

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
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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