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 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 the remuneration policy with shareholder interests 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 3 June 2025 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.

The effective date of the Employment Equity Amendment Act is 1 January 2025, and these amendments will introduce sectoral numerical targets for the representation of black women and persons with disabilities. These amendments are being considered and complied with within the South African operations.

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 the employees fixed total CTC remuneration.

All employees participate in a group bonus scheme as set out in this report. GEC members also participate in a cash settled long term incentive scheme. There are also 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**

The group bonus scheme 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.

The separate bonus scheme for the Kindel employees in Germany results in the annual bonus being paid in two tranches, 50% of the agreed bonus payable with the July salaries and 50% payable with the December salaries. This bonus scheme is reviewed annually.

**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 is 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;
- 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.

With effect 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%. In respect of the 2022 and 2023 awards, the ROIC performance hurdle was 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 would be made on a ROIC lower than 15% per annum:

- 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 in 2022 and 2023;
- the strike price for all of the awards prior to the 2024 awards was the thirty day volume weighted average of the closing market share price on 31 December of the preceding year.

Following the review of the LTIS rules in 2024, the awards granted in 2024 were calculated and approved by the board as follows and were granted to the GEC members on 29 November 2024, with an effective grant date of 1 January 2024:

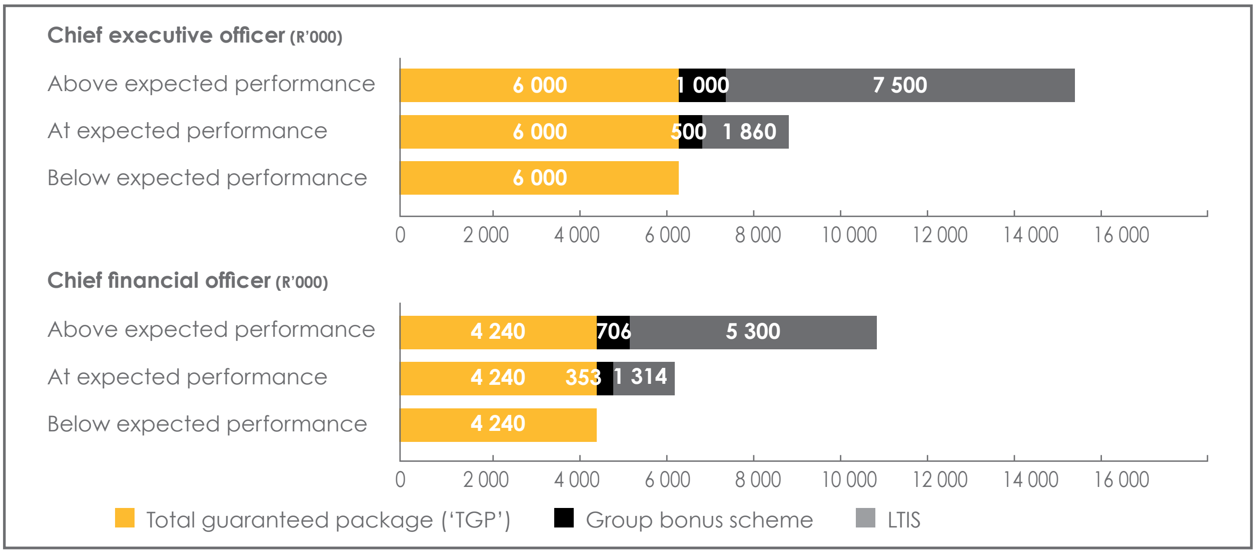
- the strike price was the thirty day volume weighted average of the closing market share price on 29 November 2024;
- the HEPS performance condition was as follows, with the prior year actual full year HEPS being the base:
  - If HEPS increased by the consumer price index ('CPI');
  - +1% over the vesting period, 50% of the number of phantom share units which are subject to the HEPS performance condition will vest;
  - +2% over the vesting period, 75% of the number of phantom share units which are subject to the HEPS performance condition will vest;
  - +3% over the vesting period, 100% of the number of phantom share units which are subject to the HEPS performance condition will vest.
- in respect of the ROIC performance condition, if the ROIC:
  - is equal to the weighted average cost of capital over the vesting period, 50% of the number of phantom share units which are subject to the ROIC performance condition will vest;
  - is equal to the weighted average cost of capital +1% over the vesting period, 75% of the number of phantom share units which are subject to the ROIC performance condition will vest; and
  - is equal to the weighted average cost of capital +2% over the vesting period, 100% of the number of phantom share units which are subject to the ROIC performance condition will vest.

| Performance Condition | | Weighting % | Targets | | | |
|---|---|---|---|---|---|---|
| | | | Vesting % | 50% | 75% | 100% |
| Type | Metric | | | Threshold | On Target | Stretch |
| **Financial** | HEPS | 50% | | CPI +1% | CPI + 2% | CPI + 3% |
| **Financial** | ROIC | 50% | | WACC | WACC + 1% | WACC + 2% |
| | | **100%** | | | | |

The committee will set these targets at each respective grant date.

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 2024:

**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 2026 calendar year represent an increase of 6% over the previous year.