

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.

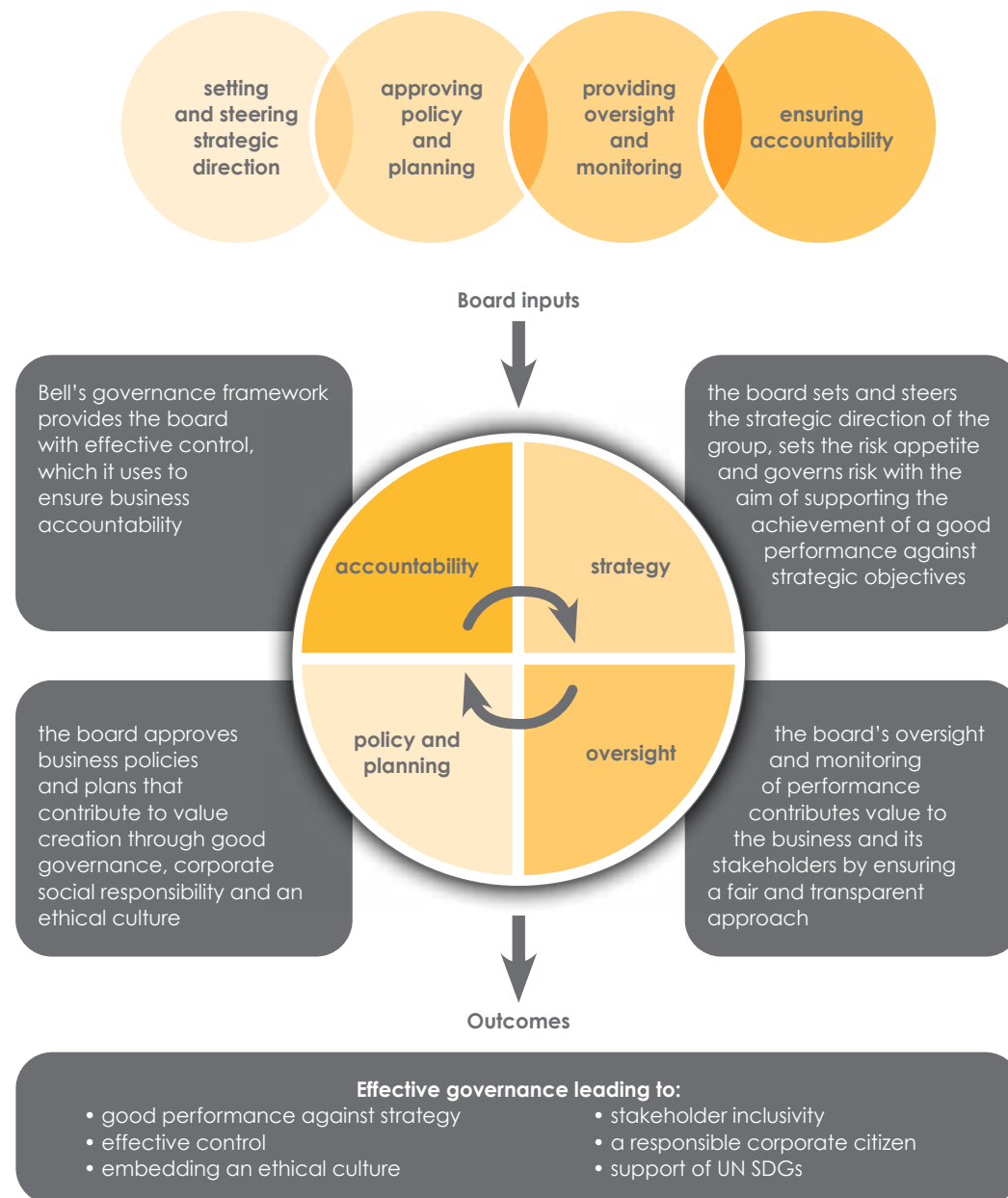
The board recognises that delegating authority does not reduce the responsibility of directors to discharge their statutory and common law fiduciary duties. As a parent company, Bell Equipment Limited strives to exercise appropriate governance oversight over its subsidiaries while acknowledging their 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

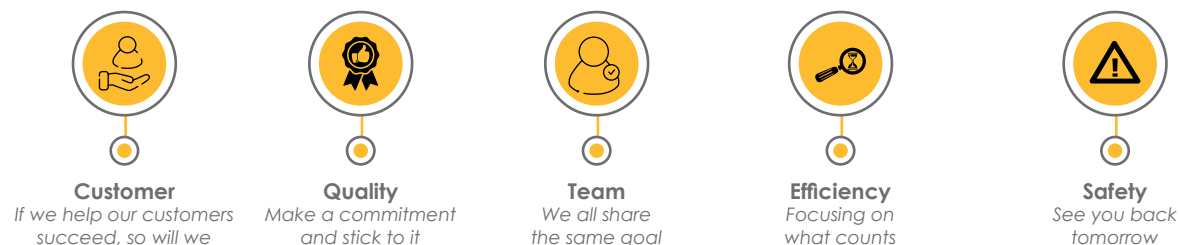
King IV promotes good governance, transparency in leadership and decision making, and focuses on sustainability. In line with King IV's recommendation to apply and explain how Bell Equipment practices good governance, we have prepared our detailed King IV application register on the investor website, 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 style="text-align: center;"> 4 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 style="text-align: center;"> 3 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.

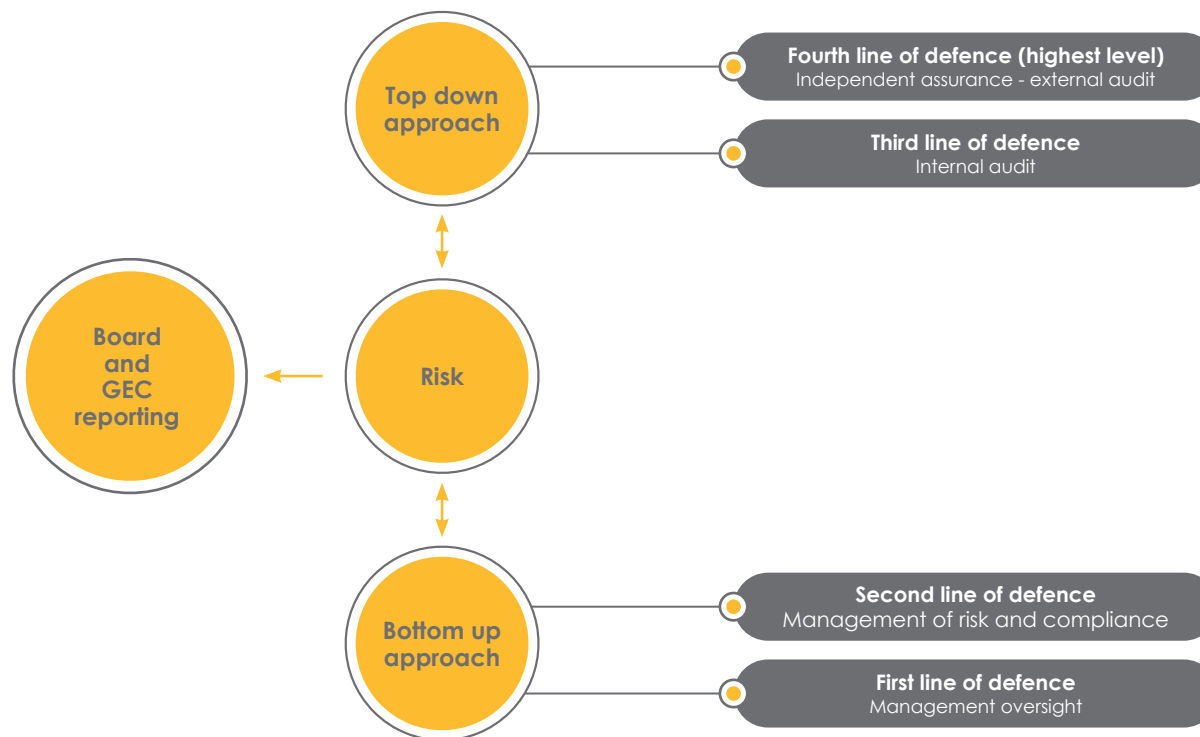
Risk Management

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.