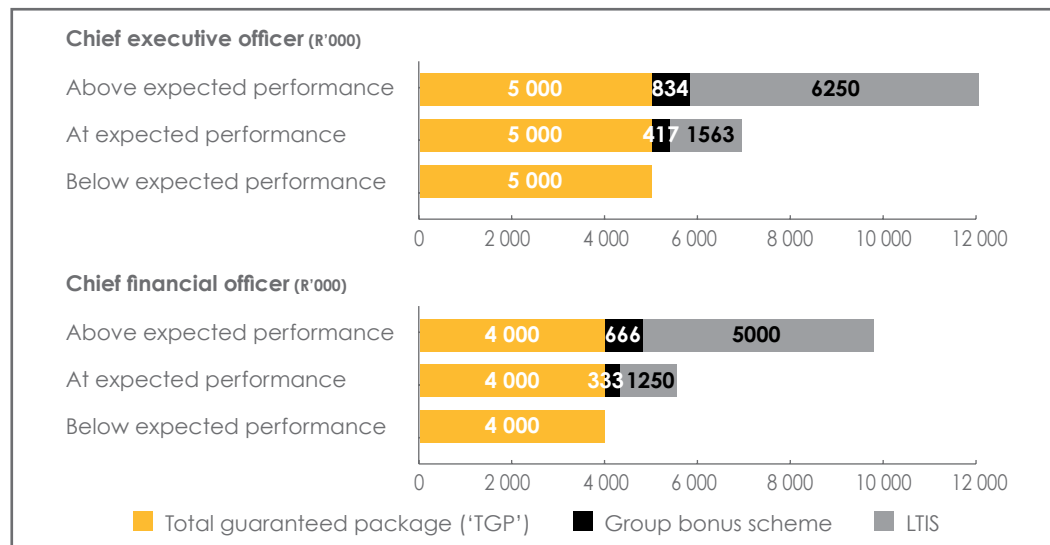
- the board has awarded annual strike based and zero strike awards to GEC members since 2018. The annual number of awards granted to GEC members was determined with reference to market norms for long term incentive schemes and a multiple of the salary packages of the participants;
- the objective and purpose of the LTIS is to grant forfeitable phantom share awards to key executives to enable them to benefit from an increase in Bell Equipment's share price;
- the awards comprise a blend of zero strike and strike based awards, with the zero strike portion subject to a 50% split between HEPS and ROIC performance conditions;
- the weighting of the strike versus zero strike based options is 40% strike based options and 60% zero strike based options;
- in respect of the strike based awards, qualifying employees benefit from the cash equivalent of the growth in the share price between the strike price and the market price;
- in respect of the zero strike awards, qualifying employees benefit from the cash equivalent of the market value of the shares, without any strike price reduction, if the HEPS and ROIC performance conditions are met.

From the 2020 awards, the ROIC was introduced as a performance hurdle. In respect of the 2020 and 2021 awards, the annual ROIC performance hurdles were based on a sliding scale from 6,5% to 12,9%.

With effect from the 2022 awards, the ROIC performance hurdle is calculated according to a table using an average of the ROIC's earned during the 3, 4 and 5 year vesting periods, other than that no pay out will be made on a ROIC lower than 15% pa:

- the HEPS performance condition is that the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year end of the group prior to the vesting date, must meet or exceed the HEPS growth rate of inflation plus 5% for awards granted from 2018 to 2021 and inflation plus 3% for awards granted thereafter;
- the total benefit paid to employees in any financial year shall not exceed 6% of the NPAT as reflected in the audited results of the group;
- a clawback provision applies if the audited results are subsequently restated and the NPAT is revised downwards;
- one third of each annual award vests in years three, four and five after the award date and the awards are forfeited on a participant ceasing to be an employee, for reasons other than incapacity, death or retirement, when all the awards held by such participant, whether or not they have vested, will be deemed to have vested upon termination of employment and shall be settled within three months or in the case of death, within twelve months thereafter;
- in the event of a change in control of the company which results in the retrenchment of or a material adverse change in the conditions of employment of the participant, the full number of phantom share units determined will be deemed to be awarded and the vesting period in respect of this full award will be advanced in accordance with the rules of the scheme;
- the strike price is the thirty day volume weighted average of the closing market share price immediately preceding the grant date of 1 January each year.

The scenario graphs below provide an overview of potential pay outcomes at below expected performance, at expected performance and at stretch performance levels taking into account the changes that were approved in 2023:



Non executive director remuneration

Group policy is to pay non executive directors competitively and to recognise commitments made by them in terms of time invested in the business. Bell Equipment also pays for travelling expenses reasonably and properly incurred in order to attend meetings and to attend to the business of the company. Fees are benchmarked against a comparator peer group of JSE listed companies. There are no contractual arrangements that have been entered into in order to compensate non executive directors for loss of office and they do not participate in any incentive schemes.

The committee reviews and approves the non executive director fees annually and recommendations are made to the board who in turn propose fees for approval by the shareholders at the AGM.

A special resolution by the shareholders of Bell Equipment is required to approve the basis of remuneration payable to non executive directors in order to comply with the requirements of the Companies Act. The fees payable to non executive directors for their services are based on an assessment of the responsibility placed on them arising from their obligations for regulatory oversight. The total fees proposed for non executive directors for the 2025 calendar year represent an increase of 6% over the previous year.



SECTION C

IMPLEMENTATION REPORT 2023

This report summarises the outcomes of implementing the remuneration policy as approved by the remuneration committee for the 2023 financial year.

The group applied the remuneration policy as set out in Section B without any deviations for the reporting period, and no payments were made as a result of termination of office or employment.

CTC outcome

The committee approved an inflation related increment for the salary and wages, effective from 1 July 2023.

Share based payment arrangements with employees

Cash settled employee share award plan

This phantom share incentive scheme was approved by the board of directors and implemented in 2018. The scheme makes provision for long term incentivisation of key executives of the Bell group in the structure of a share appreciation rights scheme. The objective and purpose of the scheme is to grant forfeitable phantom share awards to key executives of the Bell group to enable them to benefit if the company's share price improves and if the specified Headline Earnings per Share (HEPS) and Return on Invested Capital (ROIC) performance conditions are achieved.

The awards comprise a mixture of zero strike and strike based awards, with the zero strike portion subject to a 50% split between HEPS and ROIC performance conditions. The number of awards granted to executives of the Bell group was determined with reference to market norms for long term incentive schemes and a multiple of the salary packages of the participants, and the company granted these awards in equal, annual tranches on 1 January each year, starting in 2018.

In respect of the portion of the incentive related to the market price of the share, employees will acquire the cash equivalent of the growth in the share price. In respect of the portion of the incentive related to the HEPS and ROIC performance conditions, employees will receive the cash equivalent of the market value of the shares without any reduction by the strike price. The HEPS performance condition is that the annual compounded HEPS growth rate over the three, four and five year periods ending on the last day of the financial year end of the Bell group prior to the vesting date, must meet or exceed the HEPS growth rate of inflation plus 5% for awards granted from 2018 to 2021 and inflation plus 3% for awards granted from 2022 onwards. The ROIC performance condition is based on operational returns in excess of the cost of capital plus a margin, for awards granted from 2020 to 2021, and in excess of 15% for awards granted from 2022 onwards. For awards granted in 2022 and onwards, the ROIC portion is paid out proportionately based on a sliding scale of the rolling three year average ROIC as follows:

| Rolling three year average ROIC | Payout |
|---------------------------------|--------|
| < 15% | 0% |
| ≥ 15% < 16% | 78% |
| ≥ 16% < 17% | 89% |
| ≥ 17% < 18% | 100% |
| ≥ 18% < 19% | 111% |
| ≥ 19% < 20% | 122% |

The total benefit paid to employees in any financial year shall not exceed 6% of the NPAT as reflected in the audited results of the Bell group.

One third of each annual award vests in years three, four and five after the award date and the awards are forfeited on a participant ceasing to be an employee, for reasons other than incapacity, death or retirement, when all the awards held by the participants, whether or not they have vested, will be deemed to have vested upon termination of employment and shall be settled within three months or in the case of death, within 12 months thereafter.

In the event of a change in control of the company which results in the retrenchment of or a material adverse change in the conditions of employment of the participant the full number of phantom share units determined will be deemed to be awarded and the vesting period in respect of this full award will be advanced in accordance with the rules of the scheme.

The strike price is the thirty day volume weighted average of the closing market share price immediately preceding the grant date of 1 January each year.

Certain of the 2018, 2019 and 2020 strike based and zero strike based long term incentive awards vested in quarter 1 of 2023 and were in the money. Following the release of the 2022 audited annual financial results of the group, they were paid out to the executives.



Share awards granted

The following awards were in existence during the reporting period:

| Grant date | Phantom share units | | | | | | | Strike price of units with a strike price |
|------------|---------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---|
| | With a strike price | With a strike price of zero | Vesting January 2024 | Vesting January 2025 | Vesting January 2026 | Vesting January 2027 | Vesting January 2028 | |
| 2019 | 294 334 | 165 332 | 459 666 | - | - | - | - | R 12,68 |
| 2020 | 506 333 | 284 666 | 459 666 | 331 333 | - | - | - | R 8,88 |
| 2021 | 718 334 | 404 000 | 459 667 | 331 333 | 331 334 | - | - | R 6,52 |
| 2022 | 822 000 | 463 000 | - | 428 333 | 428 333 | 428 334 | - | R 12,43 |
| 2023 | 2 901 000 | 1 934 000 | - | - | 1 611 667 | 1 611 667 | 1 611 666 | R 14,88 |

Total share units

| | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5 242 001 | 3 250 998 | 1 378 999 | 1 090 999 | 2 371 334 | 2 040 001 | 1 611 666 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Share awards of 8 492 999 (2022: 5 806 999) were held by executive directors and prescribed officers as disclosed in on pages 95 to 98.

Fair value of share awards granted

The fair value of the phantom share awards was measured at the end of the year using the Black-Scholes pricing model. A liability of R60,7 million (2022: R28,2 million) was raised for this cash settled employee share award plan.

| Inputs into the model | Measurement date | |
|--|------------------|------------------|
| | 31 December 2023 | 31 December 2022 |
| Spot price of the option | R 23,00 | R 15,25 |
| Dividend yield | 3,9% | 3,3% |
| Expected volatility of the share price | 35,1% | 48,3% |
| Risk free interest rate | 7.8% - 8.1% | 7.7% - 7.9% |
| HEPS | 798 | 473 |
| ROIC | 12,8% | 9,5% |

Movement in share awards granted

The following reconciles the share awards outstanding at the beginning and end of the year:

| | 2023 | | 2022 | |
|-----------------------------------|------------------|---------------------------------|------------------|---------------------------------|
| | Number of awards | Weighted average strike price R | Number of awards | Weighted average strike price R |
| Balance at beginning of the year | 5 806 999 | 6,60 | 5 056 333 | 6,48 |
| Settled during the year | (1 379 000) | 7,49 | (919 334) | 8,39 |
| Granted during the year | 5 650 000 | 8,93 | 1 670 000 | 7,96 |
| Forfeited during the year | (1 585 000) | 7,67 | - | - |
| Balance at end of the year | 8 492 999 | 7,81 | 5 806 999 | 6,60 |

The share awards outstanding at the end of the year under the cash settled employee share award plan had a weighted average remaining contractual life of 3,1 years (2022: 2,5 years).

Equity settled employee share option plan

Share options were granted to senior employees under this scheme during 2010 to 2012. All outstanding options under this scheme expired during 2022 as detailed below.

The scheme is no longer in operation.

| | 2023 | | 2022 | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|
| | Number of options | Weighted average exercise price R | Number of options | Weighted average exercise price R |
| Balance at beginning of the year | - | - | 372 000 | 21,35 |
| Expired during the year | - | - | (372 000) | 21,35 |
| Balance at end of the year | - | - | - | - |

Directors' and prescribed officers' remuneration

The remuneration of directors and key management is determined by the board having regard to the performance of individuals and market trends.

Paid to executive directors of the company by the company's subsidiary:

| Executive directors | Salary | Pension/ | Incentive | Other | 2023 | 2022 |
|---|---------------|---------------------|--------------|------------------------------|---------------|---------------|
| | R000 | Provident fund R000 | payment R000 | benefits and allowances R000 | Total R000 | Total R000 |
| L Goosen (resigned with effect from 31 December 2023) | 5 089 | 597 | 4 088 | 1 630 | 11 404 | 6 715 |
| KJ van Haght | 3 408 | 396 | 2 401 | 102 | 6 307 | 4 424 |
| A Goordeen | 2 894 | 343 | 2 252 | 702 | 6 191 | 3 998 |
| Total | 11 391 | 1 336 | 8 741 | 2 434 | 23 902 | 15 137 |

Paid to prescribed officers of the company's subsidiaries by the company's subsidiaries:

| Prescribed officers | Salary | Pension/ | Incentive | Other | 2023 | 2022 |
|---------------------------------------|---------------|---------------------|---------------|------------------------------|---------------|---------------|
| | R000 | Provident fund R000 | payment R000 | benefits and allowances R000 | Total R000 | Total R000 |
| DB Chinnappen | 3 133 | 370 | 1 620 | 277 | 5 400 | 4 194 |
| SR Jones | 2 972 | 342 | 1 546 | 52 | 4 912 | 3 879 |
| A Mayer (expatriate salary) | 4 941 | 608 | 1 934 | 944 | 8 427 | 5 955 |
| DE Morris | 3 142 | 368 | 1 611 | 104 | 5 225 | 4 167 |
| JJ van Wyngaardt | 2 479 | 297 | 1 421 | 154 | 4 351 | 3 505 |
| D McIlrath | 2 003 | 230 | 1 236 | 38 | 3 507 | 2 474 |
| JM Fleetwood (appointed 1 July 2022) | 2 734 | 326 | 871 | 133 | 4 064 | 3 123 |
| TM Du Pisanie (appointed 1 July 2022) | 2 070 | 248 | 658 | 120 | 3 096 | 2 289 |
| PW Badenhorst (appointed 1 July 2022) | 2 100 | 248 | 658 | 190 | 3 196 | 2 317 |
| Total | 25 574 | 3 037 | 11 555 | 2 012 | 42 178 | 31 903 |

Other benefits and allowances comprise vehicle allowances, travel allowances and reimbursive allowances, annual leave encashments and the group's contributions to medical aid and life insurance.

| Paid to non executive directors of the company by the company: | 2023 | 2022 |
|---|--------------|--------------|
| | Fees R000 | Fees R000 |
| Non executive directors | | |
| AJ Bell (appointed group chief executive officer with effect from 1 January 2024) | 559 | 568 |
| GW Bell | 1 082 | 956 |
| DH Lawrance | 1 077 | 927 |
| R Naidu | 910 | 793 |
| ME Ramathe | 727 | 692 |
| HR van der Merwe | 1 278 | 803 |
| U Maharaj (appointed 1 April 2022) | 542 | 491 |
| M Geyer (appointed 1 April 2022) | 420 | 345 |
| Total | 6 595 | 5 575 |

Directors' and prescribed officers' remuneration continued

The following reconciles the number of phantom share awards held by directors and prescribed officers at the end of the year. Details of this cash settled share award plan are disclosed on pages 92 to 94.

| Executive directors and prescribed officers | Grant date 1 January | Strike price | Number of awards | | | | | | | |
|--|-------------------------|--------------|-----------------------------------|----------------|------------------|-----------------------------------|----------------|------------------|--------------------|-----------------------------------|
| | | | Balance at 31 December 2021 | Granted | Expired | Balance at 31 December 2022 | Granted | Settled | Forfeited | Balance at 31 December 2023 |
| L Goosen (resigned with effect from 31 December 2023) | 2018 | 13,53 | 164 669 | - | (82 331) | 82 338 | - | (82 338) | - | - |
| | | - | 92 000 | - | (46 000) | 46 000 | - | (46 000) | - | - |
| | 2019 | 12,68 | 247 000 | - | (82 331) | 164 669 | - | (82 331) | - | 82 338 |
| | | - | 138 000 | - | (46 000) | 92 000 | - | (46 000) | - | 46 000 |
| | 2020 | 8,88 | 247 000 | - | - | 247 000 | - | (82 331) | (82 334) | 82 335 |
| | | - | 138 000 | - | - | 138 000 | - | (46 000) | (46 000) | 46 000 |
| | 2021 | 6,52 | 247 000 | - | - | 247 000 | - | - | (164 666) | 82 334 |
| | | - | 138 000 | - | - | 138 000 | - | - | (92 000) | 46 000 |
| | 2022 | 12,43 | - | 247 000 | - | 247 000 | - | - | (247 000) | - |
| | | - | - | 138 000 | - | 138 000 | - | - | (138 000) | - |
| | 2023 | 14,88 | - | - | - | - | 489 000 | - | (489 000) | - |
| | | - | - | - | - | - | 326 000 | - | (326 000) | - |
| Total | | | 1 411 669 | 385 000 | (256 662) | 1 540 007 | 815 000 | (385 000) | (1 585 000) | 385 007 |
| KJ van Haght | 2018 | 13,53 | 88 000 | - | (44 000) | 44 000 | - | (44 000) | - | - |
| | | - | 49 334 | - | (24 666) | 24 668 | - | (24 668) | - | - |
| | 2019 | 12,68 | 132 000 | - | (44 000) | 88 000 | - | (44 000) | - | 44 000 |
| | | - | 74 000 | - | (24 666) | 49 334 | - | (24 666) | - | 24 668 |
| | 2020 | 8,88 | 132 000 | - | - | 132 000 | - | (44 000) | - | 88 000 |
| | | - | 74 000 | - | - | 74 000 | - | (24 666) | - | 49 334 |
| | 2021 | 6,52 | 132 000 | - | - | 132 000 | - | - | - | 132 000 |
| | | - | 74 000 | - | - | 74 000 | - | - | - | 74 000 |
| | 2022 | 12,43 | - | 132 000 | - | 132 000 | - | - | - | 132 000 |
| | | - | - | 74 000 | - | 74 000 | - | - | - | 74 000 |
| | 2023 | 14,88 | - | - | - | - | 303 000 | - | - | 303 000 |
| | | - | - | - | - | - | 202 000 | - | - | 202 000 |
| Total | | | 755 334 | 206 000 | (137 332) | 824 002 | 505 000 | (206 000) | - | 1 123 002 |
| A Goordeen | 2018 | 13,53 | 88 000 | - | (44 000) | 44 000 | - | (44 000) | - | - |
| | | - | 49 334 | - | (24 666) | 24 668 | - | (24 668) | - | - |
| | 2019 | 12,68 | 132 000 | - | (44 000) | 88 000 | - | (44 000) | - | 44 000 |
| | | - | 74 000 | - | (24 666) | 49 334 | - | (24 666) | - | 24 668 |
| | 2020 | 8,88 | 132 000 | - | - | 132 000 | - | (44 000) | - | 88 000 |
| | | - | 74 000 | - | - | 74 000 | - | (24 666) | - | 49 334 |
| | 2021 | 6,52 | 132 000 | - | - | 132 000 | - | - | - | 132 000 |
| | | - | 74 000 | - | - | 74 000 | - | - | - | 74 000 |
| | 2022 | 12,43 | - | 132 000 | - | 132 000 | - | - | - | 132 000 |
| | | - | - | 74 000 | - | 74 000 | - | - | - | 74 000 |
| | 2023 | 14,88 | - | - | - | - | 303 000 | - | - | 303 000 |
| | | - | - | - | - | - | 202 000 | - | - | 202 000 |
| Total | | | 755 334 | 206 000 | (137 332) | 824 002 | 505 000 | (206 000) | - | 1 123 002 |

Directors' and prescribed officers' remuneration continued

The following reconciles the number of phantom share awards held by directors and prescribed officers at the end of the year. Details of this cash settled share award plan are disclosed on pages 92 to 94.

| Executive directors and prescribed officers | Grant date 1 January | Strike price | Number of awards | | | | | | | |
|---|-------------------------|--------------|-----------------------------------|---------------|-----------------|-----------------------------------|----------------|-----------------|-----------|-----------------------------------|
| | | | Balance at 31 December 2021 | Granted | Expired | Balance at 31 December 2022 | Granted | Settled | Forfeited | Balance at 31 December 2023 |
| DE Morris | 2018 | 13,53 | 41 333 | - | (20 667) | 20 666 | - | (20 666) | - | - |
| | | - | 23 333 | - | (11 667) | 11 666 | - | (11 666) | - | - |
| | 2019 | 12,68 | 62 000 | - | (20 667) | 41 333 | - | (20 667) | - | 20 666 |
| | | - | 35 000 | - | (11 667) | 23 333 | - | (11 667) | - | 11 666 |
| | 2020 | 8,88 | 62 000 | - | - | 62 000 | - | (20 667) | - | 41 333 |
| | | - | 35 000 | - | - | 35 000 | - | (11 667) | - | 23 333 |
| | 2021 | 6,52 | 62 000 | - | - | 62 000 | - | - | - | 62 000 |
| | | - | 35 000 | - | - | 35 000 | - | - | - | 35 000 |
| | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | 355 666 | 97 000 | (64 668) | 387 998 | 425 000 | (97 000) | - | 715 998 |
| DB Chinnappen | 2018 | 13,53 | 41 333 | - | (20 667) | 20 666 | - | (20 666) | - | - |
| | | - | 23 333 | - | (11 667) | 11 666 | - | (11 666) | - | - |
| | 2019 | 12,68 | 62 000 | - | (20 667) | 41 333 | - | (20 667) | - | 20 666 |
| | | - | 35 000 | - | (11 667) | 23 333 | - | (11 667) | - | 11 666 |
| | 2020 | 8,88 | 62 000 | - | - | 62 000 | - | (20 667) | - | 41 333 |
| | | - | 35 000 | - | - | 35 000 | - | (11 667) | - | 23 333 |
| | 2021 | 6,52 | 62 000 | - | - | 62 000 | - | - | - | 62 000 |
| | | - | 35 000 | - | - | 35 000 | - | - | - | 35 000 |
| | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | 355 666 | 97 000 | (64 668) | 387 998 | 425 000 | (97 000) | - | 715 998 |
| SR Jones | 2018 | 13,53 | 41 333 | - | (20 667) | 20 666 | - | (20 666) | - | - |
| | | - | 23 333 | - | (11 667) | 11 666 | - | (11 666) | - | - |
| | 2019 | 12,68 | 62 000 | - | (20 667) | 41 333 | - | (20 667) | - | 20 666 |
| | | - | 35 000 | - | (11 667) | 23 333 | - | (11 667) | - | 11 666 |
| | 2020 | 8,88 | 62 000 | - | - | 62 000 | - | (20 667) | - | 41 333 |
| | | - | 35 000 | - | - | 35 000 | - | (11 667) | - | 23 333 |
| | 2021 | 6,52 | 62 000 | - | - | 62 000 | - | - | - | 62 000 |
| | | - | 35 000 | - | - | 35 000 | - | - | - | 35 000 |
| | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | 355 666 | 97 000 | (64 668) | 387 998 | 425 000 | (97 000) | - | 715 998 |

Directors' and prescribed officers' remuneration continued

The following reconciles the number of phantom share awards held by directors and prescribed officers at the end of the year. Details of this cash settled share award plan are disclosed on pages 92 to 94.

| Executive directors and prescribed officers | Grant date 1 January | Strike price | Number of awards | | | | | | | |
|---|-------------------------|--------------|-----------------------------------|---------------|-----------------|-----------------------------------|----------------|-----------------|-----------|-----------------------------------|
| | | | Balance at 31 December 2021 | Granted | Expired | Balance at 31 December 2022 | Granted | Settled | Forfeited | Balance at 31 December 2023 |
| D McIlrath | 2018 | 13,53 | 41 333 | - | (20 667) | 20 666 | - | (20 666) | - | - |
| | | - | 23 333 | - | (11 667) | 11 666 | - | (11 666) | - | - |
| | 2019 | 12,68 | 62 000 | - | (20 667) | 41 333 | - | (20 667) | - | 20 666 |
| | | - | 35 000 | - | (11 667) | 23 333 | - | (11 667) | - | 11 666 |
| | 2020 | 8,88 | 62 000 | - | - | 62 000 | - | (20 667) | - | 41 333 |
| | | - | 35 000 | - | - | 35 000 | - | (11 667) | - | 23 333 |
| | 2021 | 6,52 | 62 000 | - | - | 62 000 | - | - | - | 62 000 |
| | | - | 35 000 | - | - | 35 000 | - | - | - | 35 000 |
| | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | 355 666 | 97 000 | (64 668) | 387 998 | 425 000 | (97 000) | - | 715 998 |
| A Mayer | 2018 | 13,53 | 41 333 | - | (20 667) | 20 666 | - | (20 666) | - | - |
| | | - | 23 333 | - | (11 667) | 11 666 | - | (11 666) | - | - |
| | 2019 | 12,68 | 62 000 | - | (20 667) | 41 333 | - | (20 667) | - | 20 666 |
| | | - | 35 000 | - | (11 667) | 23 333 | - | (11 667) | - | 11 666 |
| | 2020 | 8,88 | 62 000 | - | - | 62 000 | - | (20 667) | - | 41 333 |
| | | - | 35 000 | - | - | 35 000 | - | (11 667) | - | 23 333 |
| | 2021 | 6,52 | 62 000 | - | - | 62 000 | - | - | - | 62 000 |
| | | - | 35 000 | - | - | 35 000 | - | - | - | 35 000 |
| | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | 355 666 | 97 000 | (64 668) | 387 998 | 425 000 | (97 000) | - | 715 998 |
| JJ van Wyngaardt | 2018 | 13,53 | 41 333 | - | (20 667) | 20 666 | - | (20 666) | - | - |
| | | - | 23 333 | - | (11 667) | 11 666 | - | (11 666) | - | - |
| | 2019 | 12,68 | 62 000 | - | (20 667) | 41 333 | - | (20 667) | - | 20 666 |
| | | - | 35 000 | - | (11 667) | 23 333 | - | (11 667) | - | 11 666 |
| | 2020 | 8,88 | 62 000 | - | - | 62 000 | - | (20 667) | - | 41 333 |
| | | - | 35 000 | - | - | 35 000 | - | (11 667) | - | 23 333 |
| | 2021 | 6,52 | 62 000 | - | - | 62 000 | - | - | - | 62 000 |
| | | - | 35 000 | - | - | 35 000 | - | - | - | 35 000 |
| | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | 355 666 | 97 000 | (64 668) | 387 998 | 425 000 | (97 000) | - | 715 998 |

Directors' and prescribed officers' remuneration continued

The following reconciles the number of phantom share awards held by directors and prescribed officers at the end of the year. Details of this cash settled share award plan are disclosed on pages 92 to 94.

| | Grant date 1 January | Strike price | Number of awards | | | | | | | |
|--|-------------------------|-----------------|-----------------------------------|------------------|------------------|-----------------------------------|------------------|--------------------|--------------------|-----------------------------------|
| | | | Balance at 31 December 2021 | Granted | Expired | Balance at 31 December 2022 | Granted | Settled | Forfeited | Balance at 31 December 2023 |
| Executive directors and prescribed officers | | | | | | | | | | |
| JM Fleetwood (appointed 1 July 2022) | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | - | 97 000 | - | 97 000 | 425 000 | - | - | 522 000 |
| TM Du Pisanie (appointed 1 July 2022) | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | - | 97 000 | - | 97 000 | 425 000 | - | - | 522 000 |
| PW Badenhorst (appointed 1 July 2022) | 2022 | 12,43 | - | 62 000 | - | 62 000 | - | - | - | 62 000 |
| | | - | - | 35 000 | - | 35 000 | - | - | - | 35 000 |
| | 2023 | 14,88 | - | - | - | - | 255 000 | - | - | 255 000 |
| | | - | - | - | - | - | 170 000 | - | - | 170 000 |
| Total | | | - | 97 000 | - | 97 000 | 425 000 | - | - | 522 000 |
| GRAND TOTAL | | | 5 056 333 | 1 670 000 | (919 334) | 5 806 999 | 5 650 000 | (1 379 000) | (1 585 000) | 8 492 999 |

Directors' and prescribed officers' remuneration continued

At the AGM held on 31 May 2023, the basis for the remuneration payable to non executive directors for the 2024 period was approved by way of a special resolution of the shareholders as follows:

| | Rand (Excl of VAT) |
|---|-------------------------------|
| Retainer fees to be paid annually for 2024 | |
| Non executive chairman | 450 510 |
| Lead Independent non executive director | 346 620 |
| Non executive directors | 242 740 |
| Fees per meeting payable to the chairman of the board and the chairmen of board committees | |
| Board | 41 040 |
| Audit committee | 24 680 |
| Risk and sustainability committee | 24 680 |
| Nominations committee | 19 390 |
| Remuneration committee | 19 390 |
| Social, ethics and transformation committee | 24 330 |
| Fees to be paid to lead independent non executive director per board meeting | 40 780 |
| Fees to be paid to non executive directors, including chairman of the board, lead independent non executive director and the chairmen of board committees, per meeting | |
| Board | 40 490 |
| Audit committee | 32 420 |
| Risk and sustainability committee | 24 680 |
| Nominations committee | 16 570 |
| Remuneration committee | 16 570 |
| Social, ethics and transformation committee | 24 330 |
| Bell audit services committee | 16 140 |
| Ad-hoc committees | 16 570 |
| Annual general meeting | 16 570 |

Summarised consolidated statement of financial position

as at 31 December 2023

| | 2023 R'000 | 2022 R'000 | | 2023 R'000 | 2022 R'000 |
|--|-------------------|---------------|--|-------------------|---------------|
| ASSETS | | | EQUITY AND LIABILITIES | | |
| Non-current assets | 2 025 089 | 1 894 149 | Capital and reserves | 5 285 016 | 4 365 208 |
| Property, plant and equipment | 1 006 083 | 944 480 | Stated capital (note 7) | 235 541 | 235 541 |
| Right-of-use assets | 414 557 | 367 902 | Non-distributable reserves | 1 222 677 | 1 008 484 |
| Intangible assets | 279 430 | 260 225 | Retained earnings | 3 753 260 | 3 076 317 |
| Investments | 35 731 | 62 935 | Attributable to owners of Bell Equipment Limited | 5 211 478 | 4 320 342 |
| Interest-bearing receivables and contract assets | 15 067 | 44 187 | Non-controlling interest | 73 538 | 44 866 |
| Deferred taxation | 274 221 | 214 420 | Non-current liabilities | 1 030 692 | 870 682 |
| Current assets | 8 509 494 | 6 756 576 | Interest-bearing liabilities | 157 466 | 193 069 |
| Inventory | 5 726 561 | 4 751 990 | Lease liabilities | 433 451 | 388 943 |
| Trade and other receivables | 1 989 385 | 1 278 094 | Contract liabilities (note 12) | 226 526 | 116 159 |
| Interest-bearing receivables and contract assets | 179 042 | 231 242 | Refund liabilities | - | 4 357 |
| Other assets | 318 923 | 231 222 | Provisions | 92 852 | 78 254 |
| Current taxation assets | 43 797 | 35 428 | Other liabilities | 38 824 | 19 270 |
| Cash and bank balances | 251 786 | 228 600 | Deferred taxation | 81 573 | 70 630 |
| TOTAL ASSETS | 10 534 583 | 8 650 725 | Current liabilities | 4 218 875 | 3 414 835 |
| | | | Trade and other payables | 1 903 599 | 1 627 003 |
| | | | Interest-bearing liabilities | 637 909 | 652 054 |
| | | | Lease liabilities | 76 403 | 50 284 |
| | | | Contract liabilities (note 12) | 281 446 | 319 894 |
| | | | Refund liabilities | 34 287 | 34 149 |
| | | | Provisions | 206 114 | 142 482 |
| | | | Other liabilities | 24 301 | 10 683 |
| | | | Current taxation liabilities | 62 793 | 46 923 |
| | | | Bank overdrafts and borrowings on call | 992 023 | 531 363 |
| | | | TOTAL EQUITY AND LIABILITIES | 10 534 583 | 8 650 725 |

Summarised consolidated statement of profit or loss

for the year ended 31 December 2023

| | 2023 R'000 | 2022 R'000 |
|---|---------------------|---------------|
| Revenue (note 2) | 13 513 560 | 10 276 220 |
| Cost of sales | (10 812 025) | (8 244 734) |
| Gross profit | 2 701 535 | 2 031 486 |
| Other operating income | 339 514 | 260 134 |
| Distribution costs | (971 116) | (811 947) |
| Administration expenses | (151 046) | (114 851) |
| Factory operating expenses * | (725 176) | (659 634) |
| Profit from operating activities (note 3) | 1 193 711 | 705 188 |
| Interest expense (note 4) | (196 768) | (136 977) |
| Interest income (note 5) | 83 205 | 77 512 |
| Profit before taxation | 1 080 148 | 645 723 |
| Taxation | (286 582) | (166 872) |
| Profit for the year | 793 566 | 478 851 |
| Profit for the year attributable to: | | |
| - Owners of Bell Equipment Limited | 763 606 | 456 846 |
| - Non-controlling interest | 29 960 | 22 005 |
| Earnings per share (basic)(cents) (note 6) | 799 | 478 |
| Earnings per share (diluted)(cents) (note 6) | 744 | 357 |

* Included in factory operating expenses are costs in respect of both the factory and group services operations.

Summarised consolidated statement of other comprehensive income

for the year ended 31 December 2023

| | 2023 R'000 | 2022 R'000 |
|--|------------------|---------------|
| Profit for the year | 793 566 | 478 851 |
| Other comprehensive income | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences arising during the year | 249 246 | 25 659 |
| Exchange differences on translating foreign operations | 249 246 | 31 008 |
| Reclassification to profit or loss of foreign currency translation reserve on deregistered operations | - | (5 349) |
| Items that may not be reclassified subsequently to profit or loss: | (34 603) | 47 797 |
| Surplus arising on revaluation of properties | - | 58 051 |
| Taxation relating to revaluation of properties | - | (13 223) |
| Fair value (loss) gain on investments designated as at fair value through other comprehensive income * | (34 603) | 2 969 |
| Other comprehensive income for the year, net of taxation | 214 643 | 73 456 |
| Total comprehensive income for the year | 1 008 209 | 552 307 |
| Total comprehensive income attributable to: | | |
| - Owners of Bell Equipment Limited | 978 249 | 530 302 |
| - Non-controlling interest | 29 960 | 22 005 |

* There were no corresponding tax implications on fair value gain on investments designated as at fair value through other comprehensive income.

Summarised consolidated statement of cash flows

for the year ended 31 December 2023

| | 2023 R'000 | 2022 R'000 |
|--|------------------|------------------|
| Cash generated from operations before working capital changes | 1 529 691 | 1 131 187 |
| Cash utilised in working capital | (857 722) | (1 157 295) |
| Cash generated from (utilised in) operations | 671 969 | (26 108) |
| Interest paid | (214 079) | (122 173) |
| Interest received | 123 955 | 89 816 |
| Taxation paid | (330 487) | (157 839) |
| Net cash generated from (utilised in) operating activities | 251 358 | (216 304) |
| Purchase of property, plant and equipment and intangible assets | (212 311) | (130 740) |
| Proceeds on disposal of property, plant and equipment | 4 481 | 5 008 |
| Proceeds on disposal of listed investments | - | 3 455 |
| Net cash utilised in investing activities | (207 830) | (122 277) |
| Interest-bearing liabilities raised | 966 599 | 1 245 231 |
| Interest-bearing liabilities repaid | (1 294 464) | (795 665) |
| Lease liabilities repaid | (65 186) | (47 914) |
| Dividends paid | (87 951) | (48 832) |
| Net cash (utilised in) generated from financing activities | (481 002) | 352 820 |
| Net (decrease) increase in cash for the year | (437 474) | 14 239 |
| Net bank overdrafts and borrowings on call at beginning of the year | (302 763) | (317 002) |
| Net bank overdrafts and borrowings on call at end of the year * | (740 237) | (302 763) |
| * Comprising: | | |
| Cash and bank balances | 251 786 | 228 600 |
| Bank overdrafts and borrowings on call | (992 023) | (531 363) |
| Net bank overdrafts and borrowings on call at end of the year | (740 237) | (302 763) |

Summarised consolidated statement of changes in equity

for the year ended 31 December 2023

| | Attributable to owners of Bell Equipment Limited | | | | | |
|--|--|----------------------------------|-------------------------|------------------|--------------------------------|----------------------------------|
| | Stated capital R'000 | Non-distributable reserves R'000 | Retained earnings R'000 | Total R'000 | Non-controlling interest R'000 | Total capital and reserves R'000 |
| Balance at 1 January 2022 | 235 541 | 940 673 | 2 661 457 | 3 837 671 | 24 062 | 3 861 733 |
| Total comprehensive income attributable to owners of Bell Equipment Limited | - | 73 456 | 456 846 | 530 302 | - | 530 302 |
| Total comprehensive income attributable to non-controlling interest | - | - | - | - | 22 005 | 22 005 |
| Transfer between reserves relating to disposal of investments classified as at fair value through other comprehensive income | - | (2 053) | 2 053 | - | - | - |
| Decrease in equity-settled employee benefits reserve | - | (3 592) | 3 592 | - | - | - |
| Dividends paid | - | - | (47 631) | (47 631) | (1 201) | (48 832) |
| Balance at 31 December 2022 | 235 541 | 1 008 484 | 3 076 317 | 4 320 342 | 44 866 | 4 365 208 |
| Total comprehensive income attributable to owners of Bell Equipment Limited | - | 214 643 | 763 606 | 978 249 | - | 978 249 |
| Total comprehensive income attributable to non-controlling interest | - | - | - | - | 29 960 | 29 960 |
| Decrease in BBBEE share-based payment reserve | - | (450) | - | (450) | - | (450) |
| Dividends paid * | - | - | (86 663) | (86 663) | (1 288) | (87 951) |
| Balance at 31 December 2023 | 235 541 | 1 222 677 | 3 753 260 | 5 211 478 | 73 538 | 5 285 016 |

* The directors declared a final gross cash dividend of 90 cents (2022: 50 cents) per share which was paid during the 2023 financial year.

Notes to the summarised consolidated results

for the year ended 31 December 2023

1. BASIS OF PREPARATION

The recognition and measurement criteria applied in the preparation of these summarised consolidated financial statements are in terms of International Financial Reporting Standards (IFRS). The same accounting policies and methods of computation are followed in the summarised consolidated financial statements as compared with the most recent consolidated annual financial statements. These summarised consolidated financial statements contain, as a minimum, the presentation and disclosures as required by *IAS 34 Interim Financial Reporting*. There were no assets held for sale, discontinued operations or significant acquisitions within the group during the current year.

The group has adopted all of the new and amended accounting standards relevant to its operations and effective for annual reporting periods beginning 1 January 2023. The adoption of these new and amended standards has not had any significant impact on the amounts reported in the summarised consolidated financial statements or the disclosures herein.

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited's Listings Requirements for summarised reports and the requirements of the Companies Act in South Africa. The summarised consolidated financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS. The Listings Requirements require summarised reports to be prepared in accordance with and containing the information required by *IAS 34 Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The preparation of this summarised report was supervised by the Group Finance Director, KJ van Hagt CA(SA).

The summarised consolidated financial statements are the responsibility of the directors. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

2. REVENUE

The group derives its revenue from the sale of equipment and aftermarket products, which includes the sale of parts, service contracts and transport revenue, extended warranty and rental revenue.

This disaggregation is consistent with the external revenue information that is disclosed for each reportable segment (refer to note 9) and the information that is provided to the group's chief operating decision maker on a regular basis.

Disaggregation of revenue

| | Manufacturing, Assembly, Logistics and Dealer Sales Operations | | Direct Sales Operations | | Total Revenue R'000 |
|---|--|------------------|-------------------------|----------------------|---------------------|
| | South Africa R'000 | Europe R'000 | South Africa R'000 | Rest of Africa R'000 | |
| December 2023 Revenue | | | | | |
| Sale of equipment | 1 656 041 | 5 324 830 | 2 921 037 | 634 374 | 10 536 282 |
| Sale of parts | 654 451 | 282 672 | 1 123 711 | 227 826 | 2 288 660 |
| Service contracts and transport revenue | 149 574 | 52 095 | 291 912 | 26 541 | 520 122 |
| Extended warranty | 115 077 | - | - | - | 115 077 |
| Rental revenue | - | 4 137 | 49 282 | - | 53 419 |
| Total revenue | 2 575 143 | 5 663 734 | 4 385 942 | 888 741 | 13 513 560 |
| December 2022 Revenue | | | | | |
| Sale of equipment | 1 222 727 | 3 416 403 | 2 591 470 | 351 437 | 7 582 037 |
| Sale of parts | 608 194 | 266 538 | 963 815 | 195 768 | 2 034 315 |
| Service contracts and transport revenue | 115 872 | 47 639 | 261 589 | 29 169 | 454 269 |
| Extended warranty | 89 283 | 2 847 | - | - | 92 130 |
| Rental revenue | - | 4 584 | 108 665 | 220 | 113 469 |
| Total revenue | 2 036 076 | 3 738 011 | 3 925 539 | 576 594 | 10 276 220 |

The transfer of goods and services occurs over time and at a point in time as reflected below.

| | 2023 R'000 | 2022 R'000 |
|---|-------------------|-------------------|
| Timing of revenue recognition | | |
| At a point in time | | |
| Sale of equipment | 10 536 282 | 7 582 037 |
| Sale of parts | 2 288 660 | 2 034 315 |
| Service contracts and transport revenue | 520 122 | 454 269 |
| Total | 13 345 064 | 10 070 621 |
| Over time | | |
| Extended warranty | 115 077 | 92 130 |
| Rental revenue | 53 419 | 113 469 |
| Total | 168 496 | 205 599 |
| Total revenue | 13 513 560 | 10 276 220 |

Included in revenue for the year is an amount of R125,7 million (2022: R292,8 million) relating to bill and hold arrangements for the sale of equipment to certain customers. Control of the equipment has passed to these customers and management's assessment is that the likelihood of revenue reversal in future periods is remote.

The group had remaining and unsatisfied performance obligations at year end in terms of extended warranty contracts, service contracts, and in terms of certain equipment sales contracts where the consideration was received in advance from customers. These obligations are reflected as contract liabilities in the statement of financial position. Refer to note 12.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

3. PROFIT FROM OPERATING ACTIVITIES

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Profit from operating activities is arrived at after taking into account: | | |
| Income | | |
| Currency exchange gains (i) | 414 200 | 409 912 |
| APDP - production incentives (ii) | 239 036 | 144 351 |
| Net surplus on disposal of property, plant and equipment | 336 | 1 828 |
| Expenditure | | |
| Amortisation of intangible assets | 35 992 | 44 531 |
| Amounts written off as credit impaired | 1 257 | 5 065 |
| Auditors' remuneration - audit and other services | 20 445 | 17 691 |
| Cash-settled employee share awards | 41 403 | 18 200 |
| Consulting fees | 42 076 | 25 907 |
| Currency exchange losses (i) | 491 143 | 385 785 |
| (Decrease) increase in allowance for expected credit losses | (5 338) | 7 629 |
| Depreciation of property, plant and equipment (iii) | 115 056 | 141 993 |
| Depreciation of right-of-use assets | 85 274 | 58 474 |
| Impairment loss recognised on intangible assets | - | 9 348 |
| Increase in contract provision - warranty | 68 942 | 67 316 |
| Lease expenses | 47 259 | 32 286 |
| Research expenses (excluding staff costs) | 37 598 | 38 983 |
| Staff costs (including directors' remuneration) (iv) | 2 063 442 | 1 747 535 |

- (i) Net currency exchange losses in the current year arose mainly on:
- USD and Euro denominated inventory purchases in the South African manufacturing operation as a result of the depreciation of the Rand against those currencies.
 - USD denominated sales in the European manufacturing and assembly operation as a result of the movement in the Euro against the USD during the year.
- (ii) Income from production incentives increased by 65,6% (2022: 58,8%) due to an increase in production volumes in the current period.
- (iii) Total depreciation expense above, expressed by the nature of this expense, includes depreciation included in cost of sales and in distribution costs, administration expenses and factory operating expenses in the consolidated statement of profit or loss.
- (iv) Staff costs increased by 18,1% (2022: 14,3%) mainly due to an increase in the workforce at the manufacturing and assembly facilities stemming from increased production volumes, incentive accruals, labour cost escalations and the impact of the depreciation in the Rand.

4. INTEREST EXPENSE

| | 2023 R'000 | 2022 R'000 |
|---|----------------|----------------|
| Interest expense incurred on the following: | | |
| Bank overdrafts and loans | 79 167 | 49 340 |
| Lease liabilities | 47 820 | 37 180 |
| Industrial Development Corporation (IDC) of South Africa working capital facility | 62 725 | 45 945 |
| ABSA Bank of South Africa - supply chain finance | 4 587 | - |
| Other interest expenses * | 2 469 | 4 512 |
| Total interest expense | 196 768 | 136 977 |

* Includes interest expenses relating to extended credit terms granted to the group for goods purchased in the normal course of business.

5. INTEREST INCOME

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Interest income earned on the following: | | |
| Service contracts | 5 780 | 9 804 |
| Extended warranty contracts | 35 419 | 25 360 |
| Instalment sale agreements | 19 938 | 26 546 |
| Other interest income * | 22 068 | 15 802 |
| Total interest income | 83 205 | 77 512 |

* Includes interest income received from financial institutions and from customers on extended credit terms provided.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

6. EARNINGS PER SHARE, NET ASSET VALUE PER SHARE AND GEARING RATIO

| | | 2023 | 2022 |
|---|----------------|------------|---------|
| Basic earnings per share is arrived at as follows: | | | |
| Profit for the period attributable to owners of Bell Equipment Limited | (R'000) | 763 606 | 456 846 |
| Weighted average number of shares in issue | ('000) | 95 629 | 95 629 |
| Earnings per share (basic) | (cents) | 799 | 478 |
| Diluted earnings per share is arrived at as follows: | | | |
| Profit for the period attributable to owners of Bell Equipment Limited | (R'000) | 763 606 | 456 846 |
| Fully converted weighted average number of shares | ('000) | 102 639 | 127 826 |
| Earnings per share (diluted) | (cents) | 744 | 357 |
| The group has potential ordinary shares relating to the shareholding of BEE parties in certain group entities. These BEE parties are required to sell their shares to the group at the end of the lock-in period in exchange for cash, shares in the company or in another group entity or for a combination of cash and shares, at the company's discretion. The number of shares has been adjusted for the effect of the dilutive potential shares relating to these options. | | | |
| Headline earnings per share is arrived at as follows: | | | |
| Profit attributable to owners of Bell Equipment Limited | (R'000) | 763 606 | 456 846 |
| Net surplus on disposal of property, plant and equipment | (R'000) | (336) | (1 828) |
| Taxation effect of net surplus on disposal of property, plant and equipment | (R'000) | 81 | 237 |
| Reversal of impairment loss on property, plant and equipment | (R'000) | - | (5 786) |
| Taxation effect of reversal of impairment loss on property, plant and equipment | (R'000) | - | 1 736 |
| Impairment loss recognised on intangible assets | (R'000) | - | 9 348 |
| Taxation effect of impairment loss on intangible assets | (R'000) | - | (2 617) |
| Reclassification to profit or loss of foreign currency translation reserve relating to deregistered operations | (R'000) | - | (5 349) |
| Headline earnings | (R'000) | 763 351 | 452 587 |
| Weighted average number of shares in issue | ('000) | 95 629 | 95 629 |
| Headline earnings per share (basic) | (cents) | 798 | 473 |

| | | 2023 | 2022 |
|---|----------------|--------------|-----------|
| Diluted headline earnings per share is arrived at as follows: | | | |
| Headline earnings calculated above | (R'000) | 763 351 | 452 587 |
| Fully converted weighted average number of shares | ('000) | 102 639 | 127 826 |
| Headline earnings per share (diluted) | (cents) | 744 | 354 |
| Headline earnings is calculated in accordance with <i>Circular 1/2023 Headline Earnings</i> issued by the South African Institute of Chartered Accountants. | | | |
| Net asset value per share is arrived at as follows: | | | |
| Total capital and reserves | (R'000) | 5 285 016 | 4 365 208 |
| Number of shares in issue | ('000) | 95 629 | 95 629 |
| Net asset value per share | (cents) | 5 527 | 4 565 |
| The gearing ratio at the end of the period was as follows: | | | |
| Short-term and long-term borrowings | (R'000) | 1 787 398 | 1 376 486 |
| Cash and bank balances | (R'000) | (251 786) | (228 600) |
| Net debt | (R'000) | 1 535 612 | 1 147 886 |
| Total equity | (R'000) | 5 285 016 | 4 365 208 |
| Net debt to equity ratio | (%) | 29,1 | 26,3 |

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

7. STATED CAPITAL

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Authorised | | |
| 100 000 000 (2022: 100 000 000) ordinary shares of no par value | | |
| Issued | | |
| 95 629 385 (2022: 95 629 385) ordinary shares of no par value | 235 541 | 235 541 |

8. CAPITAL EXPENDITURE COMMITMENTS

| | 2023 R'000 | 2022 R'000 |
|--|----------------|---------------|
| Contracted | 27 452 | 25 134 |
| Authorised, but not contracted | 317 132 | 186 696 |
| Total capital expenditure commitments | 344 584 | 211 830 |

This capital expenditure is to be financed from internal resources.

9. SUMMARISED SEGMENTAL ANALYSIS

Information regarding the group's reportable segments is presented below in a manner consistent with information reported to the group's chief operating decision maker for purposes of resource allocation and assessment of segment performance.

The group conducts two main business operations:

Manufacturing, assembly, logistics and dealer sales operations

- OEM operations comprising manufacturing, assembly and sales of equipment and aftermarket products to independent dealers for their distribution to market.

Direct Sales operations

- owned distribution operations for direct sales of own manufactured products, other third party products and the supply of aftermarket support and products to market.

The Manufacturing, assembly, logistics and dealer sales operations comprise operations in South Africa and Europe:

- South Africa includes the group's main OEM and manufacturing operations in Richards Bay and the group's global parts logistics centre in Johannesburg. The main function of these operations is to manufacture and distribute product to the rest of the group and to independent dealers in North America, Africa, South America and Australasia.
- Europe includes dealer support operations in the United Kingdom, France, Russia and Germany as well as an assembly and manufacturing plant and a parts logistics centre in Germany which distribute product to independent dealers in North America, Europe and Asia.

The Direct Sales operations comprise operations in South Africa and Rest of Africa:

- South Africa includes a number of customer service centres in South Africa and Eswatini.
- Rest of Africa includes customer service centres in Zambia and Zimbabwe.

Other operations include the results of the group's holding companies, intra-group loan investment companies, property investment company and BBBEE companies and trust.

The accounting policies of the reportable segments are the same as the group's accounting policies.

Each reportable segment, except for the other operations and inter-segmental eliminations segment, derives its revenue mainly from the sale of equipment and aftermarket products.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

9. SUMMARISED SEGMENTAL ANALYSIS *continued*

| | External Revenue R'000 | Inter-segment Revenue R'000 | Total Revenue R'000 | Operating profit (loss) R'000 | Assets R'000 | Liabilities R'000 |
|---|---------------------------|--------------------------------|------------------------|----------------------------------|-------------------|----------------------|
| December 2023 | | | | | | |
| Manufacturing, assembly, logistics and dealer sales operations | | | | | | |
| South Africa | 2 575 143 | 6 109 345 | 8 684 488 | 833 988 | 6 809 847 | 5 335 416 |
| Europe | 5 663 734 | 512 328 | 6 176 062 | 158 280 | 3 551 137 | 1 776 828 |
| Direct Sales operations | | | | | | |
| South Africa | 4 385 942 | 23 024 | 4 408 966 | 220 396 | 1 677 347 | 1 350 701 |
| Rest of Africa | 888 741 | 166 | 888 907 | 113 775 | 330 002 | 64 598 |
| Other operations and inter-segmental eliminations * | - | (6 644 863) | (6 644 863) | (132 728) | (1 833 750) | (3 277 976) |
| Total | 13 513 560 | - | 13 513 560 | 1 193 711 | 10 534 583 | 5 249 567 |
| December 2022 | | | | | | |
| Manufacturing, assembly, logistics and dealer sales operations | | | | | | |
| South Africa | 2 036 076 | 4 984 881 | 7 020 957 | 369 244 | 5 546 590 | 4 592 601 |
| Europe | 3 738 011 | 385 145 | 4 123 156 | 141 750 | 2 697 618 | 1 388 537 |
| Direct Sales operations | | | | | | |
| South Africa | 3 925 539 | 18 463 | 3 944 002 | 174 927 | 1 530 198 | 1 331 250 |
| Rest of Africa | 576 594 | 10 190 | 586 784 | 45 136 | 291 770 | 124 165 |
| Other operations and inter-segmental eliminations * | - | (5 398 679) | (5 398 679) | (25 869) | (1 415 451) | (3 151 036) |
| Total | 10 276 220 | - | 10 276 220 | 705 188 | 8 650 725 | 4 285 517 |

Information about major customers

Included in the manufacturing, assembly, logistics and dealer sales operations segment, in South Africa and Europe, are sales to a distributor in the United States of America which represent more than 10% of the group's external revenue. No other single customer contributed 10% or more to the group's revenue in either 2023 or 2022.

* Inter-segmental eliminations above relate to the following:

- i) Revenue - the elimination of intra-group sales transactions, mainly sales from the manufacturing, assembly, logistics and dealer sales operations to other group operations.
- ii) Operating profit - the elimination of profit or loss on intra-group transactions, mainly sales transactions from the manufacturing, assembly, logistics and dealer sales operations to the other group operations, where the inventory has not yet been on-sold to a third party at period end.
- iii) Assets and liabilities - the intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

10. CONTINGENT ASSETS

Reimbursement right relating to standard warranty in respect of manufactured goods

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Reimbursement right from component suppliers in respect of standard warranties where virtual certainty of recovery has not yet been established | 69 280 | 38 744 |

11. FINANCIAL INSTRUMENTS

Categories of financial instruments included in the summarised consolidated statement of financial position:

Financial assets

- financial assets at fair value through profit or loss;
- financial assets at amortised cost; and
- financial assets at fair value through other comprehensive income.

Classification is determined by both the group's business model as well as the contractual cash flow characteristics of the asset. Financial assets carried on the statement of financial position include cash and bank balances, investments, interest-bearing receivables, trade and other receivables and other assets (forward foreign exchange contracts).

Financial liabilities

- financial liabilities at fair value through profit or loss; and
- financial liabilities at amortised cost.

Financial liabilities as disclosed in the statement of financial position include interest-bearing liabilities, trade and other payables, bank overdrafts and borrowings on call and other liabilities (forward foreign exchange contracts).

Fair value of financial instruments

Financial assets at amortised cost

Interest-bearing receivables, trade and other receivables, excluding the value added taxation receivable, and cash and bank balances are measured at amortised cost. The directors consider that the carrying amount of trade and other receivables and cash and bank balances approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing receivables approximates their fair value owing to the market related interest rates charged on these agreements.

Financial liabilities at amortised cost

Interest-bearing liabilities, trade and other payables, and bank overdrafts and

borrowings on call are measured at amortised cost. The directors consider that the carrying amount of trade and other payables, excluding the value added taxation payable, and bank overdrafts and borrowings on call approximates their fair value due to the short-term nature of these instruments. The carrying amount of interest-bearing liabilities approximates their fair value owing to the market related interest rates on these instruments.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities carried at fair value through profit or loss include forward foreign exchange contracts presented in the statement of financial position as other assets or liabilities. The group measures forward foreign exchange contracts at fair value on a recurring basis based on the market approach, using inputs other than quoted prices (Level 2). The fair value of these contracts is based on observable forward exchange rates at period end from an independent provider of financial market data.

The details of forward foreign exchange contracts held at 31 December 2023 are listed below.

| | Foreign amount '000 | Rate R | Market value in Rands R'000 | Fair value gain (loss) R'000 |
|-------------------------|------------------------|-----------|-----------------------------------|------------------------------------|
| December 2023 | | | | |
| Import contracts | | | | |
| British Pound | 5 850 | 23,02 | 137 110 | 2 453 |
| Euro | 12 814 | 20,39 | 262 104 | 821 |
| Japanese Yen | 1 198 497 | 7,72 | 157 613 | 2 435 |
| United States Dollar | 500 | 18,44 | 9 197 | (23) |
| Export contracts | | | | |
| United States Dollar | 32 500 | 19,04 | 599 156 | 19 571 |
| December 2022 | | | | |
| Import contracts | | | | |
| British Pound | 4 000 | 20,70 | 82 070 | (712) |
| Euro | 2 450 | 17,49 | 44 556 | 1 695 |
| Japanese Yen | 508 759 | 7,87 | 65 767 | 1 157 |
| Export contracts | | | | |
| Euro | 500 | 17,97 | 9 090 | (102) |
| United States Dollar | 15 876 | 17,84 | 269 478 | 13 783 |

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

11. FINANCIAL INSTRUMENTS continued

Fair value of financial instruments continued

Investments at fair value through other comprehensive income

Investments carried at fair value through other comprehensive income include listed and unlisted equity instruments. These investments are measured at fair value on a recurring basis.

The fair value of listed investments is based on quoted market prices (Level 1).

For its unlisted investment (Level 3), the group used the market approach to estimate the fair value of its investment as the group does not have access to future forecast information with regards to the investment entity. The unlisted entity operates within the dealer and distribution network of the heavy equipment industry.

In the current year the group changed the measurement technique and transitioned from the price to book ratio method to an EBITDA multiple method for the valuation of the investment.

The group believes this method is more appropriate based on the relevant information the group currently has access to. An EBITDA multiple of 7.40 was used to estimate the fair value of the entity. The EBITDA multiple of 7.40 represents an average of observable EBITDA multiples of a number of listed entities within the heavy equipment industry.

The EBITDA multiples were obtained from a reputable market database. The fair value measurement has been classified as a Level 3 measurement. A 10% decrease or increase in the EBITDA multiple, would have a R8,5 million decrease or increase impact on the fair value of the investment. The fair value loss of R32,6 million (2022: fair value gain of R12,7 million) was accounted for in other comprehensive income.

A reconciliation of this unlisted investment is presented below:

| | 2023 R'000 | 2022 R'000 |
|---|-----------------|---------------|
| Opening balance | 58 180 | 44 636 |
| Translation difference | 6 959 | 875 |
| Fair value (loss) gain recognised in other comprehensive income | (32 576) | 12 669 |
| Closing balance | 32 563 | 58 180 |

Valuation techniques and fair value hierarchy

There was no change in the valuation technique used for the group's listed investment (Level 1). The valuation technique for the unlisted investment (Level 3) was changed from the price to book ratio method to an EBITDA multiple method in the current year.

For all fair value measurements disclosed above, there were no transfers between levels of the fair value hierarchy during the year.

12. CONTRACT LIABILITIES

| | 2023 R'000 | 2022 R'000 |
|--|------------------|---------------|
| Contract liabilities consist of the following: | | |
| Advance receipts from customers | 93 011 | 123 302 |
| Deferred warranty income | 238 941 | 172 498 |
| Deferred service contract income | 61 626 | 64 689 |
| Deferred finance income liability | 114 394 | 75 564 |
| | 507 972 | 436 053 |
| Less: current portion | (281 446) | (319 894) |
| Long-term portion | 226 526 | 116 159 |

13. RESTRICTED ACCESS TO CASH AND BANK BALANCES

The group's cash and bank balances includes an amount which forms part of the group's operation in Russia and which is not accessible by the group outside Russia due to sanctions and restrictions imposed on the transfer of funds by the Russian authorities.

| | 2023 R'000 | 2022 R'000 |
|--------------------------------------|---------------|---------------|
| Cash and bank balances in Russia (i) | 66 403 | 40 177 |

(i) There are no other significant assets in this operation.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

14. IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

IAS 36 Impairment of Assets

In terms of IAS 36 *Impairment of Assets* the group is required to perform tests for impairment of assets based on the expected future cash flows pertaining to these assets whenever there is an indication that these assets may be impaired.

At 31 December 2023 the market capitalisation and net asset value of the group were R2,2 billion (2022: R1,5 billion) and R5,3 billion (2022: R4,4 billion) respectively. This is an indicator of possible impairment of the group's business in terms of IAS 36.

Management has identified two types of CGU's and has adopted the following approach in order to assess the relevant CGU for impairment:

- **OEM CGU:** The Richards Bay manufacturing component (BECSA), the Germany manufacturing and assembly component (Kindel), the Germany logistics centre component (Alsfeld), BEGS including the GLC component and Bell Equipment North America Inc. component (BENA), constitute this main CGU. Management has calculated a fair value for this CGU using a discounted cash flow model which is compared to the relevant net assets within the CGU in order to determine whether there is any need for impairment of OEM assets. A discounted cash flow valuation was performed for each of the components and the sum of the fair values of the components was compared with the carrying amount of the assets recorded in the financial statements for the OEM CGU.
- **Dealer CGU's:** There are a number of CGU's relating to the owned direct sales operations, such as BESSA. Management performed a qualitative risk assessment of the profitability and any potential exposure of assets within the relevant CGU to impairment under IAS 36. No impairment losses were identified from this review.

14.1 Impairment considerations of the OEM CGU

The following was considered in the valuation of the OEM CGU, based on discounted cash flow methodology:

- Discounted cash flow valuation principles were applied in assessing the expected future cash flows pertaining to each of the operations comprising the OEM CGU. A fair value less costs to sell measurement assessment was performed.
- The key assumptions used in the valuations related to financial forecasts, cash flow projections, terminal growth rates and discount rates. The financial forecasts and cash flow projections were approved by the board of directors. Specialists were engaged to determine appropriate discount rates and terminal growth rates, to review the appropriateness of the valuation methodology applied and the accuracy of implementation thereof by management.

No impairment losses relating to the operations comprising the OEM CGU were identified from this review.

14.2 Impairment considerations of specific asset categories

Further consideration was given to the possible impairment of specific asset categories on the statement of financial position.

• **Inventory**

The group conducted a detailed assessment of the valuation of inventory at 31 December 2023. All inventory is valued at the lower of cost and net realisable value. At 31 December 2023, an amount of R406,1 million (2022: R313,2 million) included in inventory was carried at net realisable value. Included in cost of sales in the current year is an amount of R94,5 million (2022: R55,1 million) in respect of write-downs of inventory.

• **Trade and interest-bearing receivables**

The balances owed by customers to the group are reviewed on an ongoing basis, with specific emphasis on protecting the value of the group's security, comprising mainly the financed equipment. There has been no change to this approach during the current year. At 31 December 2023, the allowances for expected credit losses on trade and interest-bearing receivables totalled R52,3 million (2022: R56,5 million). This is considered to be adequate.

• **Property, plant and equipment**

There has been no change in the group's plans to use its assets to support revenue generating activities. The group's freehold land and buildings were revalued in the prior year as part of the three-year revaluation cycle. No impairment of property, plant and equipment was considered necessary in the current period.

• **Intangible assets**

A review was conducted of capitalised engineering development costs and no projects (December 2022: R9,3 million) were discontinued or impaired in the current period.

14.3 Impairment considerations of Russian operation

Due to the ongoing Russia-Ukraine conflict and sanctions imposed, the assets relating to the group's operation in Russia were tested for impairment.

Access to the cash and bank balances in this operation is restricted at present (refer to note 13). The carrying value of inventory in this operation amounts to R2,2 million (2022: R27,3 million) and this is considered to be recoverable. There are no other significant assets in this operation.

No impairment losses were identified from this review.

Notes to the summarised consolidated results continued

for the year ended 31 December 2023

14. IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023 continued

IAS 36 Impairment of Assets continued

14.4 Directors' assessment of going concern

As part of the assessment of the appropriateness of adopting the going concern basis in preparing the consolidated annual financial statements for the year ended 31 December 2023, the directors considered the group's cash flow forecasts for the next twelve months. These forecasts are based on expected demand for the next twelve months.

The cash flow forecast reflects that the group expects to operate within facility levels and generate sufficient cash flows to settle its obligations when due.

Management constantly monitors the facility levels in relation to the group's cash flow forecast. The group's lenders continue to support the business.

The group's net debt at 31 December 2023 has increased since 2022 to approximately R1,5 billion (2022: R1,1 billion).

The directors consider it appropriate that the year-end financial statements are prepared on a going concern basis.

15. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

The information in respect of directors' and prescribed officers' remuneration is included in the Remuneration Committee Report on page 86.

The details of the number of phantom share awards held by directors and prescribed officers at the end of the year is included in the Remuneration Committee Report on pages 95 to 98.

16. POST FINANCIAL POSITION EVENTS

No fact or circumstance material to the appreciation of these summarised consolidated financial statements has occurred between 31 December 2023 and the date of this report.

Shareholder analysis

Register date: 29 December 2023

Issued share capital: 95 629 385

| | Number of shareholdings | % | Number of shares | % |
|---------------------------------------|----------------------------|---------------|----------------------|---------------|
| SHAREHOLDER SPREAD | | | | |
| 1 - 1,000 shares | 5 666 | 88,82 | 343 331 | 0,36 |
| 1,001 - 10,000 shares | 529 | 8,29 | 2 018 275 | 2,11 |
| 10,001 - 100,000 shares | 149 | 2,34 | 4 182 127 | 4,37 |
| 100,001 - 1,000,000 shares | 27 | 0,42 | 9 207 668 | 9,63 |
| 1,000,001 shares and over | 8 | 0,13 | 79 877 984 | 83,53 |
| Totals | 6 379 | 100,00 | 95 629 385 | 100,00 |
| DISTRIBUTION OF SHAREHOLDERS | | | | |
| Banks/Brokers | 20 | 0,31 | 7 623 638 | 7,97 |
| Close Corporations | 15 | 0,24 | 3 288 994 | 3,44 |
| Endowment Funds | 2 | 0,03 | 9 000 | 0,01 |
| Individuals | 6 173 | 96,77 | 6 332 504 | 6,62 |
| Insurance Companies | 4 | 0,06 | 556 057 | 0,58 |
| Investment Companies | 1 | 0,02 | 10 000 | 0,01 |
| Mutual Funds | 22 | 0,34 | 7 144 236 | 7,47 |
| Other Corporations | 11 | 0,17 | 48 293 | 0,05 |
| Own Holdings | 1 | 0,02 | 32 233 | 0,03 |
| Private Companies | 57 | 0,89 | 69 790 153 | 72,98 |
| Retirement Funds | 3 | 0,05 | 222 685 | 0,24 |
| Trusts | 70 | 1,10 | 571 592 | 0,60 |
| Totals | 6 379 | 100,00 | 95 629 385 | 100,00 |
| PUBLIC/NON PUBLIC SHAREHOLDERS | | | | |
| Non Public Shareholders | | | | |
| Directors & Associates of the Company | 16 | 0,26 | 425 361,86 | 0,45 |
| Bell Equipment Share Scheme | 1 | 0,01 | 32 233,00 | 0,03 |
| Strategic Holders of more than 10% | 2 | 0,03 | 67 040 093,00 | 70,10 |
| Public Shareholders | 6 360 | 99,70 | 28 131 697,14 | 29,42 |
| Totals | 6 379 | 100,00 | 95 629 385,00 | 100,00 |
| RESIDENT/NON RESIDENT | | | | |
| Resident | 5 827 | 98,90 | 91 978 195 | 96,18 |
| Non resident | 65 | 1,10 | 3 651 190 | 3,82 |
| Totals | 5 892 | 100,00 | 95 629 385 | 100,00 |

TOP 10 BENEFICIAL SHAREHOLDERS

| | Number of shares | % |
|-----------------------------------|---------------------|-------|
| I A Bell And Company (Pty) Ltd | 67 040 093 | 70,10 |
| Peregrine | 4 011 597 | 4,19 |
| Clark, IAJ | 3 139 268 | 3,28 |
| Peresec Prime Brokers | 2 790 307 | 2,92 |
| Pieconomics Pty Ltd | 2 346 181 | 2,45 |
| Sanlam Investment Management | 1 785 450 | 1,87 |
| Pershing Llc | 1 304 977 | 1,36 |
| Perspective Investment Management | 1 017 275 | 1,06 |
| Clearstream Banking SA Luxembourg | 886 914 | 0,93 |
| Gilmour, S | 754 185 | 0,79 |

Totals

85 076 247

88,95

TOP 10 INSTITUTIONAL SHAREHOLDERS

| | Number of shares | % |
|-----------------------------------|---------------------|------|
| Peregrine | 4 011 597 | 4,19 |
| Peresec Prime Brokers | 2 790 307 | 2,92 |
| Sanlam Investment Management | 1 761 503 | 1,84 |
| Pershing Llc | 1 304 977 | 1,36 |
| Perspective Investment Management | 1 017 275 | 1,06 |
| Clearstream Banking SA Luxembourg | 886 914 | 0,93 |
| RMB Securities | 495 545 | 0,52 |
| Morgan Stanley (Custodian) | 492 615 | 0,52 |
| Allan Gray Asset Management | 439 580 | 0,46 |
| Citibank (Custodian) | 390 656 | 0,41 |

Totals

13 590 969

14,21

| | | Indirect | Number of shares | % |
|--|---------------------------|-------------------|------------------|-------------|
| Directors & Associates of the Company | | | | |
| Bell, GW | Chairman | 109 660 | 253 600 | 0,27 |
| Bell, GW | | | 253 600 | 0,27 |
| Bell, QI | | 29 500 | | |
| Bell, MO | | 29 259 | | |
| Bell, RL | | 23 400 | | |
| Bell, JM | | 2 200 | | |
| Bell, L | | 25 000 | | |
| Bell, MJ | | 301 | | |
| Goosen, L* | CEO | | 31 300 | 0,03 |
| Goosen, L | | | 31 300 | 0,03 |
| Bell, AJ** | Non executive director | | 2 598 | 0,00 |
| Bell, AJ | | | 2 598 | 0,00 |
| Maharaj, U | Non executive director | | | |
| Maharaj, K | | 33,86 | | |
| Mayer, A | Subsidiary director | | 5 000 | 0,01 |
| Mayer, A | | | 5 000 | 0,01 |
| Du Pisanie, TM | Subsidiary director | | 5 655 | 0,01 |
| Du Pisanie, TM | | | 5 655 | 0,01 |
| Morris, DE | Subsidiary director | | 14 000 | 0,01 |
| Morris, DE | | | 14 000 | 0,01 |
| Fleetwood, J | Subsidiary director | | 4 515 | 0,00 |
| Fleetwood, J | | | 4 515 | 0,00 |
| Harie, B | Shareholder in subsidiary | | 1 000 | 0,00 |
| Harie, B | | | 1 000 | 0,00 |
| Mabaso-Koyana, SN | Shareholder in subsidiary | | 1 000 | 0,00 |
| Mabaso-Koyana, SN | | | 1 000 | 0,00 |
| Totals | | 109 693,86 | 318 668 | 0,33 |
| BELL EQUIPMENT SHARE SCHEME | | | | |
| Bell Equipment | | | 32 233 | 0,03 |
| Totals | | | 32 233 | 0,03 |

* resigned with effect from 31 December 2023

** appointed as CEO with effect from 1 January 2024

| | | Number of shares | % |
|---|--|-------------------|--------------|
| STRATEGIC HOLDERS OF MORE THAN 10% | | | |
| I A Bell And Company (Pty) Ltd | | 67 040 093 | 70,10 |
| Totals | | 67 040 093 | 70,10 |

| | | Number of shareholdings | % | Number of shares | % |
|------------------------------------|--|-------------------------|---------------|-------------------|---------------|
| RESIDENT/NON-RESIDENT SPLIT | | | | | |
| South Africa | | 6 317 | 99,02 | 92 014 020 | 96,22 |
| United States | | 3 | 0,04 | 1 710 633 | 1,79 |
| Luxembourg | | 1 | 0,02 | 886 914 | 0,93 |
| United Kingdom | | 3 | 0,04 | 607 893 | 0,64 |
| Germany | | 3 | 0,04 | 164 100 | 0,17 |
| France | | 3 | 0,04 | 177 007 | 0,19 |
| Namibia | | 18 | 0,28 | 54 129 | 0,06 |
| Australia | | 1 | 0,02 | 4 200 | 0,00 |
| Mauritius | | 1 | 0,02 | 3 000 | 0,00 |
| Switzerland | | 1 | 0,02 | 3 000 | 0,00 |
| Denmark | | 1 | 0,02 | 2 300 | 0,00 |
| New Zealand | | 1 | 0,02 | 1 000 | 0,00 |
| Zimbabwe | | 1 | 0,02 | 380 | 0,00 |
| Botswana | | 1 | 0,02 | 270 | 0,00 |
| Lesotho | | 10 | 0,16 | 211 | 0,00 |
| UAE | | 4 | 0,06 | 175 | 0,00 |
| Eswatini | | 9 | 0,14 | 152 | 0,00 |
| Honduras | | 1 | 0,02 | 1 | 0,00 |
| Totals | | 6 379 | 100,00 | 95 629 385 | 100,00 |

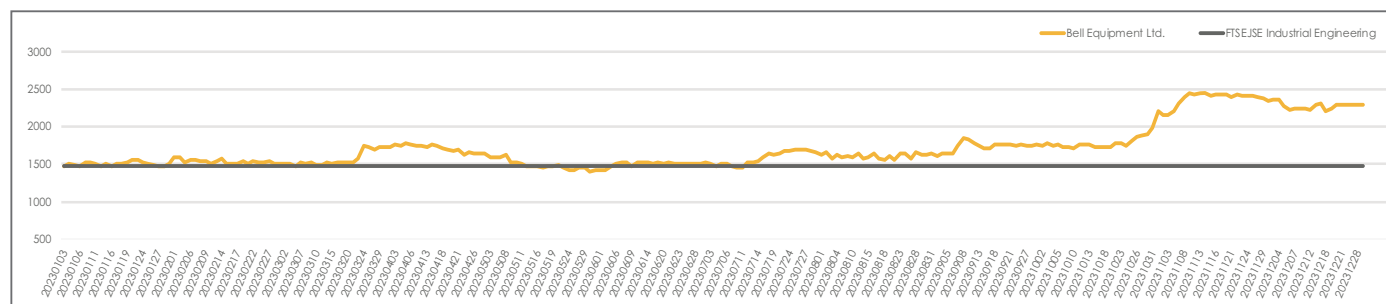
Bell Equipment Limited Share Trades 1 January 2023 to 31 December 2023

| Year | Month | Cents per share - High | Cents per share Low | Number of deals | Number of shares traded | Value R |
|------|-----------|------------------------|---------------------|-----------------|-------------------------|-------------|
| 2023 | January | 1 700 | 1 457 | 299 | 598 602 | 8 990 252 |
| 2023 | February | 1 600 | 1 480 | 178 | 502 544 | 7 635 675 |
| 2023 | March | 1 800 | 1 459 | 472 | 547 120 | 8 758 534 |
| 2023 | April | 1 845 | 1 630 | 551 | 830 860 | 14 544 381 |
| 2023 | May | 1 662 | 1 400 | 396 | 982 596 | 14 790 963 |
| 2023 | June | 1 644 | 1 425 | 508 | 792 306 | 11 926 018 |
| 2023 | July | 1 769 | 1 417 | 780 | 908 530 | 14 235 186 |
| 2023 | August | 1 699 | 1 526 | 475 | 381 037 | 6 097 071 |
| 2023 | September | 1 933 | 1 601 | 854 | 2 223 538 | 38 713 712 |
| 2023 | October | 1 980 | 1 700 | 476 | 5 576 041 | 99 504 397 |
| 2023 | November | 2 497 | 1 980 | 889 | 5 711 399 | 137 196 288 |
| 2023 | December | 2 375 | 2 206 | 339 | 513 919 | 11 537 913 |

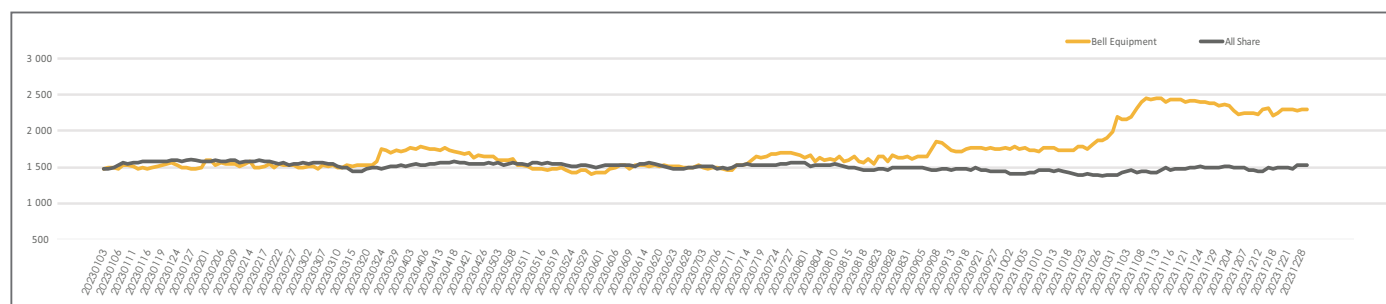
Market data

| | |
|---------------------------------------|---------------|
| Close - cents per share | 2 300 |
| High - cents per share | 2 497 |
| Low - cents per share | 1 400 |
| Market capitalisation - R | 2 199 475 855 |
| Value of shares traded | 373 930 390 |
| Value traded as % of market cap | 17,00% |
| Volume of shares traded | 19 568 492 |
| Volume traded as % of number in issue | 20,46% |
| PE ratio | 2,88 times |
| Dividend Yield | 3,91% |
| Earnings Yield | 34,74% |
| Period end Market Price/NAV | 41,61% |
| Shares in issue Shares | 95 629 385 |
| Average no of shares in issue | 95 629 385 |
| Shares issued/ repurchased | - |
| Number of shareholders | 6 379 |

Bell Equipment Ltd. vs FTSEJSE Industrial Engineering



Bell Equipment Ltd. vs All Share Index



Shareholder diary

| | |
|------------------------------|------------------|
| Financial year end | 31 December 2023 |
| Integrated annual report | April 2024 |
| Annual general meeting | 31 May 2024 |
| Interim results announcement | September 2024 |

Glossary

| | | | |
|-------------------------------------|---|----------------------|---|
| ADT | Articulated Dump Truck | CRM | Customer Relations Management |
| AGM | Annual General Meeting | CSC | Customer Service Centre |
| AIS | Automotive Investment Scheme | CSDP | Central Securities Depository Participant |
| ALC | American Logistics Centre | CSI | Corporate Social Investment |
| APDP | Automotive Production and Development Programme | DBSA | Development Bank of Southern Africa |
| Bell Equipment or Bell or the group | Bell Equipment Limited and its subsidiaries | DOE | Department of Environmental Affairs |
| BEE or BBEE | Black Economic Empowerment or Broad-Based Black Economic Empowerment | DMRE | Department of Mineral Resources and Energy |
| BEE Manco | K2019577563 (South Africa) (RF) Proprietary Limited | DRC | Democratic Republic of the Congo |
| BECSA | Bell Equipment Company SA Proprietary Limited | DTIC | Department of Trade, Industry and Competition |
| BECSA Holdings | BECSA Holdings Limited | ELC | European Logistics Centre |
| BEE0 | Bell Equipment European Operations comprising the Bell operations in Germany, UK and France | EME | Exempted Micro Enterprise |
| BEF | Bell Equipment Foundation Trust | ERP | Enterprise Resource Planning |
| BEGS | Bell Equipment Group Services Proprietary Limited | ESD | Enterprise and Supplier Development |
| BENA | Bell Equipment North America Inc. | ESG | Environment, social and governance |
| BESSA | Bell Equipment Sales South Africa Limited | EU | European Union |
| BESSA BEE SPV | K2017044733 (South Africa) (RF) Proprietary Limited | EYE customer service | External customer monitoring service |
| BHI | Bell Heavy Industries | FD | Financial Director |
| BHL | Bell Equipment SA Holdings Limited | FTA | Field Technical Analyst |
| CEO | Chief Executive | GDP | Gross Domestic Product |
| CFO | Chief Financial Officer | GDPR | General Data Protection Regulation |
| CGU | Cash generating unit | GEC | Group Executive Committee |
| COBIT | Control Objectives for Information and Related Technology | GLC | Global Logistics Centre |
| Companies Act | Companies Act of South Africa No 71 of 2008 (as amended) | HEPS | Headline earnings per share |
| COVID-19 | Corona virus disease | IAR | Integrated Annual Report |
| | | IDC | Industrial Development Corporation |
| | | IFRIC | International Financial Reporting Interpretations Committee |

| | | | |
|------------|---|---------------|--|
| IFRS | International Financial Reporting Standards | POPIA | Protection of Personal Information Act No 4 of 2013 (as amended) |
| IRBA | Independent Regulatory Board for Auditors | PPP | Paycheck Protection Program |
| ISO | International Standards Organisation | QSE | Qualifying Small Enterprise |
| IT | Information Technology | ROE | Return on Equity |
| John Deere | John Deere Construction and Forestry Company, a Delaware corporation | ROIC | Return on Invested Capital |
| JSE | Johannesburg Stock Exchange Limited | SAICA | South African Institute of Chartered Accountants |
| King III | King Code of Governance Principles and the King Report on Governance | SANRAL | South African National Roads Agency |
| King IV | King IV Report on Corporate Governance in South Africa 2016 | SAP | System Applications and Products in Data Processing |
| KPI | Key Performance Indicators | SED | Social Economic Development |
| LHD | Load, haul, dump loaders | SEFA | Small Enterprise Finance Agency |
| LIMUSA | Liberated Metalworkers Union of South Africa | SENS | Stock Exchange News Service |
| LTIFR | Lost Time Injury Frequency Rate | SIBI | Sibi Capital Proprietary Limited |
| LTIS | Long Term Incentive Scheme | STIS | Short Term Incentive Scheme |
| LTRS | Lifetime Revenue Stream | SVA | Shareholder Value Add |
| Matriarch | Bell brand name for forestry products | TIFR | Total Injury Frequency Rate |
| MEIBC | Metal and Engineering Industries Bargaining Council | TLB | Tractor Loader Backhoe |
| MERSETA | Manufacturing, Engineering and Related Services Sector Education Training Authority | TMP cycle | Trough, mid and peak cycle |
| MHCV | Medium and Heavy Commercial Vehicle | UASA | United Association of South Africa |
| MOI | Memorandum of Incorporation | UN SDG | United Nations Sustainable Development Goals |
| NPAT | Net Profit after Tax | US | United States of America |
| NUMSA | National Union of Metalworkers of South Africa | YES Programme | Youth Employment Service Programme |
| OEM | Original Equipment Manufacturer | 1-BELL | Bell initiative used to unite the greater Bell organisation through the adoption of a number of common areas of focus and key values associated therewith. |
| PDS | Pedestrian Detection System | | |
| PIFR | Production Injury Frequency Rate | | |

Notice of annual general meeting

BELL EQUIPMENT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1968/013656/06)

ISIN Code: ZAE000028304

Share code: BEL

('Bell Equipment' or 'the company')

Notice is hereby given to shareholders that the 56th annual general meeting (the 'AGM') of shareholders of Bell Equipment will be accessible only through electronic communication, as permitted by the listings requirements of the JSE (the 'JSE Listings Requirements') and the provisions of the Companies Act 2008 (Act No 71 of 2008) (the 'Companies Act') and the company's Memorandum of Incorporation ('MOI'). Bell Equipment is permitted in terms of the Companies Act to hold a shareholders' meeting (which would include an annual general meeting) entirely by electronic communication if its MOI does not prevent this (which the MOI does not). Full details concerning how the meeting will be held through electronic communication can be found at the end of this notice.

The AGM will be held on Friday, 31 May 2024 at 11:00 to: (i) deal with such business as may lawfully be dealt with at the AGM; and (ii) consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, as read with the JSE Listings Requirements. For the avoidance of doubt the passing of any of the resolutions below is not intended to supersede similar resolutions passed previously by the shareholders, unless that is either clearly provided in the resolution or is a necessary implication of the passing of the resolution contemplated in this notice.

All terms defined in the glossary on page 118 bear the same meaning in this notice.

The company does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or broker including, without limitation, any failures on the part of the CSDP or broker to notify any shareholder holding shares in dematerialised form of the AGM convened in terms of this notice.

RECORD DATES

In terms of Section 59(1)(a) and (b) of the Companies Act and the JSE Listings Requirements, the board of directors of the company (the 'board') has set the record dates for:

- determining which shareholders are entitled to receive notice of the AGM (being the date on which a shareholder must be registered in the company's securities register in order to receive notice of the AGM), as Friday, 19 April 2024;
- the last day to trade in order to be eligible to attend, participate and vote at the AGM, as Tuesday, 14 May 2024;
- determining which shareholders are entitled to attend, participate in and vote at the AGM (being the date on which a shareholder must be registered in the company's securities register), as Friday, 17 May 2024.

As the AGM will cater for electronic participation only, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, the chairman has already determined that all voting will be by way of poll through the facility provided by the electronic online facilities.

CONSIDERATION OF THE FINANCIAL STATEMENTS AND REPORTS

To consider the annual financial statements of the group for the financial year ended 31 December 2023, including the directors' report, the independent auditor's report, the audit committee report, the social, ethics and transformation committee report and the remuneration committee report.

The audited annual financial statements of the company for the financial year ended 31 December 2023, including the directors' report, the independent auditor's report and the audit committee's report, will be distributed as required, and can be obtained, free of charge, by requesting a copy from the company secretary by way of email at diana.mcilrath@bellequipment.com or by way of post for attention: the Company Secretary, 13 - 19 Carbonode Cell Road, Alton, Richards Bay, 3900, and will be available on the company's website at www.bellir.co.za. Shareholders are reminded to obtain their own copies on www.bellir.co.za so as to be able to follow any discussion.

The social, ethics and transformation committee's report, the remuneration committee report and the summarised consolidated financial statements for the year ended 31 December 2023 are included in the integrated annual report on pages 82, 86 and 100.

ORDINARY BUSINESS

To consider and, if deemed fit, to pass, with or without modification, all of the ordinary resolutions set out below.

The minimum percentage of voting rights required for each of the ordinary resolutions set out below to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the AGM.

1. ORDINARY RESOLUTION 1: ELECTION OF EXECUTIVE ALTERNATE DIRECTOR

Resolved that A Goordeen is elected as an executive alternate director to A Bell.

Reason and Effect

In terms of clause 5.1.4 of the MOI, the appointment of all directors must be subject to shareholder approval at any general meeting or annual general meeting. Mr Goordeen was previously the elected alternate director to Mr Goosen. Mr Goosen resigned as the chief executive with effect from 31 December 2023 and Mr A Bell was appointed as the chief executive with effect from 1 January 2024. Mr Goordeen is being considered for election as an executive alternate director to Mr A Bell.

The board, having received a positive recommendation from the nominations committee, is satisfied with the performance of Mr Goordeen, and the board recommends that shareholders elect Mr Goordeen as an executive alternate director.

Brief particulars of Mr Goordeen's qualifications and experience are available in the integrated annual report of which this notice forms part.

2. ORDINARY RESOLUTIONS 2.1, 2.2 and 2.3: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

- 2.1 Resolved that H van der Merwe be and is hereby re elected as a non executive director of the company;
- 2.2 Resolved that D Lawrance be and is hereby re elected as a non executive director of the company; and
- 2.3 Resolved that U Maharaj be and is hereby re elected as a non executive director of the company.

Reason and Effect

In accordance with clause 5.1.10 of the MOI, one third of the non executive directors are required to retire from office at each AGM and may offer themselves for re election. Messrs H van der Merwe and D Lawrance and Mrs U Maharaj retire by rotation at the AGM in accordance with clause 5.1.10 of the MOI and have offered themselves for re election.

Brief particulars of the qualifications and experience of the abovementioned directors are available in the integrated annual report on page 15 of which this notice forms part.

The board, having received a positive recommendation as to each of the directors from the nominations committee, are satisfied with the performance of each of the directors standing for re election and that they will continue to make an effective and valuable contribution to the company and the board.

The board accordingly recommends to shareholders that they should vote in favour of the re election of the directors referred to in ordinary resolution number 2, each by way of a separate resolution.

3. ORDINARY RESOLUTIONS 3.1 to 3.4: ELECTION OF THE MEMBERS OF THE AUDIT COMMITTEE

- 3.1 Resolved that subject to his re election as a director, D Lawrance an independent non executive director of the company is elected as a member of the audit committee until the conclusion of the AGM to be held in 2025;
- 3.2 Resolved that R Naidu an independent non executive director of the company is elected as a member of the audit committee until the conclusion of the AGM to be held in 2025;
- 3.3 Resolved that M Ramathe an independent non executive director of the company is elected as a member of the audit committee until the conclusion of the AGM to be held in 2025;
- 3.4 Resolved that subject to her re election as a director, U Maharaj an independent non executive director of the company is elected as a member of the audit committee until the conclusion of the AGM to be held in 2025.

Reason and Effect

In terms of Section 94(2) of the Companies Act, each audit committee member must be elected by shareholders each year at the AGM. King IV and the JSE Listings Requirements likewise require shareholders of a public company to elect each member of the audit committee at an annual general meeting.

In terms of Regulation 42 of the Companies Regulations 2011, promulgated pursuant to the Companies Act, at least one third of the members of the company's audit committee at any particular time must have academic qualifications, or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. The board is satisfied that each of the proposed members is duly qualified and with sufficient experience, as is evident from the brief biographies of each member, as contained in this notice and in the integrated annual report on page 15 of which this notice forms part and that if all the above individuals are elected, the audit committee will comply with all relevant requirements and be able to perform its duties in terms of the Companies Act and the JSE Listings Requirements.

4. ORDINARY RESOLUTION 4: APPOINTMENT OF AUDITORS

Resolved that PricewaterhouseCoopers Inc. upon the recommendation of the audit committee, is appointed as the independent registered auditor of the company until the conclusion of the next AGM, and that Mr Pieter Vermeulen be noted as the individual designated auditor until the conclusion of the next AGM.

**4. ORDINARY RESOLUTION 4:
APPOINTMENT OF AUDITORS** *continued*

Reason and Effect

Section 90(1) of the Companies Act and the JSE Listings Requirements stipulate that the company must, each year at its annual general meeting, appoint an auditor meeting the requirements of Section 90(2) of the Companies Act.

The audit committee has satisfied itself that the proposed auditor, PricewaterhouseCoopers Inc., is independent of the company in accordance with Section 90 and 94 of the Companies Act. The audit committee has recommended the appointment of PricewaterhouseCoopers Inc. as the independent registered auditor of the company until the next AGM. The audit committee has confirmed that Mr Pieter Vermeulen is suitable for appointment as the designated auditor.

**5. ORDINARY RESOLUTION 5:
PLACEMENT OF CERTAIN OF THE AUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS**

Resolved that the directors be authorised to allot and issue, or grant options over, a maximum number of 4 781 469 (four million seven hundred and eighty one thousand four hundred and sixty nine) ordinary shares, representing 5% (five percent) of the number of ordinary shares in issue as at the date of this notice upon such terms and conditions and at such times as they may determine and deem fit in their discretion, subject to the provisions of the Companies Act, the JSE Listings Requirements and the MOI, provided that this authority shall not extend beyond the AGM to be held in 2025 or 15 (fifteen) months from the date of passing of this resolution, whichever date is earlier.

Reason and Effect

The reason for and effect of this ordinary resolution number 5 is to obtain the necessary approval from shareholders to allow the company to allot and issue, or grant options over, a limited number of shares in the authorised but unissued capital, namely a maximum of 4 781 469 (four million seven hundred and eighty one thousand four hundred and sixty nine) ordinary shares as and when the board deems fit. This number has been determined as 5% (five percent) of the number of ordinary shares in issue as at the date of the notice of the AGM, subject to the provisions of the Companies Act, the JSE Listings Requirements and the MOI. The authority, if obtained from the shareholders, will not extend beyond the AGM to be held in 2025 or 15 (fifteen) months from the date of passing of the resolution, whichever date is earlier.

6. NON BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION POLICY

Resolved through a non binding advisory vote, that the company's remuneration policy as set out in the remuneration committee report on page 89 in the integrated annual report of which this notice forms part be and is hereby endorsed.

Reason and Effect

The JSE Listings Requirements require a company to table its remuneration policy for a non binding advisory vote by shareholders at its AGM. This vote enables shareholders to endorse the remuneration policy adopted for executive directors, prescribed officers and employees. The Bell Equipment remuneration policy is contained in the integrated annual report on page 89 of which this notice forms part.

The advisory vote is of a non binding nature only and therefore failure to pass this resolution will not have any legal consequences. However, the board will take cognisance of the outcome of the vote when considering the company's remuneration policy. In the event that shareholders exercising 25% (twenty five percent) or more of the voting rights exercise their vote against the non binding resolution, the company will in the voting results announcement provide for an invitation to those shareholders to engage with the company and the manner and timing of such engagement. The company will engage with those dissenting shareholders in order to ascertain the reasons for their objection, and to respond appropriately to legitimate and reasonable objections and concerns.

7. NON BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION IMPLEMENTATION

Resolved through a non binding advisory vote, that the company's implementation report in regard to its remuneration policy, as set out in the remuneration committee report on page 92 in the integrated annual report of which this notice forms part be and is hereby endorsed.

Reason and effect

The JSE Listings Requirements requires a company to table its remuneration implementation report for a non binding advisory vote by shareholders at its AGM. This vote enables shareholders to endorse the remuneration implementation report for executive directors, prescribed officers and employees. The Bell Equipment remuneration implementation report is contained in the integrated annual report on page 92 of which this notice forms part.

The advisory vote is of a non binding nature only and therefore failure to pass this resolution will not have any legal consequences. However, the board will take cognisance of the outcome of the vote when considering the implementation of the company's remuneration policy. In the event that shareholders exercising 25% (twenty five percent) or more of the voting rights exercise their vote against the non binding resolution, the company will in the voting results announcement provide for an invitation to those shareholders to engage with the company and the manner and timing of such engagement. The company will engage with those dissenting shareholders in order to ascertain the reasons for their objection, and respond appropriately to legitimate and reasonable objections and concerns.

SPECIAL BUSINESS

As special business, to consider, and if deemed fit, to pass, with or without modification, the following special resolutions set out below.

The percentage of voting rights that will be required for the adoption of each special resolution is the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution.

**8. SPECIAL RESOLUTION 1:
GENERAL AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT**

Resolved that to the extent required by Section 44 of the Companies Act and as a general authority, the board may, subject to compliance with the provisions of the MOI, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide on such terms as the board shall consider fair and reasonable to the company, in the circumstances and without the necessity if the board considers it appropriate to charge interest at any time and from time to time, any direct or indirect financial assistance to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter related (as these terms are defined in the Companies Act) to the company or any of its subsidiaries, and/or to any member of such subsidiary or related or inter related company or entity for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter related company or entity, or for the purchase of any securities of the company or a related or inter related company or entity, subject to the terms and conditions of Section 44 of the Companies Act, at any time for a period commencing on the date of passing of this resolution and ending at the next AGM.

Reason and effect

The reason for and effect of this special resolution number 1 is to obtain the necessary approvals from shareholders to allow the company to provide financial assistance to the company's present or future subsidiaries and/or any other company or entity that is or becomes related or inter related to the company or any of its subsidiaries and/or to any member of such subsidiary or related or inter related company or entity for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter related company or entity as contemplated in Section 44 of the Companies Act.

**9. SPECIAL RESOLUTION 2:
GENERAL AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT**

Resolved that to the extent required by Section 45 of the Companies Act and as a general authority, the board may, subject to compliance with the provisions of the MOI, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide on such terms as the board shall consider fair and reasonable to the company in the circumstances and without the necessity if the board considers it appropriate to charge interest at any time and from time to time any direct or indirect financial assistance to any one or more related or inter related companies (as these terms are defined in the Companies Act) or corporations of the company (but not to a director and/or a prescribed officer of the company or a director of any related and/or inter related companies or any person related to any such director or prescribed officer) for a period commencing on the date of passing of this resolution and ending at the next AGM.

Reason and effect

The reason for and effect of this special resolution number 2 is to obtain the necessary approvals from shareholders to allow the company to provide financial assistance to the company's related and/or inter related companies or corporations in accordance with the provisions of Section 45 of the Companies Act, as and when required in the normal course of its business. This special resolution does not authorise the provision of financial assistance to a director and/or a prescribed officer of the company or of any related and/or inter related companies or any person related to any such director or prescribed officer.

10. SPECIAL RESOLUTIONS 3.1 TO 3.20:

BASIS OF REMUNERATION PAYABLE TO NON EXECUTIVE DIRECTORS FROM 1 JANUARY 2025

Resolved, as separate special resolutions, that the directors' fees plus VAT that may be attributable to the fees, payable to the non executive directors of the company, from 1 January 2025 (representing a 6% (six percent) increase from the previous year's fees) be approved as follows:

| Special resolution number | | Rand (excl VAT) |
|---|--|-----------------|
| Retainer fees to be paid annually | | |
| 3.1 | Non executive chairman | 477 541 |
| 3.2 | Lead independent non executive director | 367 417 |
| 3.3 | Non executive directors | 257 304 |
| Fees per meeting payable to the chairman of the board and the chairmen of board committees | | |
| 3.4 | Board | 43 502 |
| 3.5 | Audit committee | 26 161 |
| 3.6 | Risk and sustainability committee | 26 161 |
| 3.7 | Nominations committee | 20 553 |
| 3.8 | Remuneration committee | 20 553 |
| 3.9 | Social, ethics and transformation committee | 25 790 |
| 3.10 | Ad hoc committee | 17 564 |
| 3.11 | Fees to be paid to lead independent non executive director per board meeting | 43 227 |
| Fees to be paid to non executive directors, including the chairman of the board, lead independent non executive director and the chairmen of board committees, per meeting | | |
| 3.12 | Board | 42 919 |
| 3.13 | Audit committee | 34 365 |
| 3.14 | Risk and sustainability committee | 26 161 |
| 3.15 | Nominations committee | 17 564 |
| 3.16 | Remuneration committee | 17 564 |
| 3.17 | Social, ethics and transformation committee | 25 790 |
| 3.18 | Bell Equipment audit services committee | 17 108 |
| 3.19 | Ad hoc committees | 17 564 |
| 3.20 | Annual general meeting | 17 564 |

The proposed fees for 2025 set out above are exclusive of VAT.

Reason and effect

These special resolutions are required in order to comply with the requirements of the Companies Act. In this respect, Section 65(11)(h) provides that a special resolution is required to authorise the basis for compensation to directors of a profit company, as required by Section 66(9). Section 66(9) provides that remuneration may be paid to its directors for their services as directors only in accordance with a special resolution approved by the shareholders within the previous 2 (two) years.

Section 66(9) applies only to the remuneration paid to directors for their services as such. Unlike the non executive directors of the company, the executive directors do not receive any fees/remuneration for their services as directors. Their remuneration is for their services as employees of the company.

It is the intention that the basis of determining the remuneration payable to directors for their services is determined in advance of the forthcoming period that commences at the beginning of January 2025.

The effect of these special resolutions, if passed, will be the authorisation of the abovementioned fees.

11. SPECIAL RESOLUTION 4:

GENERAL AUTHORITY TO REPURCHASE SHARES

Resolved that the board be authorised, by way of a general authority, to approve the purchase of its own ordinary shares by the company, or to approve the purchase of the ordinary shares in the company by any subsidiary of the company, subject to the applicable requirements of the MOI, the Companies Act, and subject further to the restriction that the repurchase or purchase, as the case may be, by the company and/or any of its subsidiaries of shares in the company under this authority will not, considered alone or together with other transactions in an integrated series of transactions, in aggregate exceed 5% (five percent) of the ordinary shares of the company in issue at the time this authority is granted and provided that, as required in terms of the JSE Listings Requirements:

- the general repurchase of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital as at the beginning of the financial year;
- the general repurchase of shares will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- authorisation thereto is given in the company's MOI;
- this general authority shall only be valid until the company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of this special resolution;
- general repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the shares for the 5 (five) business days immediately preceding the date on which the transaction is effected;

11. SPECIAL RESOLUTION 4:

GENERAL AUTHORITY TO REPURCHASE SHARES *continued*

- at any point in time, a company may only appoint one agent to effect any repurchases on the company's behalf;
- a resolution has been passed by the board confirming that the board has authorised the general repurchase, that the company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the group, or in the case of a purchase by a subsidiary, a resolution of the board of such subsidiary confirming that such board has authorised the general repurchase, that such subsidiary passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the group;
- any such general repurchases are subject to exchange control regulations and approval at that point in time;
- the company or its subsidiaries may not repurchase shares during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed to the JSE in writing prior to the commencement of the prohibited period;
- when the company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of shares, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made.

The board will not effect a general repurchase of shares as contemplated above unless, in addition to complying with the requirements of the Companies Act, the following conditions as contemplated by the JSE Listings Requirements are met:

- the company and the group will be able to repay its debts in the ordinary course of business for a period of 12 (twelve) months following the date of the general repurchase;
- the company and the group's assets will be in excess of the liabilities of the company and the group for a period of 12 (twelve) months after the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the general repurchase; and
- the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the general repurchase.

Reason and effect

The reason and effect for this special resolution number 4 is to authorise the company and any subsidiary of the company by way of a general authority to acquire the company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the company, subject to the limitations set out

above. At the present time, the directors have no specific intention regarding the use of this authority which will only be used if the circumstances are appropriate. Any decision by the directors to use the general authority to acquire shares of the company will be taken with regard to prevailing market conditions and in accordance with the requirements to be considered by the board as set out above. This special resolution would also authorise the board acting on behalf of the company as the shareholder in its subsidiaries to pass the necessary shareholders' resolution to authorise the subsidiaries in question to purchase shares issued by the company.

Statement of board's intention

The directors of the company have no specific intention to effect any buy backs under the provisions of special resolution number 4 but will, however, continually review the company's position, having regard to the prevailing circumstances and market conditions, in considering whether to effect any buy backs under the provisions of special resolution number 4.

Other disclosures in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require certain disclosures for purposes of the general authority to repurchase the company's shares as contemplated by special resolution 4, some of which appear elsewhere in the integrated annual report;

| | |
|-----------------------------------|----------|
| Major shareholders of the company | page 115 |
| Share capital of the company | page 109 |

Directors' responsibility statement

The directors, whose names are given in the integrated annual report on page 15 of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolution number 4 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution and additional disclosure in terms of Section 11.26 of the JSE Listings Requirements pertaining thereto contain all information required by the JSE Listings Requirements.

No material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report and the date of this notice.

12. OTHER BUSINESS

To transact such other business as may be transacted at an AGM.

INFORMATION SCHEDULE

QUORUM

The quorum requirement for the ordinary and special resolutions set out above is sufficient persons being present to exercise, in aggregate, at least 25% (twenty five percent) of all voting rights that are entitled to be exercised on the resolutions, provided that at least three shareholders of the company are present whether by electronic communication or otherwise, at the AGM.

ELECTRONIC PARTICIPATION (SPEAKING AND VOTING) ('PARTICIPATION')

General

The AGM will only be accessible through electronic communication. To this end, the company has retained the services of The Meeting Specialists Proprietary Limited ('TMS') to remotely host the AGM on an interactive electronic platform in order to enable remote participation by shareholders. Shareholders or their proxies who wish to participate in the AGM, can only do so via electronic communication ('Participants'). Participants will be able, once verified and furnished with a unique link by TMS, to access the AGM and as a result hear the full proceedings, be able to speak (the sequence in which Participants speak being determined by the chairman of the AGM in a fair manner), and to vote on each resolution proposed.

Participants must deliver the Electronic Participation and Verification Application Form attached to this notice ('the Form') duly completed plus the relevant documentation referred to in the Form to TMS via email to proxy@tmsmeetings.co.za or contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 11:00 (SA time) on Thursday, 30 May 2024.

If shareholders wish to participate in the AGM, they should instruct their CSDP or broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in their custody agreement. These instructions must be provided to the CSDP or broker by the cut off time and date advised by the CSDP or broker, to accommodate such requests.

Each Participant, who has delivered the Form duly completed together with the relevant documentation referred to in that Form, will be verified by TMS (in correspondence with the company and, in particular, the transfer secretaries, JSE Investor Services Proprietary Limited ('JIS')) to validate each such Participant's entitlement to participate in and/or vote at the AGM, before providing it with the necessary means to access the AGM and/or the associated voting platform.

JIS will also act as the scrutineer to vet all proxy forms submitted and to advise the chairman of the AGM as to any proxies to reject.

If any of the documents referred to in the Form are not delivered to TMS, or if the Form has not been duly completed, then it will not be possible for TMS to complete the verification and accordingly the Participant in question will not be furnished with the unique link to participate at the AGM, unless and until the Form is duly completed and the requisite documentation has been delivered. TMS will contact any shareholder if the Form which is delivered is not properly completed or the requisite documentation has not been delivered with the Form.

Participants, once verified, will be contacted by TMS between Monday, 27 May 2024 and Thursday, 30 May 2024 via the email/cell number provided on the Form, with a unique link to allow them to participate in the AGM. Once the Participant has received the unique link, the onus to safeguard this information rests with the Participant. The Participant is not permitted to make this unique link available to anyone else. Only the Participant as verified is permitted to use the unique link.

Aside from the costs incurred by the company as a result of retaining the services of TMS including making the interactive platform available, shareholders will be liable for their own charges in relation to electronic Participation at the AGM. Any such charges will not be for the account of the JSE, Bell Equipment, JIS and/or TMS.

None of the JSE, Bell Equipment, JIS or TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any shareholder from participating in and/or voting at the AGM.

Participants are strongly encouraged to have a stable internet connection with sufficient bandwidth capabilities to participate in the AGM. Participants are strongly encouraged to submit their proxies beforehand, even if they intend to attend the AGM, to ensure that their votes are counted in the event of any delays or disruptions to the Participant's network connectivity and/or loss of network connectivity by such Participant during any part of the AGM.

Verification

In accordance with Section 63(1) of the Companies Act, before any person may attend or participate in any meeting (including the AGM), that person must present reasonably satisfactory identification. Without limiting the generality hereof, the company will accept a valid South African identity document, a valid driver's licence or a valid passport which reflects the name of the shareholder as it appears on the register, as satisfactory identification. In the case of a proxy, the company will accept a valid South African identity document, a valid driver's licence or a valid passport which reflects the name of the proxy as it appears on the form of proxy, as satisfactory identification.

Participation at the AGM

1. Dematerialised Shareholders

If a shareholder which holds their shares in dematerialised form other than on an own name basis ('Dematerialised Shareholder'), wishes to participate in the AGM in person they should instruct their CSDP or broker to issue them with the necessary letter of representation, in the manner stipulated in their respective custody agreement. That letter of representation must then be furnished by the Dematerialised Shareholder as a part of the verification process referred to above.

Alternatively, if a Dematerialised Shareholder does not wish to participate personally at the AGM but has not been contacted by their CSDP or broker to ascertain how the Dematerialised Shareholder wishes to cast their votes at the AGM, the Dematerialised Shareholder should contact their CSDP or broker to give their voting instructions. If a Dematerialised Shareholder's CSDP or broker does not obtain voting instructions from the Dematerialised Shareholder, it will be obliged to vote in accordance with the provisions contained in the custody agreement.

Dematerialised Shareholders must not complete the form of proxy.

2. **Certificated Shareholders and Own Name Shareholders**

Once verified, a shareholder which holds their shares in certificated form ('Certificated Shareholder') or who is a shareholder which holds their shares in dematerialised form on an own name basis ('Own Name Shareholder') may participate in person by electronic communication at the AGM.

Alternatively, a Certificated Shareholder or an Own Name Shareholder which is unable to attend the AGM by electronic communication is encouraged to appoint a proxy to represent them at the AGM by completing the attached form of proxy in accordance with the instructions contained in the form of proxy and returning it to TMS, by email to proxy@tmsmeetings.co.za. It is requested that the forms of proxy be received by no later than 11:00 on Thursday, 30 May 2024 but they can be presented at any time before the commencement of the AGM by contacting TMS via email or contact number as set out above. Until presented, the proxy will not be permitted to participate in the AGM (including voting).

3. **Joint Holders**

If there are joint Certificated Shareholders or Own Name Shareholders or Dematerialised Shareholders of any particular shares, any one of such persons may vote at the AGM in respect of such shares as if that person is solely entitled thereto, but if more than one of such joint holders are present or represented at the AGM, the person whose name appears first in Bell Equipment's register in respect of such shares or their proxy, as the case may be, shall alone be entitled to vote in respect of such shares.

SHARES HELD BY SHARE TRUST OR SCHEME

Equity shares in Bell Equipment held (i) by a subsidiary and/or (ii) by a trust, through a scheme and/or other entity, where the equity shares in the company are controlled by the company from a voting perspective, will not have their votes taken into account for purposes of any JSE regulated resolutions.

By order of the board



D McIlrath
Company Secretary

28 March 2024

Registered office
13 - 19 Carbonode Cell Road, Alton
Richards Bay 3900



Form of proxy

BELL EQUIPMENT LIMITED

Company registration number: 1968/013656/06
Share code: BEL, ISIN code: ZAE000028304

All terms defined in the notice to which this is annexed or in the glossary apply to this form of proxy.

If you are a Dematerialised Shareholder do not complete this form.

An ordinary shareholder entitled to attend and vote at the AGM to be held by electronic communication on Friday, 31 May 2024 at 11:00, is entitled to appoint a proxy/ies to attend, speak or vote thereat in their stead. A proxy/ies need not be a shareholder of the company. The proxy will also participate by electronic communication.

The completed forms of proxy must be lodged electronically with JSE Investor Services Proprietary Limited ('JIS'). Shareholders are strongly urged to electronically deliver their completed forms of proxy by no later than 11:00 on Thursday, 30 May 2024 for administrative purposes to proxy@tmsmeetings.co.za.

I/We _____ (please print full names) of
_____ (address)

being an ordinary shareholder(s) of the company holding _____ ordinary shares
(ordinary shares) in the company, do hereby appoint:

1. _____ or failing him/her
2. _____ or failing him/her
3. the chairman of the AGM as my/our proxy/ies to attend, speak and on a poll to vote or abstain from voting on my/our behalf at the AGM or at any adjournment thereof for the purpose of considering and, if deemed fit, passing with or without modification, the following resolutions to be considered at the AGM in accordance with the following instructions:

| Ordinary Resolution Number | | For | against | abstain |
|----------------------------|--|-----|---------|---------|
| 1. | To elect A Goordeen as the executive alternate director | | | |
| 2. | To re elect directors who retire by rotation | | | |
| 2.1 | H van der Merwe | | | |
| 2.2 | D Lawrance | | | |
| 2.3 | U Maharaj | | | |
| 3 | To elect the members of the audit committee | | | |
| 3.1 | Election of D Lawrance, a non executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2025 | | | |
| 3.2 | Election of R Naidu, a non executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2025 | | | |
| 3.3 | Election of M Ramathe, a non executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2025 | | | |
| 3.4 | Election of U Maharaj, a non executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2025 | | | |
| 4. | Appointment of PricewaterhouseCoopers Inc. as the independent auditors of the company until the conclusion of the AGM to be held in 2025 | | | |
| 5. | Placement of certain of the authorised but unissued shares under the control of the directors | | | |
| 6. | Non binding advisory vote on the company's remuneration policy | | | |
| 7. | Non binding advisory vote on the company's remuneration implementation report | | | |

| Special Resolution Number | | For | against | abstain |
|---|---|-----|---------|---------|
| 1. | General authority for the provision of financial assistance in terms of Section 44 of the Companies Act | | | |
| 2. | General authority for the provision of financial assistance in terms of Section 45 of the Companies Act | | | |
| 3. | Approval of the basis of the remuneration payable to non executive directors | | | |
| Annual retainer fees | | | | |
| 3.1 | Non executive chairman | | | |
| 3.2 | Lead independent non executive director | | | |
| 3.3 | Non executive directors | | | |
| Fees paid per meeting to the chairman of the board and the chairmen of the board committees | | | | |
| 3.4 | Board | | | |
| 3.5 | Audit committee | | | |
| 3.6 | Risk and sustainability committee | | | |
| 3.7 | Nominations committee | | | |
| 3.8 | Remuneration committee | | | |
| 3.9 | Social, ethics and transformation committee | | | |
| 3.10 | Ad hoc committees | | | |
| 3.11 | Fees paid to lead independent non executive director per board meeting | | | |
| Fees paid to non executive directors, including the chairman of the board, the lead independent non executive director and the chairmen of board committees, per meeting | | | | |
| 3.12 | Board | | | |
| 3.13 | Audit committee | | | |
| 3.14 | Risk and sustainability committee | | | |
| 3.15 | Nominations committee | | | |
| 3.16 | Remuneration committee | | | |
| 3.17 | Social, ethics and transformation committee | | | |
| 3.18 | Bell Equipment audit services committee | | | |
| 3.19 | Ad hoc committees | | | |
| 3.20 | Annual general meeting | | | |
| 4. | General authority to repurchase shares | | | |

Please read the notes following this form of proxy. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/ her legal capacity are produced or have been previously registered by the transfer secretaries.

Signed at _____ (place) on _____ 2024.

Shareholder's signature/s _____ assisted by _____ (if applicable)

Notes to the form of proxy

Summary of the rights to be represented by proxy as contained in Section 58 of the Companies Act and notes to the form of proxy:

In accordance with Section 58 of the Companies Act, a person who holds ordinary shares in Bell Equipment is entitled to attend and vote at the AGM and to appoint one or more proxies to attend, participate in, speak and vote or abstain from voting in his/her stead. Further, a shareholder may appoint more than one proxy to exercise voting rights attached to different securities held by that shareholder.

A proxy need not be a shareholder of the company.

A shareholder may make a proxy appointment in writing, dated and signed by the shareholder; and said appointment will remain valid until the end of the AGM, unless it is revoked in a manner contemplated in subsection (4)(c).

A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting 'the chairman of the AGM', but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the chairman of the AGM. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

A proxy may not delegate the proxy's authority to act on behalf of the shareholder to another person.

A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy, the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder or if the appointment is revoked. A shareholder may revoke the proxy appointment by:

- cancelling it in writing, or making a later inconsistent appointment of a proxy; and
- delivering a copy of the revocation instrument to the proxy, and to the company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii) of the Companies Act.

If the instrument appointing a proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to:

- the shareholder; or
- the proxy or proxies, if the shareholder has directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so.

A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy, provides otherwise.

A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the AGM, as they think fit in respect of all the shareholder's exercisable votes. A proxy is not obliged to use all the votes exercisable by them, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder.

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM. The chairman of the AGM shall be entitled to decline or accept the authority of a person signing the proxy form:

- under a power of attorney; or
- on behalf of a company,

unless his power of attorney or authority is deposited at the offices of the company secretary or that of the transfer secretaries no later than 48 (forty eight) hours before the meeting.

The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

Electronic participation and verification application form in respect of the Bell Equipment Limited AGM to be held on Friday 31 May 2024 at 11:00

All terms defined in the Notice of AGM, bear the same meaning in this Form.

This Form must be completed by any Certificated Shareholder, any Own Name Shareholder and any Dematerialised Shareholder in possession of a letter of representation and any CSDP or broker or its nominee company which is a shareholder wishing to attend the AGM in person and by any proxy wishing to attend the AGM. The completed Form must be emailed to the email address of The Meeting Specialists ('TMS') at email proxy@tmsmeetings.co.za by no later than 11:00 (SA time) on Thursday 30 May 2024.

| | |
|--|--|
| Name and surname of shareholder (Participant) | |
| Name and surname of shareholder representative (if applicable) | |
| Copy of letter of representation or document reflecting authority of representative of shareholder or Form of Proxy attached | |
| Registration number/identity number/passport number of Participant or representative | |
| Copy of identity document or passport attached of Participant | |
| Email Address | |
| Mobile/Cell Number | |
| Telephone Number | |
| Name of CSDP or broker (if shares are held in dematerialised format) | |
| Shareholder number/ SCA number / broker account number/ own name account number or custodian number | |
| Number of shares | |
| Signature | |
| Date | |

TERMS AND CONDITIONS FOR PARTICIPATION AT THE BELL EQUIPMENT ANNUAL GENERAL MEETING VIA ELECTRONIC COMMUNICATION

1. The cost of dialling in using a telecommunication line/ webcast/ web-streaming to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the telecommunication lines/ webcast/ web-streaming are provided by a third party and indemnifies Bell Equipment, the JSE, JIS and TMS against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/ webcast/ web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that they will have no claim against Bell Equipment, the JSE, JIS and TMS, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/ webcast/ web-streaming or any defect in it or from total or partial failure of the telecommunication lines/ webcast/ web-streaming and connections linking the telecommunication lines/ webcast/ web-streaming to the AGM.
3. Once the Participant has received the unique link, the onus to safeguard this information rests with the Participant. The Participant is not permitted to make this unique link available to anyone else. Only the Participant, as verified, is permitted to use the unique link.
4. The application will only be deemed successful if this Form has been fully completed and signed by the Participant and delivered or emailed timeously to TMS at proxy@tmsmeetings.co.za.

By signing this Form I agree and consent to the processing of my personal information above for the purpose of participating in the AGM.

Shareholder name: _____

Signature: _____

Date: _____

IMPORTANT: You are required to attach a copy of your proof of authority / letter of representation / identity /passport document when submitting the Form.



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Corporate information

| | | |
|--|---|---|
| BELL EQUIPMENT LIMITED | Registration Number: 1968/013656/06 | |
| JSE SHARE CODE | BEL | |
| ISIN CODE | ZAE000028304 | |
| GROUP COMPANY SECRETARY | Diana McIlrath Tel: +27 (0)35 907 9111 diana.mcilrath@bellequipment.com | |
| POSTAL ADDRESS | Private Bag X20046 Empangeni, 3880 South Africa | |
| BUSINESS AND REGISTERED ADDRESS | 13 - 19 Carbonode Cell Road Alton Richards Bay, 3900 | |
| AUDITORS | Outgoing: Deloitte & Touche Tel: +27 (0)31 560 7000 | Incoming: Pricewaterhouse Coopers Inc. Tel: +27 (0)11 287 0092 |
| SHARE TRANSFER SECRETARIES | JSE Investor Services Proprietary Limited One Exchange Square Gwen Lane Sandown Sandton 2196 Tel: +27 (0)11 713 0800 Fax: +27 (0)86 674 3260 | |
| ATTORNEYS | Webber Wentzel | |
| JSE SPONSOR | Investec Bank Limited | |
| WEB ADDRESS | www.bellequipment.com | |
| INVESTOR RELATIONS WEB ADDRESS | www.bellir.co.za | |



www.bellequipment.com