

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%