



**STRONG RELIABLE MACHINES
STRONG RELIABLE SUPPORT**

2022

**BELL EQUIPMENT LIMITED
INTEGRATED ANNUAL REPORT**

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Introducing the integrated annual report

This integrated annual report is the group's primary reporting medium and it covers the financial year 1 January 2022 to 31 December 2022. Bell Equipment's 2022 integrated report aims to demonstrate in a balanced way how the group has continued to create value for shareholders, while meeting its responsibilities towards its other stakeholders.

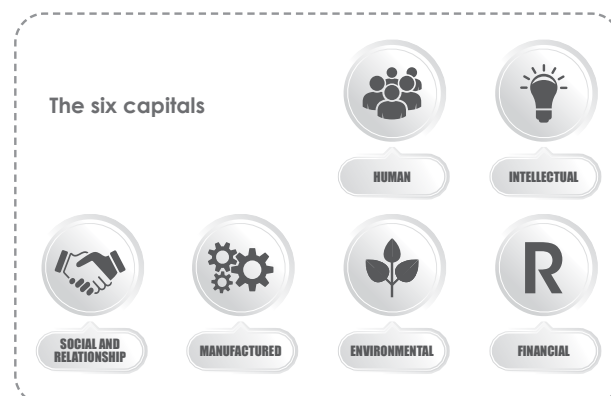
The financial information in this report follows IFRS and is examined by independent auditors in conformity with International Standards on Auditing. The following main codes and standards were considered in providing information in the report:

- the Companies Act
- the JSE Listings Requirements
- King IV
- The IIRC's International Framework

The scope of this report includes all of Bell Equipment's subsidiaries and operating regions. The integrated annual reporting boundary covers risks, opportunities and outcomes relating to the group's operating environment, its operating businesses and engagement with key stakeholders that could influence the group's ability to create and sustain value. Bell Equipment continues to embed management, sustainability and governance related reporting systems and processes in the operations. The six capitals, namely human, intellectual, social and relationship, manufactured, environmental and financial, are reported on and the content focuses on the material issues that have occurred during the financial reporting period and in certain instances up to the date of finalisation of this report.

Bell applies the principle of materiality in determining the disclosures of the integrated annual report. The process of identifying and prioritising the material matters for inclusion in this report involved reviewing:

- its strategy
- risks and risk management process
- stakeholders and
- the six capitals.

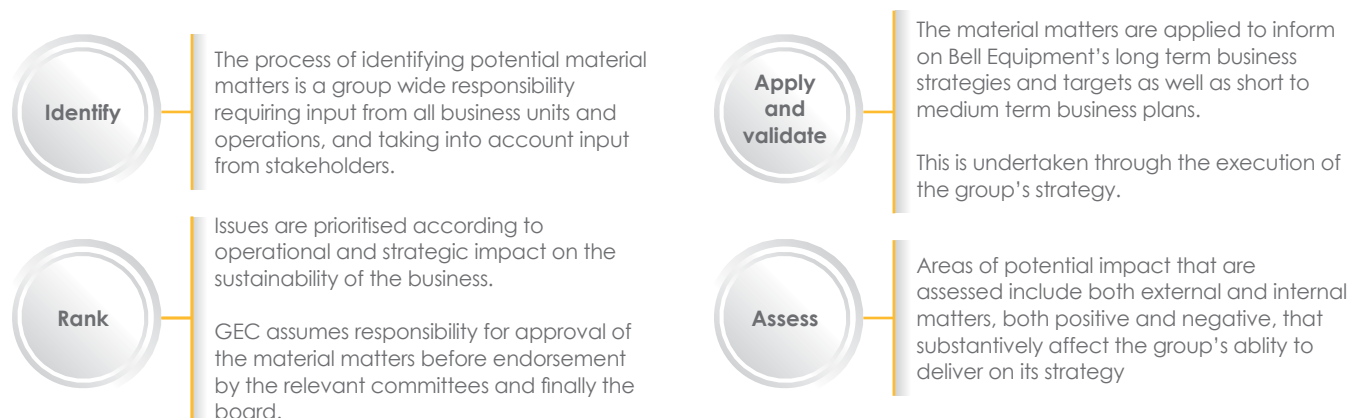


Additional online reporting

The integrated annual report is supplemented by the following additional reports which are available online at www.bellir.co.za:

- Annual financial statements
- Annual results presentation 2022
- King IV Register 2022.

Bell determines its material matters through the following process:



In order to achieve the group's strategic objectives and manage its risks, these material issues are continuously monitored by Bell Equipment and its board, as the governing body.

Assurance in relation to its financial statements continues to be provided by the independent external auditor, Deloitte & Touche. Bell Equipment applies the combined assurance model which seeks to optimise the assurance obtained from management and internal and external assurance providers. The integrated annual report has been reviewed by the board but has not been independently assured. The sustainability information in the report has been approved by both the board's social, ethics and transformation committee and the risk and sustainability committee. Accredited service providers have determined selected non financial performance metrics, including market share statistics and the group's BBBEE rating. Management has verified the processes for measuring all other non financial information. The release of the sustainability and climate change disclosure guidance by the JSE has been noted and will be considered by the group in the reporting of the sustainability elements in the stakeholder relations report going forward.

The group continues to maintain internal accounting and administrative control systems and procedures designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the group's policies and procedures. Sound corporate governance practices and an ethical culture form the foundation for sustainable value creation for shareholders and other stakeholders. Good governance supports value creation through improved reporting to shareholders, greater transparency and disclosure.

Forward looking information focuses on the strategic objectives, operating plans and prospects for the 2023 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 approval

The board is responsible for ensuring the integrity of the integrated annual report. The directors have collectively assessed the content and confirm the report addresses all material issues, the integrated performance and the group's strategy.

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

The 2022 integrated annual report was unanimously approved by the board on 28 March 2023.

GW Bell
Non executive chairman

L Goosen
Chief executive

28 March 2023

We welcome stakeholders' feedback on our reporting, which can be sent to Diana.Mcilrath@bellequipment.com.



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www.bellir.co.za



Bell Equipment at a glance

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.

WHAT WE DO



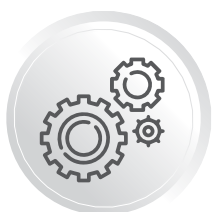
DESIGN



EXPORT



SUPPORT



MANUFACTURE



DISTRIBUTE

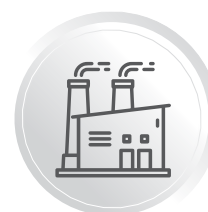
INDUSTRIES WE SERVE



**MINING
AND QUARRYING**



FORESTRY



INDUSTRY



CONSTRUCTION



AGRICULTURE



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.



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.

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.

Employees

Our employees are our most valuable asset and we attract talented team players through the social credibility earned during our decades in business. Our employees are motivated to perform and build relationships with colleagues and our other stakeholders to create and retain value for mutual benefit.

Value creation and retention:

- Providing meaningful employment and opportunities for people to develop their skills and advance in their careers.
- Focusing on diversity and inclusion in the workplace.
- Open, fair and honest policies to reward employees for what they do and the value they add to the business.

Customers

Our customers are the valued dealers and end users of our products. By purchasing our equipment and aftermarket solutions they facilitate the group's growth strategy and support our job creation and business sustainability goals.

Value creation and retention:

- Listening to and delivering on customers' equipment needs.
- Supporting customers throughout the lifetime of their equipment with meaningful aftersales solutions.
- Understanding a customer's business so that we are a trusted adviser that supports them in achieving success in their business.

Suppliers & strategic OEM partners

Relationships are at the core of our business. Building lasting relationships with our suppliers and strategic OEM partners has enabled Bell to grow its product range and geographical reach in line with our growth strategy and sustainability goals.

Value creation and retention:

- Partnerships with our strategic OEM partners have enabled us to offer our South African customers valuable and diverse equipment solutions to support them in achieving success in their businesses.
- Supporting and developing local suppliers has created jobs and promoted economic growth and sustainability.



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.

Local communities

As a part of the communities in which we operate we conscientiously manage our environmental impact in terms of both our operations and the carbon footprint of our machines, and take an active role in the growth and advancement of the communities in which we operate.

Value creation and retention:

- Wherever possible we support local suppliers to drive economic growth, job creation and sustainability.
- We seek to increase value creation through environmental management initiatives geared at lowering energy consumption, reducing water consumption and recycling waste.

Governments

We have a comprehensive internal system of policies and procedures to ensure sound governance, compliance with the legal requirements of the various countries in which we operate, and payment of relevant taxes to support the economy.

Value creation and retention:

- By openly engaging with governments and adhering to legislation we aim to be a model corporate citizen that actively contributes to creating a fair and ethical society.

Shareholders, investors, financiers and insurers

Shareholders, investors and financiers provide the necessary financial capital to sustain and grow the business while insurers mitigate operational risks.

Value creation and retention:

- Through a focus on sales, efficiency improvement, working capital management and cost-containment initiatives we strive to increase return on investment to create and retain value for our shareholders, investors and financiers.

Our growth path

Drawing on more than six decades of experience, our value creation process has seen the group grow its intellectual property, product range, global footprint, and reputation as a provider of quality heavy equipment. Developments in our recent history include:



2001

- Release of the Series II haulage tractors into the market.
- Launch of the D series ADTs, which set a new standard of excellence.

- Unveiling of the world's largest ADT, the B50D.

2002



2003

- Commencement of truck assembly operations in Europe.

- Commissioning of the GLC in Jet Park, Johannesburg.

2008



2010

- Entry of the Series III haulage tractors.

- Re-entry into the Americas and appointment of distributors and dealers in the region.

2012



2013

- Launch of the new E series ADT.
- Terex Finlay grants Bell distribution rights.

- 60 years in business.
- 50th anniversary of Bell tri wheeler.
- 30 years of ADT design and manufacture.
- Introduction of B60D.



2014



- Series IV haulage tractors introduced.
- A two year investment is concluded into new upgraded CSCs in Middelburg, Nelspruit, Rustenburg and Kitwe, Zambia.

2015

- Large E series ADTs enter the market.



2016



2017

- Gary Bell becomes chairman, Leon Goosen chief executive.
- ALC is opened.
- Phase 3 expansion in Germany commences.

- Kobelco excavators join southern African range.
- Completion of Phase 2 expansion in Germany.
- BESSA is 30% black women owned following a BBBEE transaction.

2018



2019

- Industry leading Bell technology is taken underground with new side mount low profile ADTs.

- BECSA and BESSA conclude BBBEE transaction and become 51% black owned.
- Phase 3 German expansion completed.

2020



2021

- Tracked carrier introduced to Europe at Bauma.
- JCB Agriculture distributed alongside the Bell Forestry and Agriculture range in South Africa.

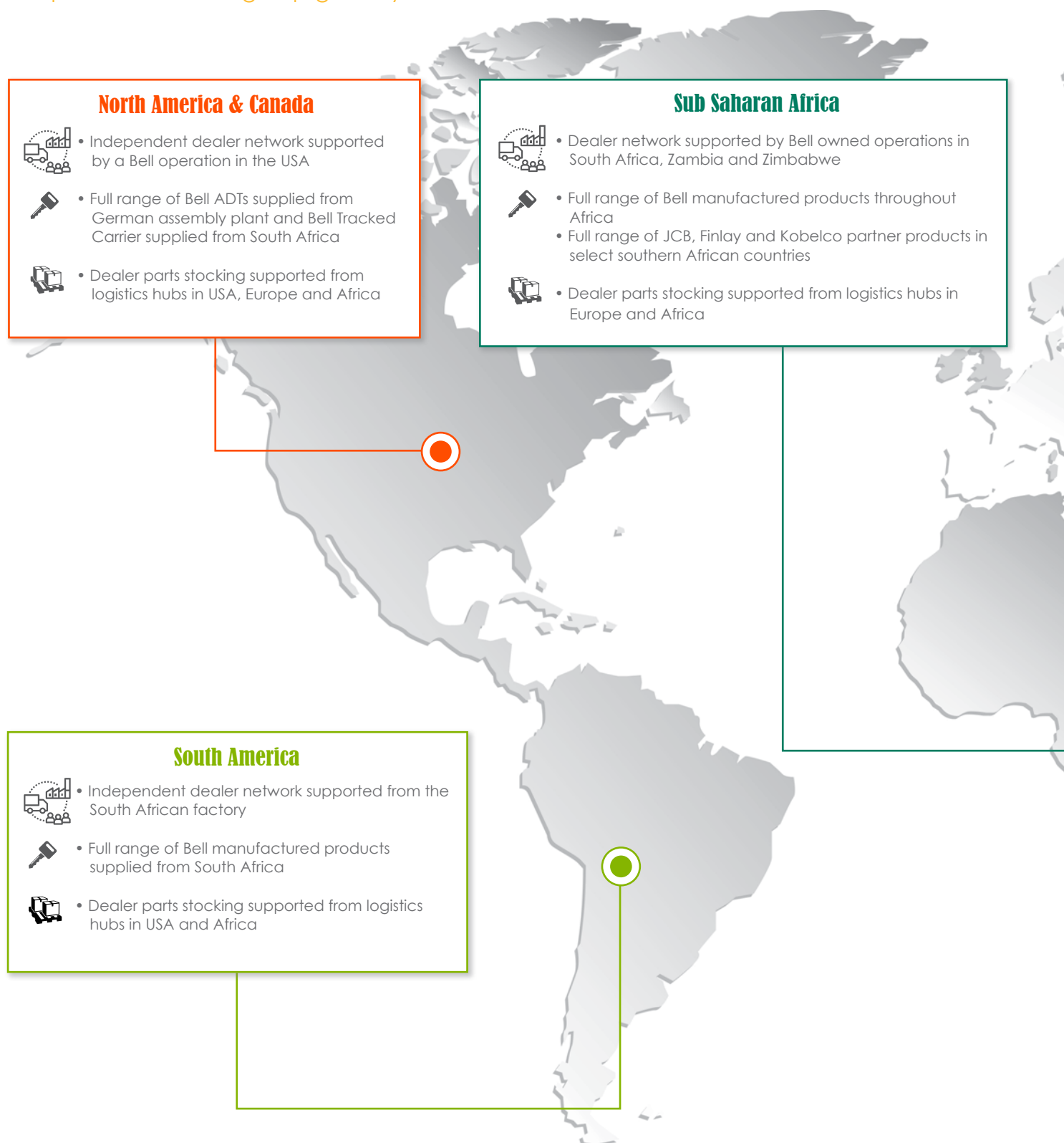
- Tracked carrier range is launched in the US.
- New Series V haulage tractors are introduced.
- BESSA takes on JCB dealership.

2022



Where we are

Bell manufactures and operates globally with machines in over 80 different countries worldwide. The company values its global support network, which supplies equipment solutions, ancillary products and after sales services. This network is, in turn, supported by a robust OEM structure to ensure efficient lines of communication between end users of the product and the group globally.



Europe & North Africa



- ADT manufacturing and assembly plant at Eisenach-Kindel, Germany



- Independent dealer network supported by Bell owned operations in the UK, Germany and France



- Full range of Bell ADTs supplied from German assembly plant



- Dealer parts stocking supported from logistics hubs in Europe and Africa

Key



MANUFACTURING



DISTRIBUTION



PRODUCTS



AFTERMARKET

Asia



- The group's operation in Russia is paused as we monitor developments in the conflict between Russia and Ukraine



- Full range of Bell ADTs supplied from South Africa



- Dealer parts stocking supported from logistics hubs in Europe and Africa

South East Asia & Oceania



- Independent dealer network supported by a Bell owned operation in Australia



- Full range of Bell manufactured products supplied from South Africa



- Dealer parts stocking supported by logistics hubs in Singapore, Australia and Africa

South Africa



- Bell manufacturing operation and headquarters in Richards Bay



- Network of Bell owned service centres



- Full range of Bell manufactured products supplied from South Africa
- Full range of JCB, Finlay and Kobelco partner products

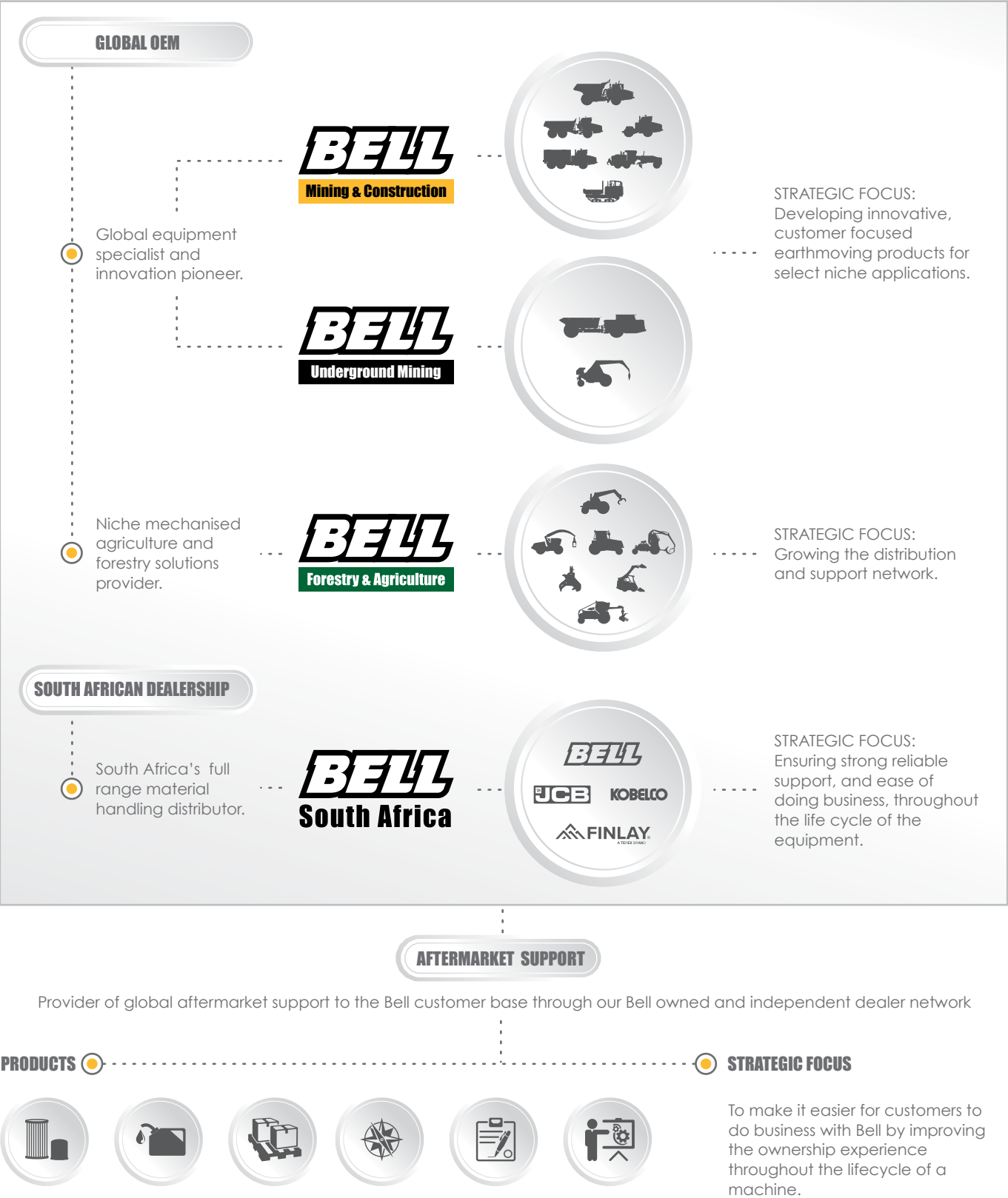


- Dealer parts stocking supported from logistics hubs in Europe and Africa



Our business model and products

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 four 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.

Bell designs and manufactures a wide range of products at its factory in Richards Bay on the KwaZulu Natal North Coast. This includes a complete range of Bell Forestry and Agriculture products, ADTs destined for the Southern Hemisphere markets, semi knockdown kits for ADTs destined for the Northern Hemisphere markets and a growing number of niche application equipment such as underground machinery. The semi-knockdown kits are shipped to the group's factory in Eisenach, Germany where manufacturing and assembly of the kits takes place.

Bell Equipment, as a global OEM, has three defined business units:

- **Mining & Construction**

Through a passion for innovation and continuous improvement, the company 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. Large trucks, from 35 to 50-ton, are ideally suited to bulk earthworks, mining and quarrying. Bell is also influencing global ADT trends with its 4x4 ADT range, led by the ground-breaking 60-ton 4x4 crossover concept, the B60E, which targets high production operations where poor underfoot conditions limit the suitability of rigid dump trucks.

Bell is at the forefront of technological innovation and has pioneered several features geared at improving productivity and safety while delivering the lowest cost per tonne of material moved. In addition, Bell Equipment's proprietary fleet monitoring system, Fleetm@tic®, enables customers to manage their fleet according to their operating

environments. Latest innovations include the ability to successfully integrate third-party pedestrian detection, collision avoidance and autonomous control systems into the E-series truck platform.

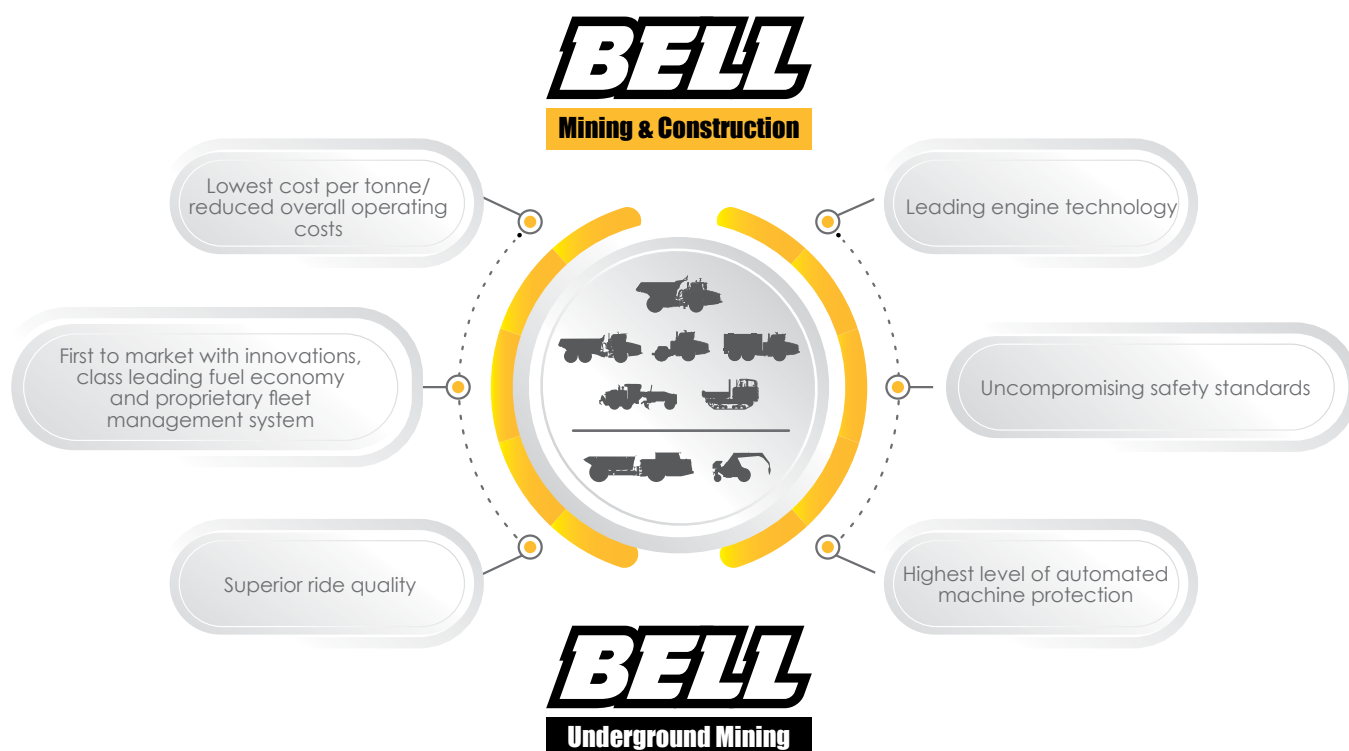
The Bell Tracked Carrier sensibly complements the group's own range of rough-terrain ADTs in a highly specialised segment.

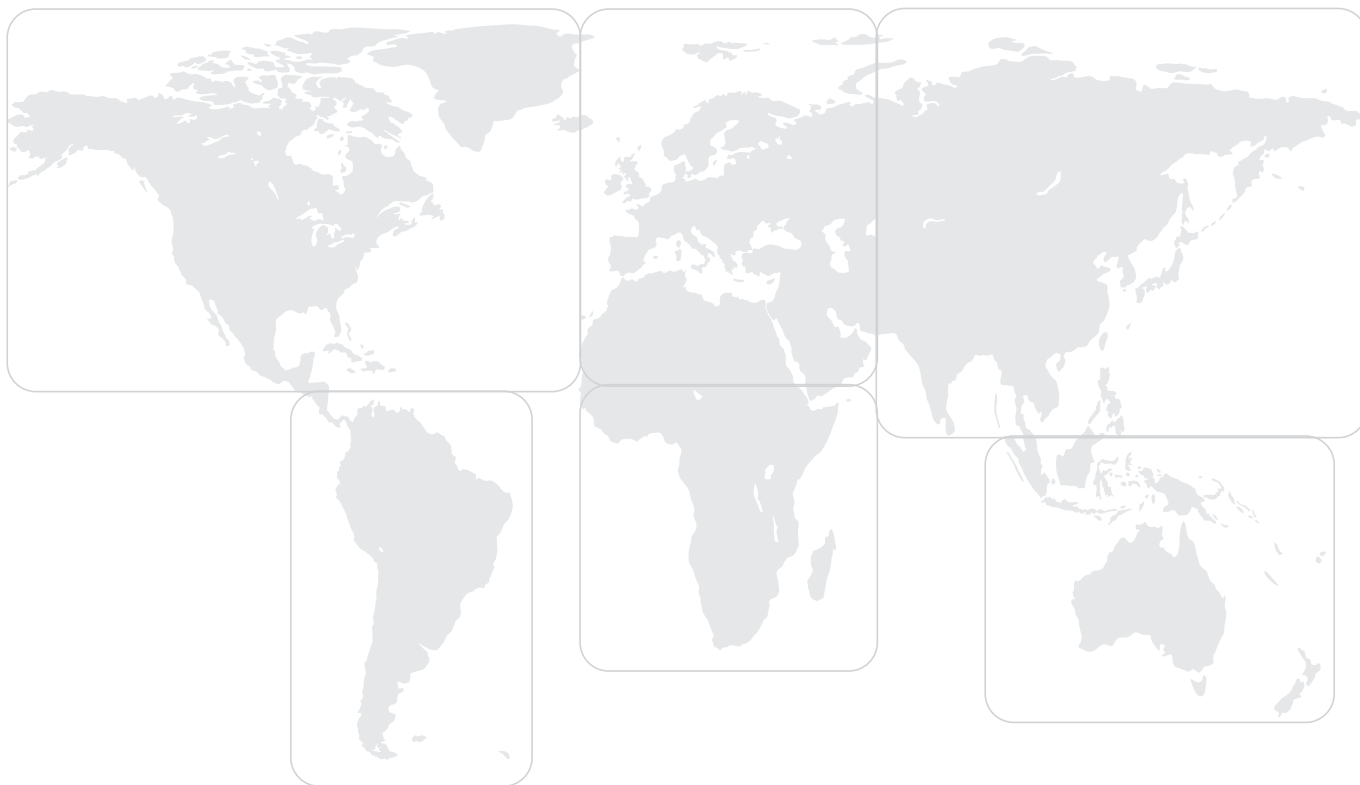
The Bell Tracked Carrier is highly customisable and provides a durable short haul solution for construction sites with soft underfoot conditions that require low ground pressure machines, either for environmental or traction reasons.

The group is also developing its own range of motorised graders due for production in 2024. Three base machines will initially be offered, each with the option of a four- or six-wheel drive configuration. The G140 is suited to all maintenance and light to medium construction tasks while the G160, with its increased power and performance, is designed to handle heavy construction applications. Completing the range is the G200, which is designed for the mining industry.

- **Underground Mining**

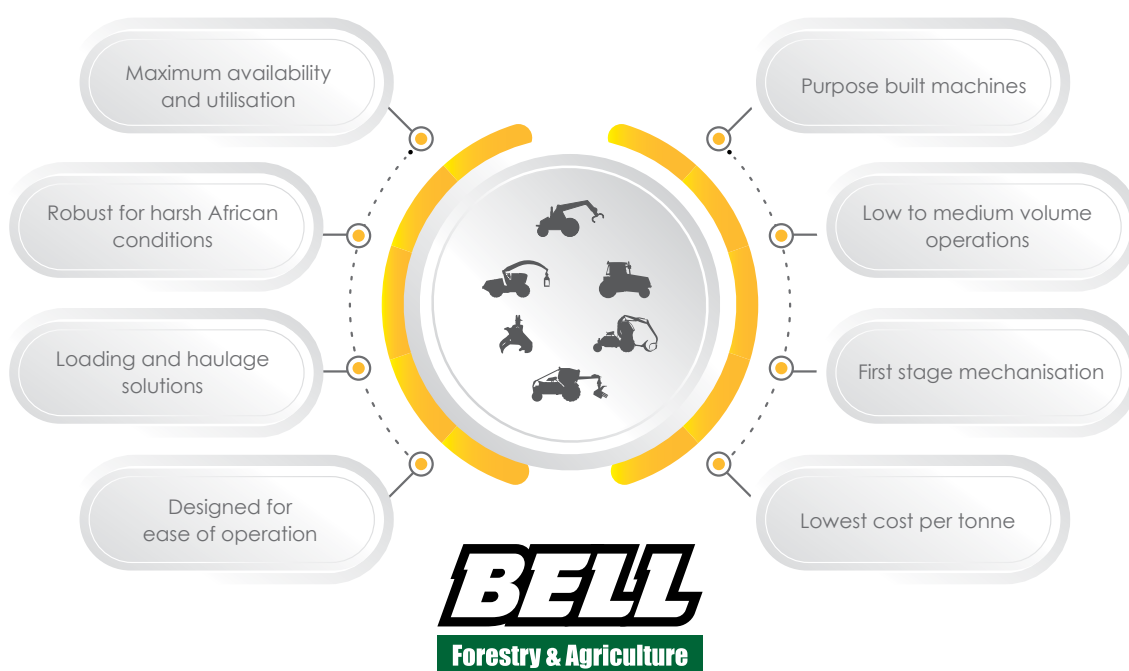
The newly formed Underground Mining unit is responsible for manufacturing and distribution of the Bell Rockscaler and two low profile underground mining trucks with plans to develop new products in the pipeline. Bell has been manufacturing these products for the past 40 years and this business unit has been formed to further develop the potential that exists in this industry.



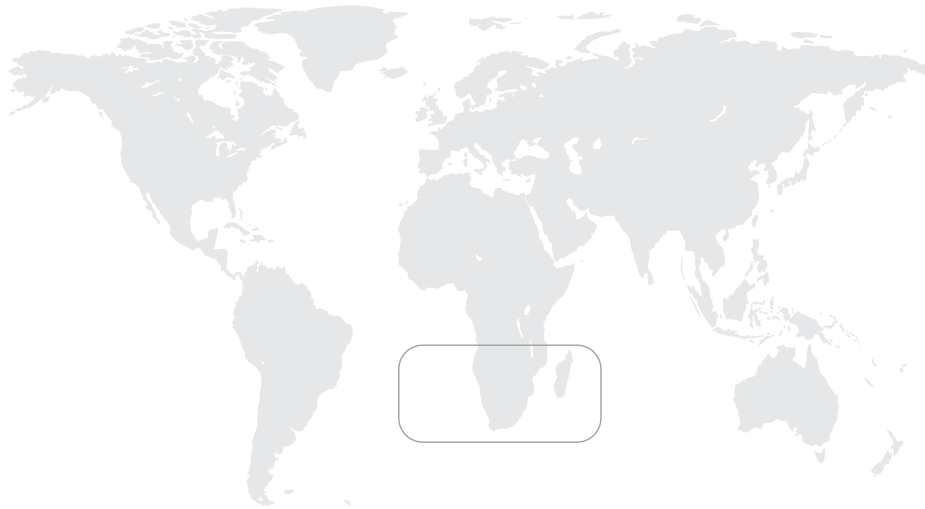


• Forestry & Agriculture

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.



South African dealership

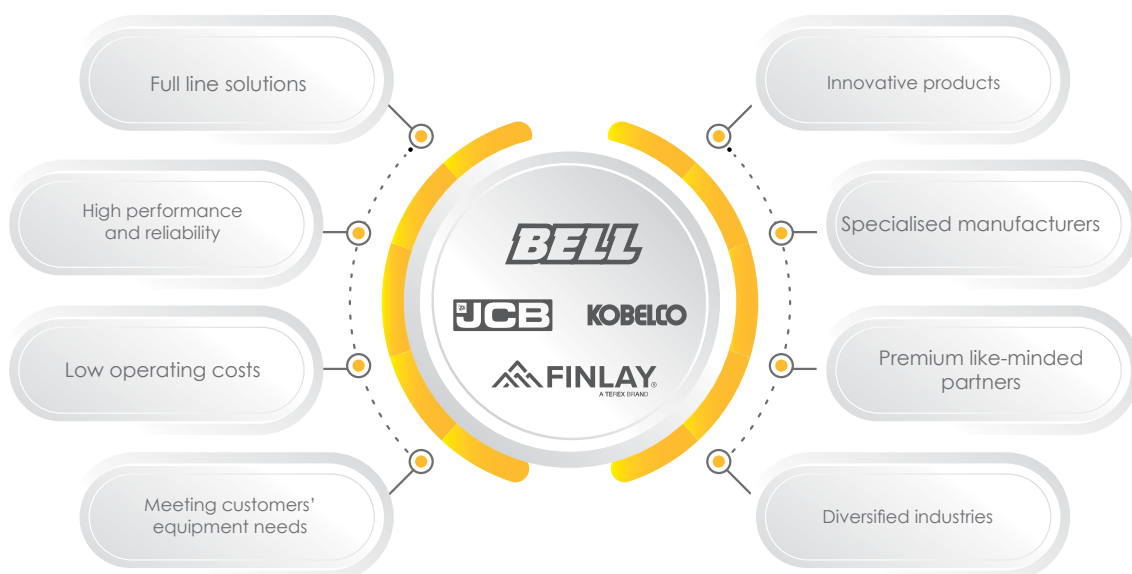


Through strategic partnerships with global manufacturers such as JCB, Finlay and Kobelco, Bell complements its own product range in South Africa where it is a full range materials handling distributor and an equipment supplier of choice.

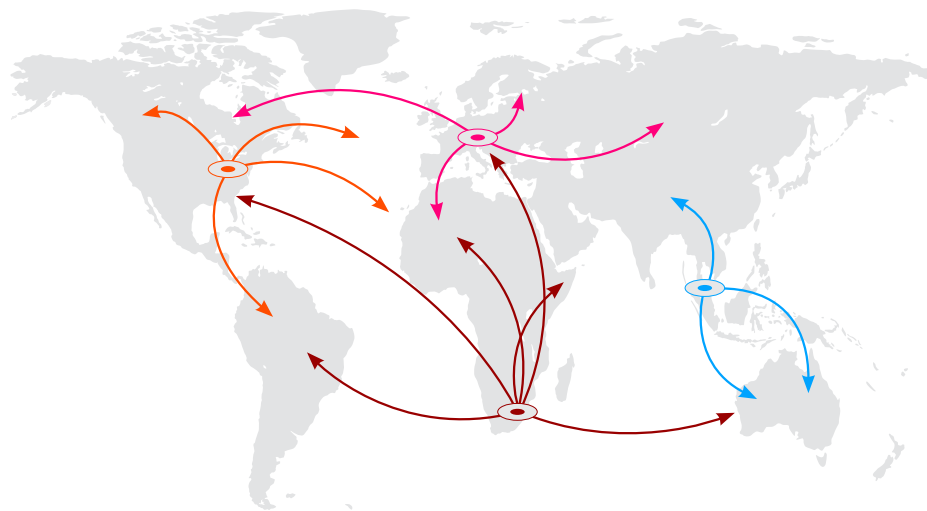
Through these partnerships Bell supplies a diverse range of equipment including wheel loaders, rigid and articulated haulers, excavators, motor graders, backhoe loaders, telehandlers, skid steers, forklifts, tri-wheeler rough terrain material handling equipment, compaction machinery and a material processing product line.

This makes business easier for customers who only have one supplier and one point of contact for their equipment needs.

Distribution and support take place through Bell Equipment Sales South Africa, which owns 22 Customer Service Centres located throughout the country. The group has also invested substantially in a global logistics centre in Johannesburg, which provides 24-hour delivery of parts anywhere within South Africa. The group also makes use of locally situated independent dealers for its range of Bell forestry and agriculture equipment.



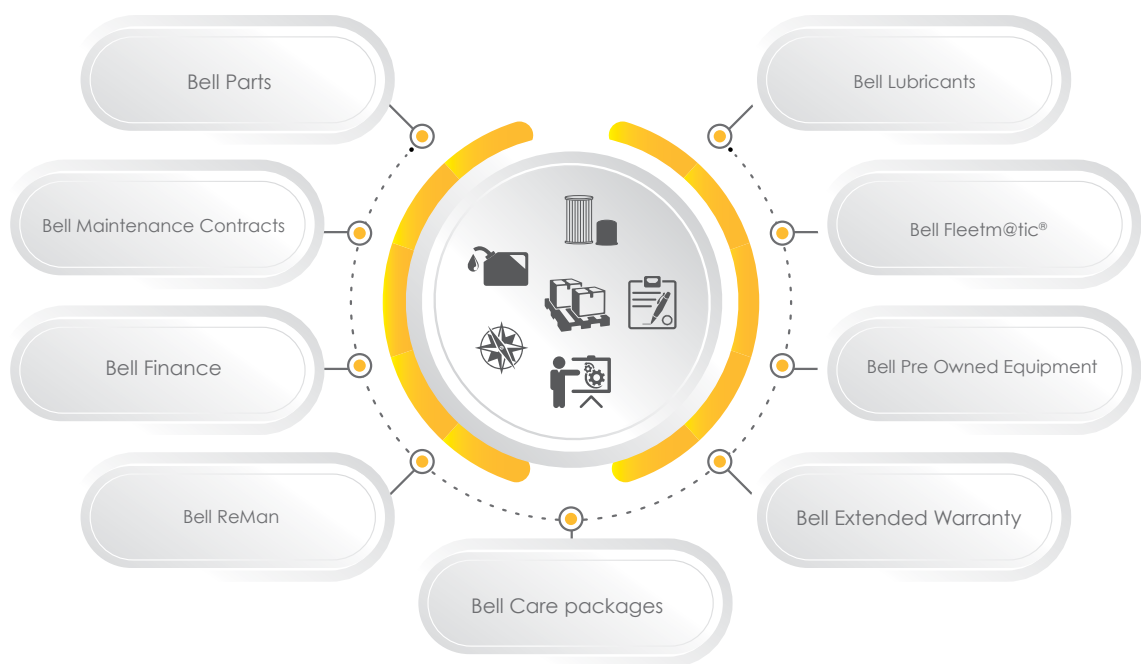
Aftermarket support



With machines operating in over 80 countries worldwide, the group values its global support network, which supplies equipment, ancillary products and after sales services. This network is, in turn, supported by a robust OEM structure 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.



Strategic overview and risk management

VISION

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.

OBJECTIVES

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

FOCUS AREAS

Return on Invested Capital

R
E
L
E
V
A
N
C
E

ADT sales volumes
Other OE product sales volumes
Aftermarket contribution

OEM

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

DEALERSHIPS

- OEM partnerships
- Sales excellence
- Support excellence
- Absorption

R
E
S
I
L
I
E
N
C
E

People and Technology driven

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

THE SIX CAPITALS



HUMAN



INTELLECTUAL



SOCIAL AND
RELATIONSHIP


































MANUFACTURED



ENVIRONMENTAL



FINANCIAL

Strategic objectives	Strategic focus areas	Measurement	Risks	Capitals
Capture global ADT volumes by providing industry leading product uptime and value	Global ADT volumes	<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 	    
Be the preferred full range material handling solutions provider in southern Africa	Aftermarket contribution	<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 suppliers Skills development IT system risk 	   
	Product and product support costs	<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 	    
	Increased intellectual property (new products)	<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 	    
Maintain its Bell heritage by providing innovative niche product solutions for the material handling sectors	Empowerment, transformation and human capital	<ul style="list-style-type: none"> Enhanced BBBEE ownership and BBBEE across all South African entities Enhanced 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 	    
Premium aftermarket support throughout the product lifecycle	Strategic alliances	Product <ul style="list-style-type: none"> Product market shares Brand recognition 'EYE' contact experience Components <ul style="list-style-type: none"> Value (warranty, cost, availability) Brand recognition All <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 	  
	Enhanced technology	<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 	   

Strategic overview and risk management *continued*

KEY RISKS

1. Competitor risk
2. Currency risk
3. Strategic alliance partners and key supplier relations risk
4. Political risks in the countries in which the group operates
5. Cyclical nature of the construction and mining equipment industry
6. Regulatory risk
7. Human capital
8. Global competitiveness
9. Niche product dependence
10. Information technology
11. Occupational health and safety

MATERIAL MATTERS

1. Environmental sustainability
2. Business continuity due to power supply
3. Business continuity due to supply chain failure
4. Prolonged conflict between Russia and Ukraine

KEY RISKS

Inherent risks

Risk mitigation factors

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.

- Live and demonstrate the Bell Equipment group motto of '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 the trough and mid cycles, and accelerate spend in the peak cycles, thus ensuring that the Bell Equipment OE products continue to deliver and exceed market requirements.
- A focused ADT global volume growth strategy has been deployed together with dealer development objectives to broaden market footprint and capture additional volumes.

2. Currency risk

Currency volatility, not only in the Rand but also in other major currencies that the group is exposed to, is a significant risk because the group trades in different currencies and has operations in many countries.

The group is also exposed to operational and financial currency exposures due to changes in the value of trading accounts and loans, including intra-group accounts, denominated in foreign currencies. This has a direct impact on the group's trading results, statement of financial position, cash flows and competitiveness.

- A group treasury policy is in place.
- Cash flow projections by currency are maintained. The principle of matching import and export cash flows by currency is followed.
- Forward cover contracts are utilised to manage unmatched foreign currency receipt and payment flows.
- The timely application of pricing policies to selling prices facilitates hedging against movements in major currencies to the Rand and other volatile currencies to which the group is exposed.
- Ongoing assessments are conducted on cost containment opportunities, including the consideration of alternative suppliers, markets and manufacturing location.
- Revisit local supplier pricing on imported products sourced locally and ensure that when significant movements in the exchange rate take place the impact on the material cost is considered and adjusted for. Any price change linked to exchange rates are compared to the previous price and exchange rate and where required changes are negotiated with the relevant supplier.
- The size of equity and loans in group companies is monitored to ensure these are appropriate considering commercial requirements and currency impact.

Inherent risks

Risk mitigation factors

3.

Strategic alliance partners and key supplier relations risk

The brands represented by Bell Equipment form an integral component of the Bell Equipment group's strategic goal of being an integrated OEM and Dealer business. These international brands become synonymous with Bell Equipment in relevant distribution territories therefore careful thought and effort goes into selecting strategic alliance partners and suppliers. Revenue derived from these products contributes materially to the Bell Equipment group revenue. Therefore, risks associated with a breakdown in relations and/or material non-performance by either party poses significant risks.

- 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.
- Maintain the Quest for Gold programme which acknowledges key suppliers for outstanding service.
- Adopt the 1-BELL philosophy in dealing with strategic alliance partners and suppliers.

4.

Political risks in the countries in which the group operates

The group is exposed to the varying political landscapes in the regions in which it operates due to the global nature of the group's business and new markets. Therefore, it is susceptible to the associated political risks in certain regions in which it operates or plans to operate.

- 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.
- The group strives to minimise exposure in perceived high-risk countries through effective risk management practices.
- Maintain business continuity plans catering for all eventualities the group may be susceptible to in the higher political risk regions to which it is exposed. These continuity plans are updated annually with inputs from accredited auditors to ensure international and best practice compliance.

5.

Cyclical nature of the construction and mining equipment industry

The business model 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 cyclicity of the industry is affected by the continued uncertainty in the commodity and emerging markets which has resulted in fluctuations in demand for the group's products in these key sectors. 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.

- 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 and expenses and increase efficiencies within the group.
- Deliver exceptional customer service to capture the available business.
- Diversify geographically, away from dependence on traditional mining territories.
- Grow diversified revenue streams leveraging the Bell Equipment distribution network and manufacturing capabilities.
- Robust capital planning and budgeting processes.
- Monitor impact of business environment on key customers' access to and ability to service credit.

Strategic overview and risk management *continued*

Inherent risks

Risk mitigation factors

6. Regulatory risk

It is recognised that there is an increased probability of risk of regulatory non-compliance to laws and rules due to the geographic spread of the operations and therefore the size of the regulatory environment as well as the different languages and cultures.

This inherent risk is further increased due to a disconnect between developed and developing world regulatory environments.

- A group-wide compliance programme continues to mature in relation to the unique regulatory requirements, and product and operational restrictions are assessed on a periodic basis.
- Local management is tasked with keeping abreast of regulatory changes within their respective jurisdictions and do so by making use of internal resources and external experts where required.
- A review of the contract management system, employee contracts and tender guidelines has been completed on a high-level to ensure compliance with existing and new regulatory requirements.
- Governance, ethics and compliance training is ongoing throughout the operations. An annual training programme has been implemented to procure that appropriate and topical legislative and governance training takes place across the group.
- General Data Protection Regulation (GDPR) and Protection of Personal Information (POPI) compliance training have been rolled out at all our operations to ensure employees are up to date on the relevant requirements and best practices.

7. Human capital

Bell Equipment group recognises that human capital is vital to its success. Human capital risks manifest under the following themes:

Skills retention

Due to the locations it operates in and the fact that the world is becoming a so-called global village, Bell Equipment's ability to retain key skills is constantly under threat.

To deliver a world class product and service, world class people is a must. Key scarce skills, particularly engineering/technological skills in the South African environment remains a challenge.

- 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.

8. Global competitiveness

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, escalating fuel and electricity prices, compounded with the necessity for private back-up power generation due to 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.

- Continuously evaluate component country sourcing for suitable price advantages.
- Continuously monitor the effect of cost pressures and strategically evaluate the option of offshore manufacturing where feasible.
- 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.
- Regular assessments of optimal manufacturing location for components and products are undertaken and executed.

Inherent risks

Risk mitigation factors

9.

Niche product dependence

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.

- Grow diversified revenue streams that leverage the Bell Equipment distribution network and manufacturing capabilities.
- Additional OEM products being developed and marketed for distribution through mining and construction dealer networks - tracked carrier and Bell motor grader.
- Underground mining division launched.
- Forestry and agricultural dealer networks and products under development.

10.

Information technology

The speed of Information Technology development is driving companies to invest in the latest technology to remain competitive, while at the same time protecting themselves against cyber-attacks.

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.

Cyber security

The loss of confidentiality, integrity, or availability of data and information systems adversely impacts operations; assets; individuals and customers.

- Various actions plans are in place to improve cyber security and adherence to Data Protection legislation.
- Redesign of Enterprise Architecture to provide agile, integrated system landscape.
- Replace and upgrade legacy systems.
- Development of online customer platforms including online parts solutions and a Global Used Equipment website.
- Establish a process to perform cybersecurity assessments on new vendors who may have access to personal information of customers and employees. The process has been established and the performance of the assessments is ongoing.
- Deployment of a browser security tool to enhance work from home risk mitigation measures.
- Employee awareness programs are conducted periodically throughout the year.
- Vendor assessment processes are implemented for vendors who may have access to personal information of customers and employees.

11.

Occupational health and safety

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. This is an inherent risk due to the operating environment.

Accidental loss can be controlled through good management in combination with active employee involvement. Risk management is the direct responsibility of all line managers and employees alike.

- A risk-based health and safety management system has been implemented that clearly establishes the company's expectations of employees in terms of health and safety performance. The system is aligned with leading international standards and best practices for occupational health and safety management systems.
- A comprehensive behaviour-based health and safety training programme is enforced across the group to promote safe behaviour and awareness.
- 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.

Strategic overview and risk management *continued*

MATERIAL MATTERS

Inherent risks

Risk mitigation factors

1. Environmental sustainability

Bell Equipment recognise 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.

- Constant development and improvements on our product range to reduce the effect of harmful gasses and to ensure compliance with international standards.
- Optimise our energy efficiency by association with leading principals and solutions to reduce our energy consumption at our fabrication facilities.
- Implementation of effective waste management policies and procedures and development of waste recycle practices.
- Investigations into alternative energy supply options are ongoing. The installation of a grid tied solar system has been approved and will be commissioned during the first quarter of 2023 at our Jetpark facility.
- Development of Business Continuity Strategies in response to severe business interruptions to ensure operational resilience.

2. Business continuity due to power supply

The inability of government to resolve the crisis at the country's troubled electricity utility Eskom and the possible long-term implementation of extended load shedding is having a devastating effect on not just our business but also on the domestic industry.

The impact on business interruption resulting from national load shedding, is not only affecting our supply chain but has also increased our operational cost due to the running of diesel generators. This will be further aggravated due to diesel price increases and the implementation of higher load shedding stages.

- All our strategic operations and factory in South Africa have been equipped with back-up power generators that alleviate most of the risk of business continuity due to power interruptions.
- Most of our critical suppliers have back-up generators to ensure uninterrupted production and supply of strategic parts.
- Investigations into alternative power sources at our main operations are ongoing, a solar power supply is being installed at our Jetpark operation and we are in the final stages of vetting a 1 MW solar system for our Richards Bay facility.
- Dual supply from international service providers on production critical and strategic parts.

3. Business continuity due to supply chain failure

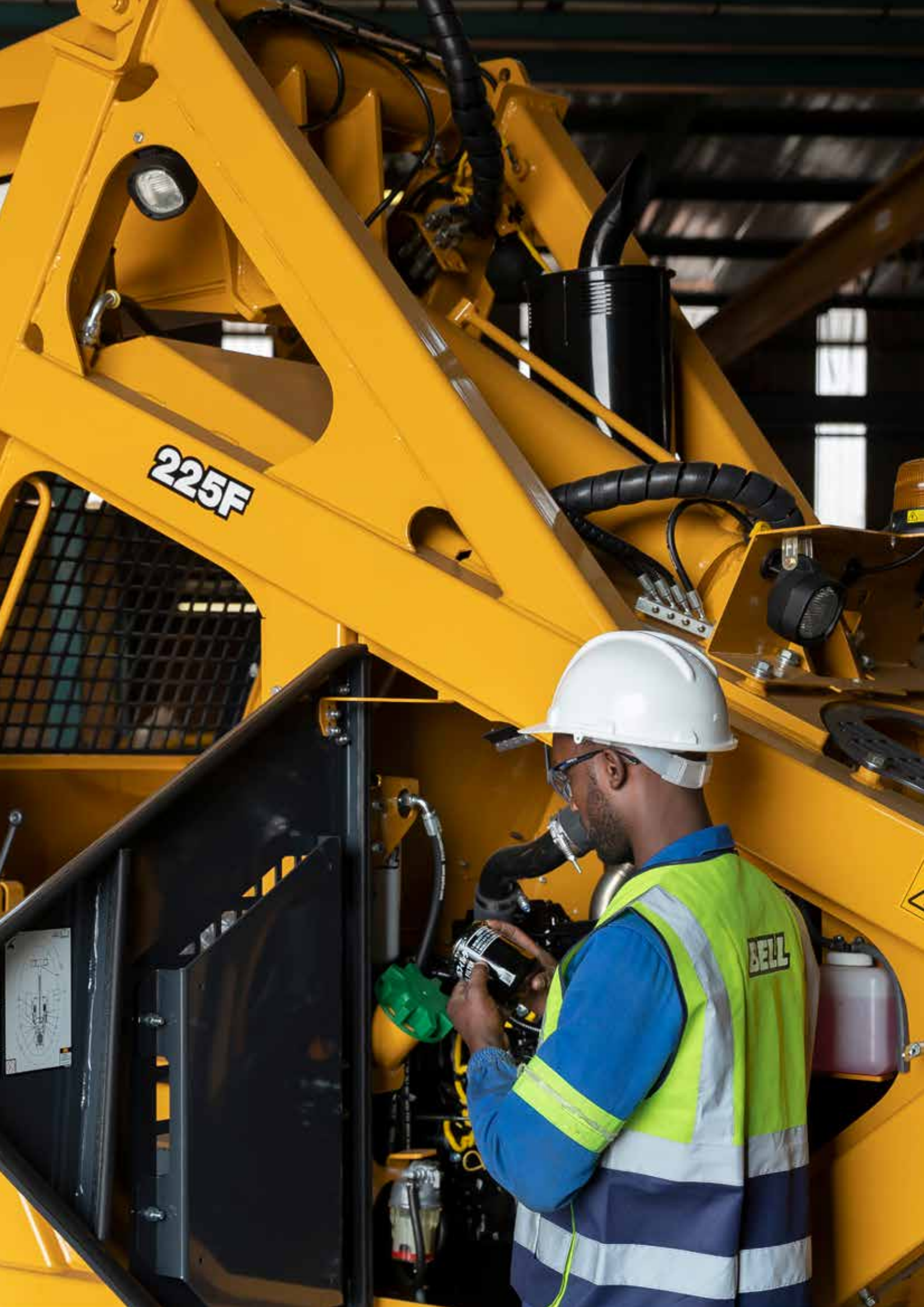
The current economic climate continues to increase the probability of business disruption due to supply chain failures. While all supply chains face risks with extended lead times, port congestion, economic and political instability as well as currency fluctuations, Bell Equipment has the added risk of a remote location and a large portion of in-house designed components that are not freely available on the open market. The ability to monitor the performance of these key suppliers and proactively identify and manage those at risk is critical to ensuring supply continuity to Bell Equipment.

- Immediate risks management related to items with significant Bell IP is constantly under review. These include the following categories of components: Wiring harnesses, Rubber to Metal, Electronic controllers, Composites, Gear cutting and specialized machining. This is running in parallel with the review and update of the critical supplier Business Impact Analysis to identify possible alternatives or critical supplier requirements.
- Monthly supply chain risk management meetings now take place, this covers OE & Aftermarket, supply chain and supplier risks are evaluated and rated, actions to mitigate are agreed and progress is reviewed.
- Disruptions are however anticipated, and precautions have been taken to increase buffers to insulate against the potential increase in supplier and shipping lead times where necessary.
- Where identified, safety stock levels were reviewed and adjusted to alleviate any possible supply chain failure.

4. Prolonged conflict between Russia and Ukraine

The global economy continues to be weakened by the war through significant disruptions in trade and food and fuel price shocks, all of which are contributing to high inflation and subsequent high interest rate environments.

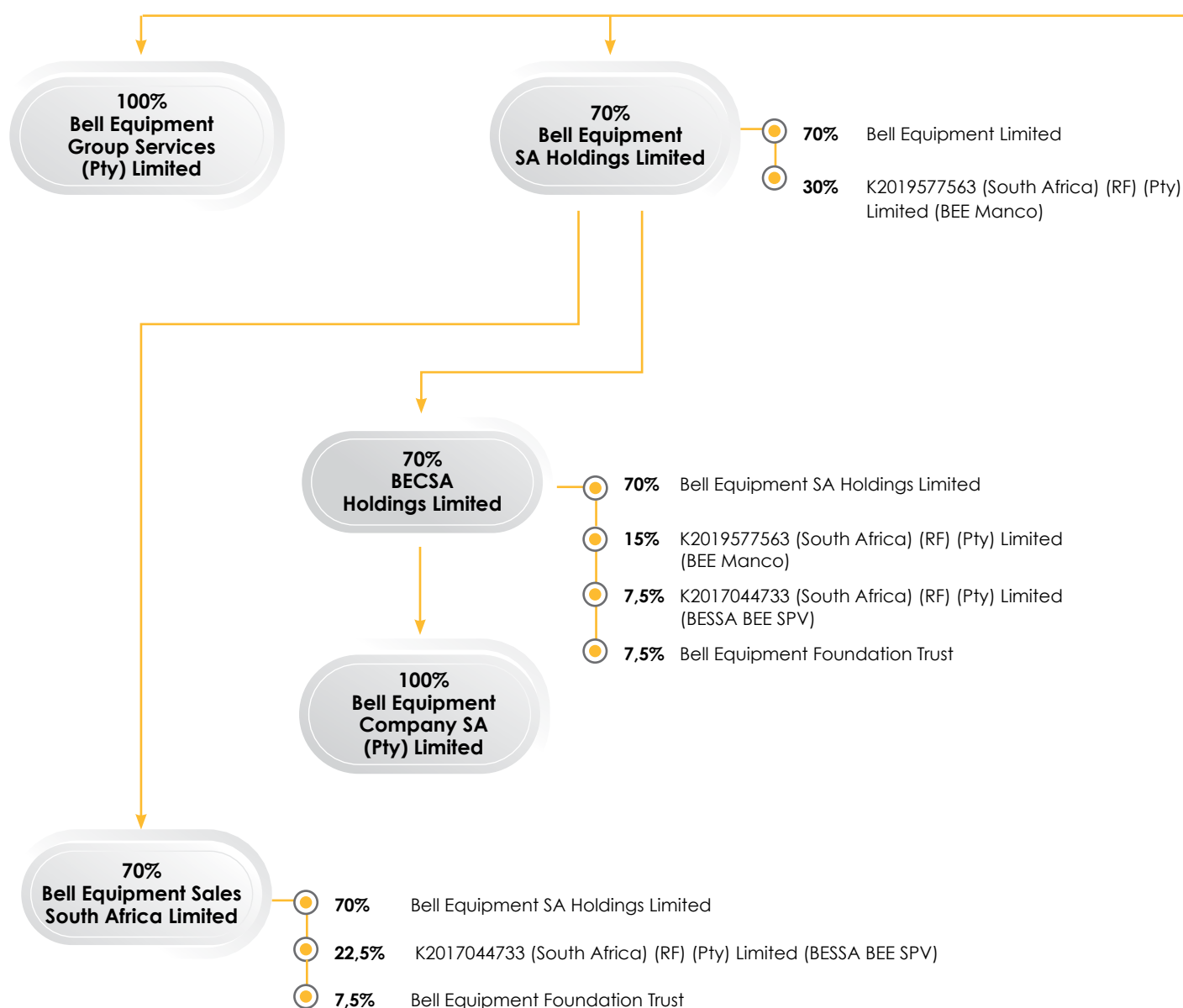
- The risks were identified early and the in-country assets minimised.
- All new equipment and parts sales have been suspended, this is mainly due to import sanctions imposed, logistical challenges and financial transaction restrictions.
- Investigating potential buyers to take over the entity as a going concern.

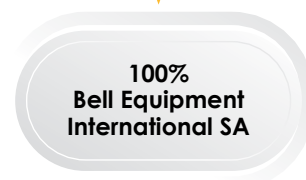
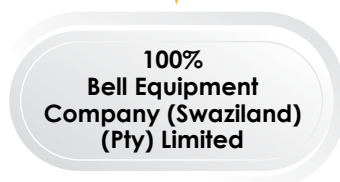
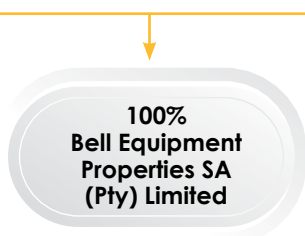


225F

BELL


Global corporate structure







Leadership: board of directors



Gary Bell (70)
Non executive


- Chair:**
 - Board
- Committee membership:**
 - Risk and sustainability
 - Social, ethics and transformation
 - Remuneration
 - Nominations
- Qualifications:**

Mech Eng Diploma (Natal Technikon)
- Date of appointment:**

1977
- Skills and experience:**

With an engineering and manufacturing background, Gary has more than forty years' experience in and knowledge of the mining and construction machinery industry both regionally and internationally.
- Meeting attendance:**
 - Board: 4/5
 - 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 (75)
Lead Independent non executive

- Chair:**
 - Risk and sustainability
 - Nominations
- Committee membership:**
 - Risk and sustainability
 - Nominations
- Qualifications:**

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:**
 - Board: 5/5
 - Risk and sustainability: 3/3
 - Nominations: 3/3
- Directorships in other listed entities:**
 - Master Drilling Ltd



Leon Goosen (50)
Group chief executive

- **Committee membership:**
 - Risk and sustainability

- **Qualifications:**
BAcc (Stellenbosch), B Compt (Hons)
CTA (UOFS), CA (SA)

- **Date of appointment:**
2009

- **Skills and experience:**
Prior to joining Bell, Leon was a partner at Deloitte & Touche in South Africa and Namibia. He held the position of executive director of Bell from January 2009 and was the chief operations officer from December 2014, contributing considerably to the strategic direction of the group, until he was appointed as chief executive on 1 June 2018.

- **Meeting attendance:**
 - Board: 5/5
 - Risk and sustainability: 3/3

- **Directorships in other listed entities:**
None



Karen van Haght (56)
Group finance director

- **Committee membership:**
 - Risk and sustainability
 - Social, ethics and transformation

- **Qualifications:**
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:**
 - Board: 5/5
 - Risk and sustainability: 3/3
 - Social, ethics and transformation: 3/3

- **Directorships in other listed entities:**
None



Derek Lawrance (75)
Independent non executive

- **Chair:**
 - Audit
 - Remuneration

- **Committee membership:**
 - Audit
 - Risk and sustainability
 - Remuneration

- **Qualifications:**
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:**
 - Board: 5/5
 - Audit: 5/5
 - Risk and sustainability: 3/3
 - Remuneration: 3/3

- **Directorships in other listed entities:**
None



Leadership: board of directors *continued*



Mamokete Ramathe (43)
Independent non executive

Chair:

- Social, ethics and transformation

Committee membership:

- Audit
- Social, ethics and transformation
- Nominations

Qualifications:

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:

- Board: 4/5
- Audit: 4/5
- Social, ethics and transformation: 3/3
- Nominations: 2/2

Directorships in other listed entities:

- Master Drilling Ltd



Rajendran Naidu (50)
Independent non executive

Committee membership:

- Audit
- Social, ethics and transformation
- Remuneration
- Nominations

Qualifications:

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:

- Board: 5/5
- Audit: 5/5
- Social, ethics and transformation: 3/3
- Remuneration: 3/3
- Nominations: 3/3

Directorships in other listed entities:

None



Ashley Bell (40)
Non executive

Committee membership:

- Risk and sustainability
- Social, ethics and transformation

Qualifications:

BCom (Marketing) (UNISA)

Date of appointment:

2015

Skills and experience:

Ashley has twelve years engineering and marketing experience in co-founding an OEM servicing the forestry and agricultural sectors.

Meeting attendance:

- Board: 5/5
- Risk and sustainability: 3/3
- Social, ethics and transformation: 3/3

Directorships in other listed entities:

None



Markus Geyer (58)
Independent non executive

Committee membership:
None

Qualifications:
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 AHJ 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:
- Board: 4/4

Directorships in other listed entities:
None



Usha Maharaj (48)
Independent non executive

Committee membership:
- Audit

Qualifications:
BAcc(Hons)UKZN, CA (SA)

Date of appointment:
2022

Skills and experience:
Usha is a Chartered Accountant by profession and was a director at KPMG heading up the Owner Managed Business Unit before assuming the role of HR director for KZN, overseeing finance and operations functions for the region while servicing a SME client base. Since 2016 she has been an executive and non-executive director of certain unlisted companies and since 2017, a non-executive director, audit committee member and social and ethics committee member of Trade & Investment KwaZulu-Natal with a keen interest in cybersecurity and Fourth Industrial Revolution.

Meeting attendance:
- Board: 4/4
- Audit: 4/4

Directorships in other listed entities:
None



Avishkar Goordeen (43)
Alternate executive director to Leon Goosen

Committee membership:
None

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

Date of appointment:
2017

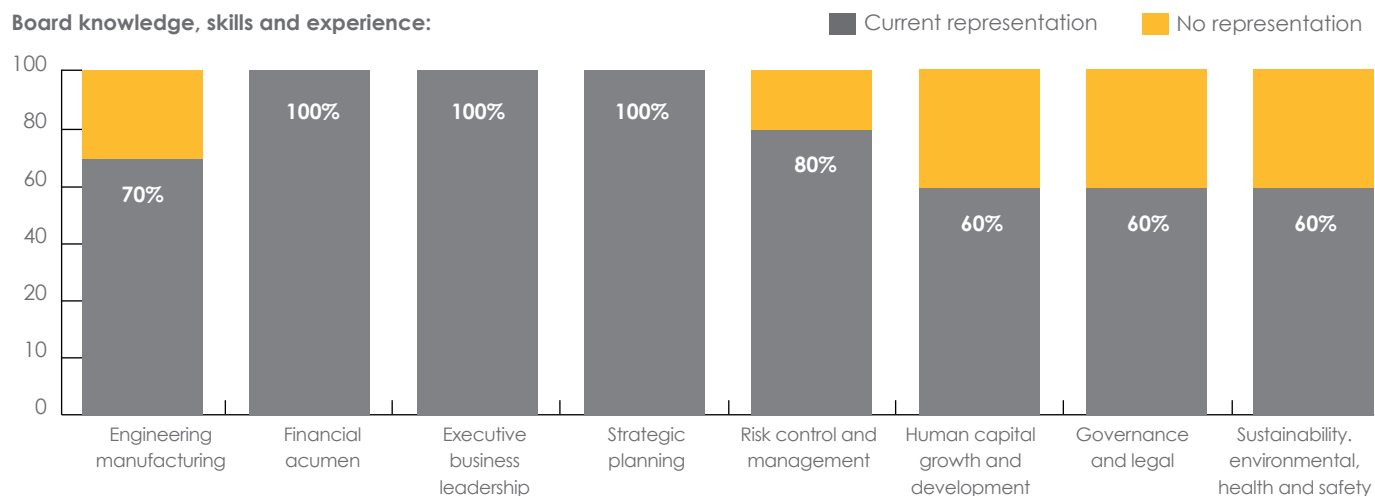
Skills and experience:
Avishkar has held senior positions within the Bell group in the areas of strategy, corporate finance, commercial activities, business development, risk management and IT.

Meeting attendance:
- Board: 3/5

Directorships in other listed entities:
None

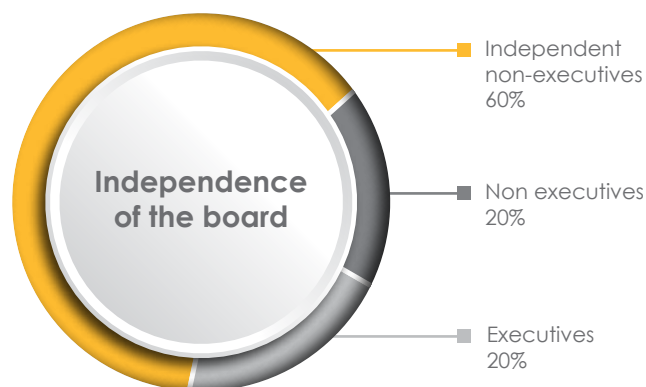
BOARD'S COMPOSITION, DIVERSITY AND TENURE AS AT 27 MARCH 2023

Board knowledge, skills and experience:

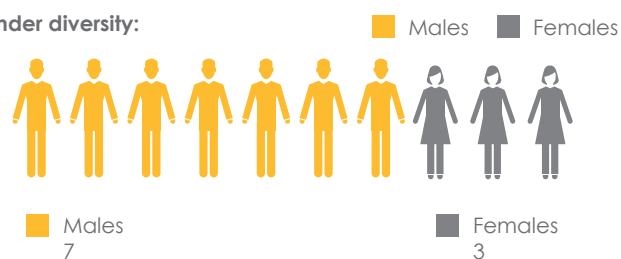


The independence of the board:

The independence of the board ensures a clear balance of authority so that no one individual director has unfettered decision making powers.

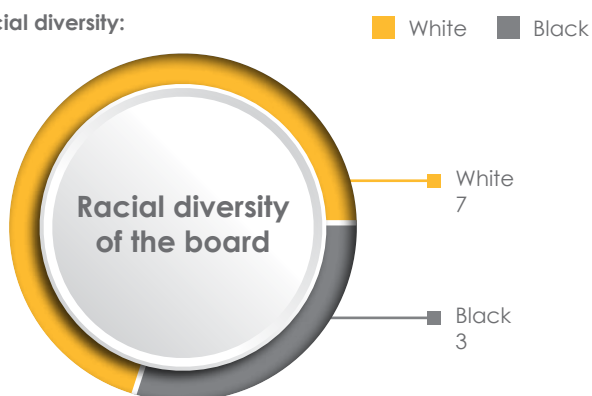


Gender diversity:



Voluntary target of 25% exceeded

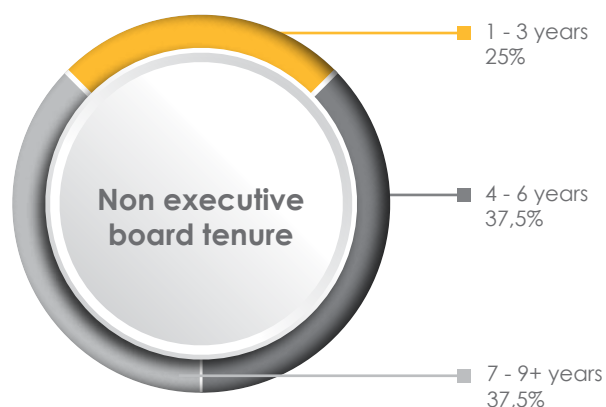
Racial diversity:



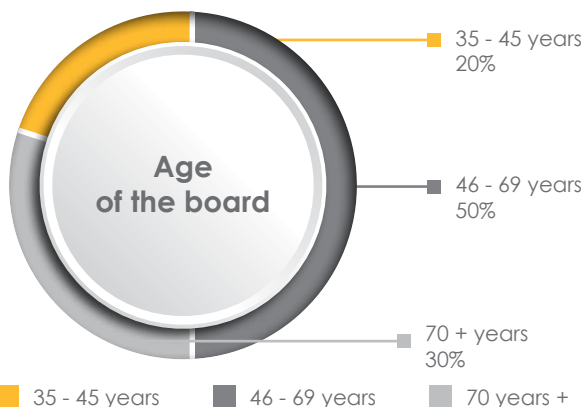
Voluntary target of 30% reached

Non executive board tenure:

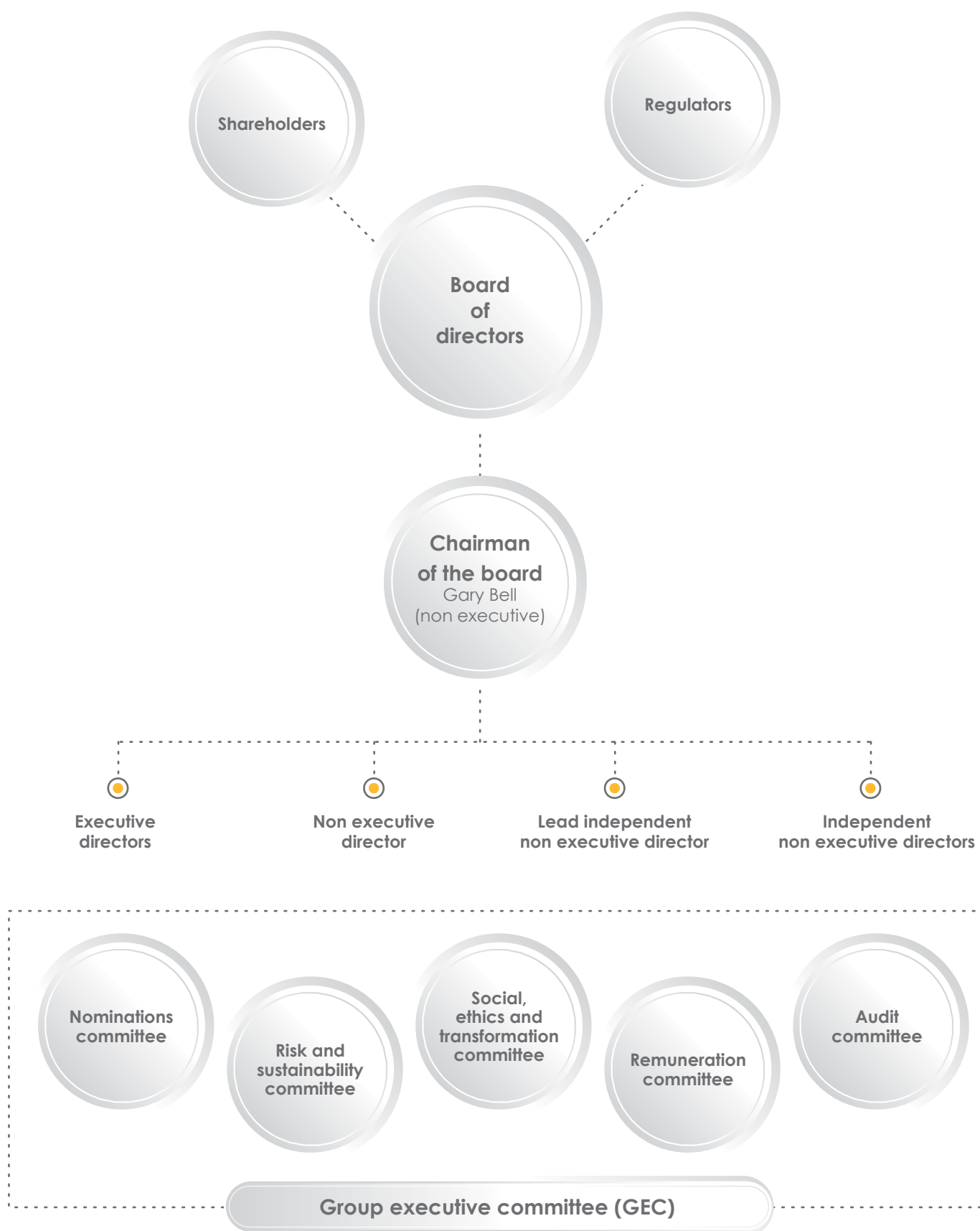
In accordance with Bell Equipment's memorandum of incorporation, at least one-third of the non executive directors must retire by rotation each year but may offer themselves for re-election. The non executive directors retiring by rotation and standing for re-election by the shareholders at the upcoming annual general meeting in 2023 are Gary Bell, Rajendran Naidu and Mamokete Ramathe.



Age of the board members:



The corporate governance structure as at 27 March 2023:





Leadership: group executive committee (GEC)

The GEC is empowered and responsible for implementing the strategies approved by the board and for managing the affairs of the group. The GEC is chaired by the chief executive and comprises the group finance director, the managing directors of each of the regions and the executives as set out below.



Leon Goosen (50)
Group chief executive

Qualifications:
BAcc (Stellenbosch), B Compt (Hons)
CTA (UOFS), CA (SA)

Skills and experience:
Leon has 15 years' experience at Bell Equipment.



Karen van Haght (56)
Group finance director

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

Skills and experience:
Karen has 22 years' experience at Bell Equipment.



Avishkar Goordeen (43)
Chief strategy officer

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

Skills and experience:
Avishkar has 16 years' experience at Bell Equipment.



Aldo Mayer (50)
Director:
Group aftermarket and logistics

Qualifications:
National Higher Diploma, Mech Eng
(Natal Technikon), B Tech (Business
Management) (Natal Technikon)

Skills and experience:
Aldo has 27 years' experience at Bell Equipment.



Diana McIlrath (49)
Group company secretary
and legal

Qualifications:
BCom (UKZN), LLB (UKZN)

Skills and experience:
Diana has 6 years' experience at Bell Equipment.



Dominic Chinnappen (54)
Director:
Group manufacturing and sales
and operations planning

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

Skills and experience:
Dominic has 35 years' experience at Bell Equipment.



Douglas Morris (49)
*Managing director:
 Europe, Middle East and Africa*

Qualifications:
 BCompt (UNISA)

Skills and experience:
 Douglas has 8 years' experience at Bell Equipment.



Johan van Wyngaardt (54)
*Director:
 Group human resources*

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

Skills and experience:
 Johan has 17 years' experience at Bell Equipment.



John Fleetwood (41)
*Managing director:
 Bell Equipment Sales SA Ltd*

Qualifications:
 BCom; Hons (UNISA), Earthmoving Mechanic Trade Test, Master of Business Administration

Skills and experience:
 John has 17 years' experience at Bell Equipment.



Meltus Badenhorst (42)
*Director:
 Technical services*

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

Skills and experience:
 Meltus has 19 years' experience at Bell Equipment.



Stephen Jones (51)
*Director:
 Group engineering, marketing and product portfolio*

Qualifications:
 National Higher Diploma, Mech Eng (Natal Technikon), B Tech (Business Management), (Natal Technikon)

Skills and experience:
 Stephen has 28 years' experience at Bell Equipment.



Tristan du Pisanie (47)
*Director:
 Product development*

Qualifications:
 MEng (Cambridge University), MBA (GIBS)

Skills and experience:
 Tristan has 20 years' experience at Bell Equipment.

KEY:  South African Resident  German Resident

Joint report by the chairman and chief executive



Overview

Overall, 2022 was a pleasing year for the Bell Equipment Group characterised by our solid performance in the face of multifarious challenges. The way in which the team worked together and the resilience that was shown enabled us to end the year ahead of budget and substantially up on the previous year.

As reported in our interim statement, increased demand for commodities, country-specific post-COVID-19 stimulus packages, and increased infrastructure spending in several markets drove demand for ADTs. However, the conflict between Russia and the Ukraine since February 2022 caused ongoing supply chain constraints following on the lingering effects of COVID-19. This resulted in the group having to cut back on production and prevented us from fully capitalising on the market conditions.

To mitigate supply chain challenges high-risk suppliers were closely managed and supply continuity interventions were put in place. These included, among others, the interplant movement of parts to minimise line stoppages, production sequence changes to meet shipping plans and the implementation of alternate supply lines where feasible.

An improvement in the supply chain in the last quarter of the year meant that production could be caught up and product invoiced and delivered to customers by the end of 2022 to finish the year stronger than in the first half of the year.

In addition to supply chain constraints, 2022 saw soaring fuel prices, unprecedented levels of inflation and interest rates,

record load shedding, and floods in KwaZulu-Natal in April that caused logistics challenges. In general, we experienced a reduced frequency of vessels, which increased the need to use significantly more expensive air freight.

Eskom's long-term implementation of extended load shedding during 2022 had far-reaching effects on the group, our local suppliers, and customers. Besides the disruptive impact on business, the mitigation action of running generators significantly increased the cost of doing business in South Africa. Power interruptions and changeovers also increase the risk of equipment being damaged, especially electrical switching and electronic equipment.

Expectations are that South Africa will experience between 200 and 250 days of load shedding in 2023, predominantly at stage 4. The group is therefore investigating increasing manufacturing in its German factory, sourcing of fabrications from outside of South Africa, as well as a grid-tied solar system for the Richards Bay factory.

Financial

The group improved significantly on the 2021 results with profit after tax increasing by 63% to R478,9 million (2021: R294,3 million). Strong market conditions resulted in all regions outperforming their sales volume budgets, except for Europe, which had an exceptionally high budget considering the actual volume sold into this market in the last five years. Group sales were up by 28% on 2021 largely due to an improvement in the supply chain in the last quarter that meant that production could be caught up and products invoiced and delivered to customers by year end.

Higher production volumes resulted in an increase in labour and overheads recovered, positively impacting the bottom line.

In addition to freight and load shedding expenses already mentioned, other notable expenses include increased electricity charges due to higher production and electricity tariff increases.

Group inventory increased by R1,1 billion (31%) from December 2021 to R4,8 billion at the end of 2022 and inventory days ended the year at 210 days compared with 204 days at the end of 2021. Considering the increase in sales in 2022 and the substantial further increase in volumes planned for 2023, this is an acceptable level. Likewise, borrowings remain stable and within acceptable levels.

Operations and product development

South Africa experienced a positive year with favourable commodity prices fuelling demand in the mining industry. Construction was flat, however the building industry rallied and the demand for backhoe loaders and smaller equipment increased as a result.

The JCB product line is proving to be extremely complementary to our South African offering by enabling BESSA to be more active in market segments where we struggled previously. The market has reacted positively to the group taking over the distribution and support for this great product range.

To overcome shortages of partner products, especially Finlay and Kobelco, the group implemented effective changes in point of source to alleviate long lead times and improve availability.

In our major international markets of the US and UK demand was strong despite high levels of inflation, increased interest rates and soaring energy costs. Australia and New Zealand also maintained a high demand for ADTs.

Our OEM business was restructured into three distinct divisions: Mining and Construction, Forestry and Agriculture, and Underground Mining to provide a more dedicated focus on product lines, distribution, and support going forward.

In South Africa, we started distributing JCB Agriculture alongside the Bell Forestry and Agriculture range in May. Over a dozen independent dealers have been appointed as part of our strategy to grow our exposure in these industries through increased products and improved service.

Underground mining has been identified as another opportunity for growth and the new OEM business division is pursuing this goal with a focus on expanding the product range, providing specialised customer support, and establishing new global markets.

The group's two underground articulated dump truck models and a rock scaler have been well accepted in existing African markets for their in-built levels of safety, use of the latest technology and economical productivity. This range will be expanded to include a 6t low profile Load Haul Dump (LHD) loader.

In a significant step to grow the group's South African IP, increase its manufactured product offering and expand global markets, Bell decided to enter the motor grader market.

Motor graders are complementary to the group's flagship ADT product as a core earthmoving product. There are a number

of shared markets and dealer distribution channels. Significant design complexity as well as developing to the needs of the operator are key for this product line and the group has demonstrated ability to achieve these.

The first generation of this product range is undergoing final testing and refinement with production set to begin as early as Q4 2024.

Three base machines will initially be offered, each with the option of a four- or six-wheel drive configuration. The G140 will cater for maintenance and light construction tasks while the G160, with its increased power and performance, is designed to handle heavy construction applications. The G200 is positioned as an entry-level machine for the mining industry.

The Tracked Carrier was successfully shown at Bauma Munich in October 2022 and will be introduced to Europe once final homologations have been completed. Customers in other regions have also shown interest in this product.

Four years after commencing extensive testing, our autonomous technology is now at the adoption stage with customers in the United Kingdom, South America, and Australia set to introduce autonomous Bell ADTs on their worksites during 2023.

Bell currently has two approved service providers, xtonomy based in Europe and Pronto AI in the United States, both of which can work with Bell customers from anywhere in the world. A third supplier has recently been engaged and the group will begin testing this system during 2023.

Sustainability

Our future sustainability is dependent on our investment in IP to stay relevant and at the cutting edge of technology and market needs. Driven by our innate passion for innovation, we are investing in exciting new products as detailed.

To facilitate future growth and development of the group as a global manufacturer, Bell entered a 10-year property lease for a property adjoining its Richards Bay factory, which houses a new warehouse. A seven-year lease agreement was also concluded for a portion of the neighbouring property in Kindel, Germany.

Corporate Governance

Our commitment to being a good corporate citizen pervades our total approach to the business and we endeavour to act in a responsible, ethical, balanced and commercially sensible manner.

We are ever conscious of the impact on the environment and are pleased with our continued progress, as detailed in our stakeholder relations report, to measure and mitigate these risks.

Bell is committed to the highest standards of corporate governance. 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 this report.

Transformation

In line with our commitment to our transformation responsibilities, BECSA and BESSA are both 51% black-owned entities. At the same time, BESSA is 30% black women-owned. With their respective level 3 and level 1 B-BBEE scorecards, the group is competitively positioned in the local market.

Joint report by the chairman and chief executive *continued*

This has been beneficial in assisting emerging contractors in the mining industry and in time will assist with taking advantage of opportunities in the public sector presented by RT57 contracts. Importantly the score also secures access to government-backed initiatives. Bell has valued the support from the government in terms of the APDP, a production incentive scheme administered by DTIC. The APDP was replaced, effective 1 July 2021, by a revised programme, APDP II. Bell was successful in its application for access to this new scheme, which, like the APDP, is also a production incentive aimed at promoting employment and value add in the motor industry but has additional requirements, mainly in terms of B-BBEE. The programme will remain in place until 2035.

APDP II income in 2022 totalled R144 million, up from R91 million in 2021 due to higher production volumes and the more favourable APDP II.

We continue to engage with the government at various levels to encourage a better understanding of the assistance they can provide through implemented policy to help us grow and to support the local economy.

Outlook

From a production perspective, our volume outlook for 2023 is strong with the potential to be a record year for our E-series ADTs, especially since work in progress has normalised and supply chain issues should not be a major constraint, especially in the second half of 2023.

The order book is being maintained at record levels and the group is taking orders for 2024. Finished goods inventory levels are low for current demand and are expected to remain low due to the strong order book. Sales divisions report missed opportunities due to low stock levels.

In South Africa, we anticipate some improvement in the construction industry as the recent SANRAL awards have created optimism and are positive for the country.

We will continue to engage and work with the government, however, the cost and ability to do business in South Africa is a serious concern. The accumulative effect of the challenges that local businesses must grapple with needs to be weighed up when considering strategies for long-term sustainability. These include exchange rate volatility, fuel prices, rising inflation and interest rates, escalating electricity tariffs, a severely encumbered national electricity provider, growing structural challenges around water and sanitation, and road infrastructure and port inefficiencies that frustrate logistics.

At the same time, Europe and the US have started 2023 strong, but the group needs to exercise caution given the banking crisis in the US and macroeconomic indicators, most notably subdued economic activity and high inflation levels and interest rates, signalling possible recession.

Dividends

Recognising the improvement in the financial results the board has declared a gross final dividend of 90 cents per ordinary share.

Board Changes

To recap on changes effected on 16 February 2022, which were reported in last year's report, John Barton resigned from the board as a non-executive director, lead independent director, chairman and member of the nominations committee, and as member of the remuneration committee, audit committee and risk and sustainability committee.

In response, Hennie van der Merwe was appointed as the lead independent non-executive director and chairman of the nominations committee, Mamokete Ramathe was appointed as a member of the nominations committee, and Rajendran Naidu was appointed as a member of the remuneration committee.

Furthermore, the board appointed two independent non-executive directors, Usha Maharaj and Markus Geyer, with effect from 1 April 2022. They were subsequently elected as directors by the shareholders at the AGM in May 2022.

Appreciation

In closing, we are grateful to our executive management for their valuable role in leading and motivating our employees during a taxing year and give sincere thanks to the entire Bell team worldwide for their commendable resilience and commitment. We appreciate the effort and sacrifices that are made for the greater good of the group.

We continue to be impressed by the level of skills, knowledge, loyalty, and energy that we have in our operations worldwide. Guided by our strategies and 1-BELL values, this bodes well for the continued growth and sustainability of the business.

A special thank you to the board for their professional involvement in the group's affairs, generously giving of their time and expertise.

Last, but certainly not least, we are indebted to our customer base and network of dealers across the world. Thank you for putting your faith and loyalty into the Bell brand. You are the driving force behind everything we do.



Finance director's report



2022 was an eventful year marked by strong demand, ongoing problem-solving of supply chain challenges and product cost pressures driven by global demand, high inflation and exchange rate volatility.

Although the financial returns for 2022 are not yet at the targeted level, the business has made strides in the right direction and we look forward to further improvement in 2023.

Financial Performance

Revenue of R10,3 billion for 2022 was 28,2% up on 2021 sales of R8,0 billion. The first half of the year was constrained by component shortages at the factories which impacted production and sales volumes, but the supply chain was more reliable in the second half of the year and this facilitated the catch up of production and improved delivery of machines and invoicing to customers before year end. Revenue for the second half of the year was 43,0% up on the first half of the year. This also had a positive impact on inventory levels and borrowings and we are satisfied with where these levels ended the year, especially considering the gearing up of the production schedule for higher demand in 2023.

The group earned a profit after tax of R478,9 million for the year, 62,7% up on R294,3 million earned for the 2021 financial year. The higher sales and higher production volumes at the group's two manufacturing facilities had a positive impact on the bottom line. The positive impact of the higher production volumes on the profitability of the group is evident in the improved operating results reported for the group's manufacturing operations in South Africa and Germany. Earnings per share and headline earnings per share were 478 cents and 473 cents respectively (2021: earnings per share of 300 cents and headline earnings per share of 294 cents per share) for the year. A final dividend of 90 cents per share was declared.

The company's share price is 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 the valuation of the cash generating unit. The usual, ongoing assessments of inventory and receivables resulted in certain provisions and allowances for expected credit losses being accounted for. Refer to note 5 in the annual financial statements for further details of this assessment.

Segmental performance

There was no change to the group's two main business operations in 2022. The group still conducts OEM operations comprising manufacturing, assembly and sales of equipment and aftermarket products to independent and group owned distributors and dealers. These OEM operations are conducted from South Africa and Europe. The second business is the direct sales business which comprises owned distribution operations in South Africa and Rest of Africa that are engaged in direct sales of own manufactured products, other third party products and the supply of aftermarket support and products to the market. The South Africa direct sales business comprises customer service centres in South Africa and Eswatini. Rest of Africa comprises customer service centres in Zambia and Zimbabwe.

The OEM business in South Africa reported a significantly improved operating profit of R369,2 million in 2022, up from R8,6 million in 2021. This segment's result is sensitive to volumes and the improvement in result was due to higher production and sales volumes in 2022. Higher sales of complete machines to customers in the southern hemisphere and higher sales of kits to the German factory for completion of ADTs destined for the USA, UK and Europe, contributed to a higher recovery of overheads at the Richards Bay facility compared with 2021. Total sales, including both external and inter-segment sales, increased by 37,2% in 2022. External revenue contributed 19,8% of group sales in 2022 compared with 19,4% in 2021.

External sales by the OEM business in Europe increased by 21,5% with the contribution to total group sales reducing from 38,4% in 2021 to 36,4% in 2022. Although volumes sold in the USA and UK were up on 2021 volumes, operating profit reduced from R157,6 million in 2021 to R141,8 million in 2022. Margins were under pressure due to high inflation and product cost increases that were initially absorbed by the operations while orders were fulfilled at selling prices committed to in earlier periods. Much of the increase in demand was driven by government-initiated infrastructure development programmes and restocking programmes which are expected to continue in 2023. The Russian business remains on pause due to the war in Ukraine.

External revenue from direct sales operations in South Africa increased by a pleasing 29,0% compared with 2021 and the contribution to group sales increased marginally to 38,2% in 2022, compared with 38,0% in 2021. The South African sales operation exceeded expectations in 2022, mostly driven by mining activity, and reported operating profit of R175,0 million up from R94,0 million in 2021.

The external sales of the owned customer service centres in Zambia and Zimbabwe, which comprise the group's Rest of Africa operations, experienced strong growth in 2022 especially in Zambia and increased by 71,4% on 2021. This however remains a small part of the business, contributing 5,6% to group sales

in 2022. The group continues to support customers in difficult conditions in Zimbabwe on the basis of payment in advance in South Africa for parts and machines supplied.

Gross Margin

The gross margin is dependent on the product and geographic mix of sales, market conditions and exchange rates. Input costs continued to rise sharply in 2022 affecting component and raw materials prices and logistics costs. The US Dollar strengthened against both the Euro and the Rand and this was generally favourable for the group, being a net earner of US Dollars, however the significant currency volatility experienced in 2022 was difficult to manage and together with the product cost increases, added pressure to gross margins. The average gross margin for the year was 19,8% compared with 19,3% 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 58,8% to R144,4 million in 2022 from R90,9 million in 2021, due to the increase in production volumes of qualifying products in 2022.

Expenses

The weaker Rand, high inflation, higher production volumes, increases in fuel and electricity costs and a return to greater normality with regard to travel, on site customer support and international product exhibitions, resulted in overheads increasing by 19,7% in 2022. Production related variable costs, including contract labour salaries and overtime, increased due to higher production volumes in 2022.

The group has continued its investment in research and development and development costs totalling R29,9 million were capitalised during 2022. 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 R225,1 million and the total amortisation of development costs for the year amounted to R30,6 million.

Interest paid

An increased investment in inventory was required for the increased demand and production volumes and to counter supply chain challenges. Borrowings were therefore at a higher level in 2022 than in the prior year. Interest paid was R137,0 million for 2022 compared to R96,4 million for 2021.

Taxation

The effective group tax rate of 25,8% is in the range expected given the statutory tax rates in the jurisdictions of the group's main operations.

Financial position

The net asset value per share increased by 13,1% from 4038 cents in 2021 to 4565 cents in 2022. This was mainly due to the profit generated in 2022, and to a lesser extent also due to an increase in the net foreign assets of the group and the foreign currency translation reserve as a result of the weaker Rand at year end compared with the 2021 year-end, as well as the gain on revaluation of the group's owned land and buildings.

Property, plant and equipment

The group's owned land and buildings were revalued in 2022 in line with the group's accounting policy. As a result of the

revaluations, a revaluation surplus of R58,1 million, relating mainly to the Richards Bay properties, was accounted for in other comprehensive income. A reversal of a prior period impairment loss of R5,8 million relating to the group's property in Kitwe, Zambia, was accounted for in profit or loss.

Additions to capex of R98,9 million in 2022 comprised mainly replacement factory plant and equipment of R85,3 million.

Right-of-Use Assets and Lease Liabilities

Right-of-use assets increased by R116,9 million in 2022, relating mainly to two significant new property leases. A 7 year property lease relating to the group's manufacturing and assembly facility in Kindel, Germany, for an amount of R90,2 million was concluded and a 10 year property lease totalling R46,1 million was entered into for warehousing space in Richards Bay.

Deferred tax assets

The group has substantial deferred tax assets of R214,4 million, down from R231,6 million in 2021. The largest items included in this balance relate to the group's contract liabilities, where the proceeds from the sale of extended warranty contracts and service and maintenance contracts have been received and taxed upfront, the group's standard warranty provision where the actual warranty costs will be deductible in future periods and to the elimination of unearned profit in inventory on consolidation of the group results.

Working capital

Considering the ramp up for the stronger order book for 2023 and the supply chain challenges experienced during 2022 which had not been completely resolved and worked out of inventory by year end, we are satisfied with the 210 days inventory at year end. This is measured on historical cost of sales and compares with inventory of 204 days at the end of 2021. Inventory of components, raw materials and finished goods inventory were all higher in Rand terms at the end of 2022 compared with 2021 due to the higher level of activity and sales compared with 2021, the ramp up in production for higher sales forecast for 2023 and due to a planned increase in aftermarket parts to enhance parts availability and response times. On a forward looking basis, inventory days were substantially lower than 210 days.

Trade receivables days ended 2022 at 45 days, down from 47 days at the end of 2021. Total allowances for expected credit losses amounted to R48,9 million at year end, of which R31,9 million related to customers in the South African market. Overall, the general health of trade receivables improved in 2022 with fewer customer accounts falling into arrears during 2022. 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.

Inventory and receivables of R390,0 million and R70,0 million respectively in the group's operation in Germany was provided as security for a new borrowings base facility implemented in 2022. This facility will assist with funding the working capital required for the 2023 production volumes and positions the group for further growth offshore.

Prepayments to suppliers for inventory purchases increased significantly in 2022 and the negotiation of stronger terms for the supply of certain components is a focus area for 2023.

Cash generated and borrowings

When the group ramps up for stronger market conditions this

Finance director's report *continued*

requires a cash investment in inventory. Gearing increased to 26,3% from 18,0% at the end of 2021. Although production and sales volumes are expected to increase in 2023, cash flow forecasts indicate that the group has sufficient borrowing facilities to meet its plans and cash flow requirements.

Exchange rates

As reported above, the most significant currency movement for the group in 2022 was the strengthening of the US Dollar against the Rand and the Euro. The group reported net currency gains of R24,1 million for the year, mainly arising on USD denominated receipts and receivables balances in the German subsidiary and at the Richards Bay factory. Not reflected in this net foreign currency gain is the positive impact of a weaker Rand on invoiced revenue and gross margins.

The group's approach to managing foreign currency exposures remains the same as in past years. A substantial portion of the group's purchases and sales transactions are in currencies other than the SA Rand. As far as possible we aim to match currency inflows and outflows and the group has a strong natural currency hedge. Forward cover contracts are used to assist in managing the residual currency exposures.

The group is further exposed to currency fluctuations with respect to the translation of profits into Rand, as a substantial portion of the group's operating profit is derived from operations outside South Africa.

Looking ahead

The group looks forward to further growth and improvement in the financial results in 2023. We are cautiously optimistic regarding demand from the northern hemisphere markets and concerns regarding the global economy and the supply chain which has not fully recovered will be closely monitored.



Corporate governance report

Sound corporate governance standards create value for the Bell Equipment group by ensuring the sustainability of the business and by enhancing long term equity performance, in addition to the benefits that good governance brings to society at large and to the group's stakeholders in particular. As environment, social and governance (ESG) considerations have risen to prominence in recent years, the group's emphasis on governance, dealt with in this report, is recognised as a crucial constituent part of the broader ESG framework that contributes to ensuring its sustainability and long term performance.

Compliance governance

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 evolving 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. The company has complied with its MOI, the provisions of the Companies Act 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:

- the appointment of independent non executive director Hennie van der Merwe as the lead independent non executive director of the board, following the resignation of long serving non executive director and lead independent non executive director John Barton in February 2022;
- in considering the appropriateness of the size, composition and diversity of the board to ensure its effectiveness, the appointment of two new independent non executive directors, namely Usha Maharaj and Markus Geyer in April 2022, bringing with them valuable insight and experience;
- while welcoming a return to in person board meetings, the group continued to make increasing use of technology, including virtual meetings for board and committee meetings and for the annual general meeting which was held virtually in May 2022;
- in line with the IRBA's mandatory audit firm rotation rule, the board recommended for appointment by shareholders PWC as the group's external auditor with effect from the financial year commencing on 1 January 2024;
- the review and extension of the long term incentive scheme for participating Bell employees was undertaken by the remuneration committee; and
- the ongoing monitoring of King IV™ and other material legislation affecting the group.

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

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.

A key responsibility of the board is setting and steering 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.

The board and the GEC work closely in determining the strategic direction and objectives of the group. The strategic vision of the group is set out on page 16.

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.

King IV™ principles

Bell Equipment supports the governance outcomes, principles and practices of King IV™. The group views developments and governance trends as opportunities to continuously improve and entrench its own standards. The group has applied the King IV™ report throughout the 2022 financial year and the directors confirm that the group has in all material respects voluntarily applied the principles of the code. The application of King IV™ is covered in the King IV™ register 2022 published on the website.

Ethics

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.

The group will not engage in, condone or tolerate any corrupt practices and rejects all forms of dishonesty, fraud, corruption and unethical behaviour.

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 that underpin these codes and policies and to provide regular ethics training to its employees.

Through the code of ethics and code of business conduct, the group confirms its commitment to high ethical and legal standards in dealing with its stakeholders. The board accepts responsibility for ensuring that the group's business is conducted honestly, fairly, legally, reasonably and transparently. 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.

Corruption is a risk that is managed on an ongoing basis, particularly in the diverse areas in which the group operates. Ongoing awareness training on the prevention of fraud and commercial crimes and the entrenchment of applicable policies

Security and unethical behaviour incidents during 2022



set stringent standards relating to fraud and the prosecution of offenders, the acceptance of gifts from third parties and declarations of potential conflicts of interest.

A group fraud risk assessment 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.

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. The staff are encouraged to report suspected fraudulent or unethical behaviour on a confidential basis via the anonymous tip off reporting line. This service is administered independently by a professional services firm, and enables all stakeholders to anonymously report environmental, safety, ethics, accounting, auditing and control issues or other concerns.

Awareness of this facility is created through presentations, newsletters and encouragement of staff to report such incidents before significant losses are incurred. 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. The follow up on all reported matters is reported to the audit and risk and sustainability committees.

Financial statements and external review

As a part of Bell Equipment's corporate governance policy, 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. The board has identified and defined the critical internal financial controls and understood the impact of control failure on the group, developed a framework to establish an approach for the evaluation of the identified controls and developed a standard consolidated report of the critical controls identified and evaluated to monitor the level of adequacy and effectiveness frequently. 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.

Composition of the board

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.

During the year under review the nominations committee undertook its annual structured and formalised evaluation of the independence of the non executive directors and confirmed that six of the non executive directors at the time were independent as defined by King IV™ and the JSE Listings Requirements, namely Hennie van der Merwe, Derek Lawrance, Mamokete Ramathe, Rajendran Naidu, Usha Maharaj and Markus Geyer.

The board annually considers whether the size, composition and diversity are appropriate to ensure its effectiveness and in this regard and in line with the policy in place detailing the procedures for appointments to the board of directors, Markus Geyer and Usha Maharaj were appointed as independent non executive directors with effect from 1 April 2022. Their appointments were formal and transparent and a matter for the board as a whole, duly assisted by the nominations committee. Both directors were elected by the shareholders at the AGM on 31 May 2022. Further details in respect of the composition and diversity of the board are set out in the leadership report on pages 26 to 31.

The two newly appointed directors were required to attend a comprehensive induction programme and were informed of their fiduciary duties by the company secretary. They both attended training on the JSE Listings Requirements by the

Corporate governance report *continued*

company's sponsor and further bespoke training on their fiduciary duties as directors. They received an induction pack and attended at the main South African subsidiaries and met with the GEC to better understand the complexity of the various operations. Attendance at the German operations shall be undertaken in 2023.

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

Chief executive: full time executive director Leon Goosen

The role of the chief executive, as determined by the board, is formalised, is separate from that of the chairman and is clearly defined to:

- 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.

The chief executive does not currently have any additional professional commitments.

Chairman: non executive director Gary Bell

The role of the chairman is to:

- 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.

As Gary Bell is not an independent non executive chairman, a lead independent non executive director is appointed to handle all conflict of interest matters.

Lead independent non executive director Hennie van der Merwe

On 16 February 2022, Hennie van der Merwe was appointed as the lead independent non executive director.

The role of the lead independent non executive director is to:

- 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.

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

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

Board charter

The scope of authority, responsibility, composition and functioning of the board is contained in a formal charter. 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 confirming 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 received and approved each year.

Board committee composition

Audit committee

The audit committee shall have a minimum of three members, all of whom are independent non executive directors who are elected annually at the AGM for one year.

The chairman of the risk and sustainability committee will be an ex-officio invitee of the audit committee.

Five meetings were held during the year.

- Chairperson:**
- Derek Lawrance
- independent non executive director.
- Members:**
- Rajendran Naidu
- independent non executive director;
 - Mamokete Ramathe
- independent non executive director;
 - Usha Maharaj
- independent non executive director.

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:

- oversight of the group's financial reporting;
- ensuring continued independence of the external auditor;
- 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.

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.

The full report by the chairman of the audit committee can be found in the audited annual financial statements on the website www.bellir.co.za.

Risk and sustainability committee

The risk and sustainability committee shall consist of at least four directors, the majority of whom shall be non executive directors.

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.

Three meetings were held during the year.

- Chairperson:**
- Hennie van der Merwe
- lead independent non executive director.
- Members:**
- Ashley Bell
- non executive director;
 - Gary Bell
- non executive chairman of the board;
 - Derek Lawrance
- independent non executive director;
 - Karen van Haght
- finance director;
 - Leon Goosen
- chief executive.

The risk and sustainability committee is responsible for:

- 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.

Social, ethics and transformation committee

The social, ethics and transformation committee shall comprise of 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.

The social, ethics and transformation committee shall be chaired by a non executive board member who is not the chairman of the board.

Three meetings were held during the year.

Corporate governance report *continued*

- Chairperson:** • Mamokete Ramathe
- independent non executive director.
- Members:** • Gary Bell
- non executive chairman of the board;
• Ashley Bell
- non executive director;
• Rajendran Naidu
- independent non executive director;
• Karen van Haght
- finance director.

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:

- 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 BBEE legislation; and
- educational development of its employees.

The full report by the chairman of the social, ethics and transformation committee can be found on page 52.

Remuneration committee

The remuneration committee will comprise at least three non executive directors of the board, a majority of whom are independent non executive directors.

Three meetings were held during the year.

- Chairperson:** • Derek Lawrance
- independent non executive director.
- Members:** • Gary Bell
- non executive chairman of the board;
• Rajendran Naidu
- independent non executive director.

The chief executive attends all remuneration committee meetings by invitation.

The roles and responsibilities of the remuneration committee are to:

- 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.

The detailed responsibilities of the remuneration committee can be found under the remuneration committee report on page 54.

Nominations committee

The nominations committee will consist of at least three non executive directors, one of whom shall be the chairman of the board and/or the lead independent director and shall also be the chairman of the nominations committee, and a majority of whom shall be independent non executive directors.

Three meetings were held during the year.

- Chairperson:** • Hennie van der Merwe
- lead independent non executive director.
- Members:** • Rajendran Naidu
- independent non executive director;
• Gary Bell
- non executive chairman of the board;
• Mamokete Ramathe
- independent non executive director.

The roles and responsibilities of the nominations committee are:

- 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. The company secretary is appointed by and is accountable to the board. Abbreviated biographical details of the company secretary are set out in the integrated report on page 32.

Board and committee evaluations

Following a formal and comprehensive questionnaire based self evaluation assessment undertaken by the directors in respect of the board, the committees, the chairman and the company secretary at the end of 2021, the action items flowing out of such evaluation report were considered by the board and separately by each of the committees. A further formal self evaluation assessment will be undertaken at the end of 2023.

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 26.

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 or avoiding conflicts of interest. Directors are required to declare their personal financial interests in contracts or other matters in which Bell Equipment has a material interest or which are to be considered at a board meeting, in general annually and specifically at the commencement of each meeting of the board and each committee meeting, in accordance with the requirements of the Companies Act.

Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

All directors are required to comply with the group code of ethics, the provisions of the Financial Markets Act, 2012 and the JSE Listings Requirements regarding inside information, price sensitive information, dealings in securities and the disclosure of such dealings which have been covered previously 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, the company secretary, and their associates 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 in the audited annual financial statements on the investor website, and were disclosed within the prescribed time frames and announced timeously via SENS to the market.

External audit

In September 2022, the group announced via SENS that pursuant to the IRBA rule regarding mandatory audit firm rotation, the board endorsed a recommendation by the audit committee, following a comprehensive "request for proposals" process, to propose PricewaterhouseCoopers Inc ("PWC") 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 will be tabled at the company's AGM in 2024.

Subject to its reappointment at the company's AGM in 2023, the incumbent external auditor, Deloitte & Touche, will remain as the company's auditor for the financial year ending 31 December 2023. Deloitte's appointment will terminate upon the conclusion of the audit of the financial year ending 31 December 2023 in accordance with the mandatory audit firm rotation rule issued by the IRBA. The company will issue a further announcement once shareholder approval in respect of PWC's appointment has been obtained.

The external auditor is 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 auditor can be found in the audit committee report on page 10 of the audited annual financial statements on the investor website.

Internal control systems

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, is in place and such 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 effectiveness of internal control systems can change with circumstances, and, for this reason, these are reviewed and updated regularly. The systems presently in place are suitably aligned with the monitoring requirements and nothing has come to the attention of the directors, or internal auditor, to indicate that any material breakdown in the functioning of Bell Equipment's key internal controls and systems occurred during 2022.

Internal audit

Ernst & Young Advisory Services continues to provide the group with internal audit services on an outsourced basis. The group's internal audit function uses a risk based methodology. 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. 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

Corporate governance report *continued*

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 mitigated 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 is rolled out to all users on a scheduled basis in the course of the year with an overall successful completion rate of 80% for 2022. Simulated phishing tests are used to measure the success of Bell's awareness campaign with an improvement rate of 44% in behaviour since implementation. 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 2022 multi factor authentication was implemented when accessing the Bell network remotely and Bell owned devices are now managed with a mobile device management solution ensuring the protection of both the Bell network and Bell data when accessed externally. Encryption has been enforced on all data copied onto removable devices safeguarding its integrity and confidentiality. 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.

The roadmap and investment in consolidated, upgraded, fit for purpose ERP foundation systems continues in 2023 with the migration of the logistics ERP systems to SAP S4Hana. Scoping activities for the implementation of the manufacturing ERP system to replace Bell's current legacy technology will also take place along with business improvement initiatives in the logistics centers facilitated by the migration to the new S4Hana platform.

The 2023 annual compliance plan includes an investment in eDiscovery and data leakage prevention technology to ensure

personal information is identified and managed according to policy. Further deployment of the mobile device management solution is envisaged for all devices accessing Bell information and cyber incident scenario testing will include an attempted breach test to validate systems and processes.

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

Risk Management

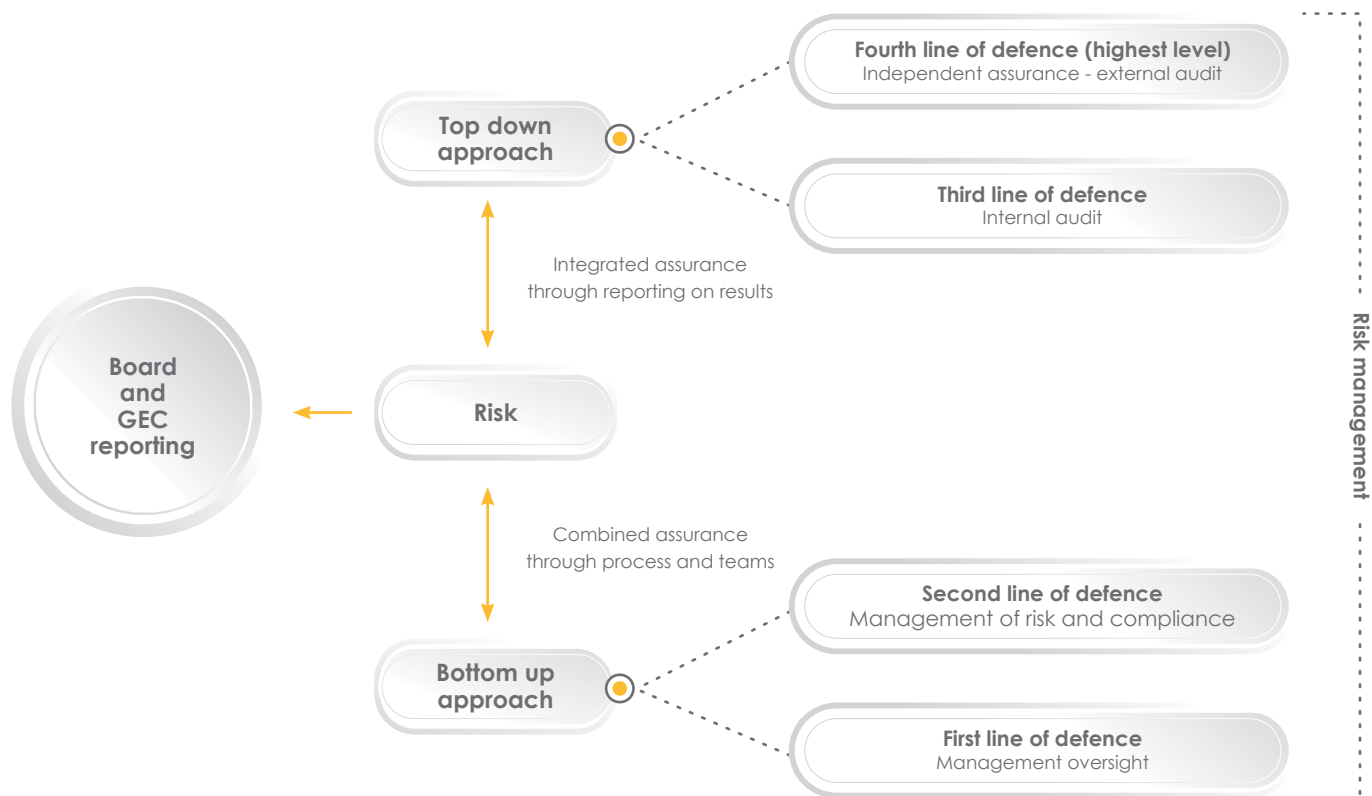
The board is responsible for the governance of risk management within the Bell Equipment group and has approved a policy and framework to identify, analyse, report and mitigate risks, and thereby govern the group risk management process. Oversight is delegated to the risk and sustainability committee, 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 risk and sustainability committee. Risk registers are presented to the risk and sustainability committee, which identify most significant risks by utilisation of the risk universe and scanning internal and external environments for existing and emerging risks. The risks are then quantified based on likelihood. This is achieved by requiring that subsidiaries report their key risks and responses to the committee at each risk and sustainability committee meeting. The chairperson of the risk and sustainability committee reports the most significant risks derived from the above process to the board. The group's strategic objectives and challenges in achieving these objectives are detailed on page 17 together with the group's key risks and opportunities.

The risk appetite and risk tolerance matrices, the Bell Equipment group strategic risk register and the high impact risks are reported on at the risk and sustainability committee meetings.

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 risk, monitoring controls in place, identifying additional controls required and allocating responsibility for managing the risk.

Combined assurance is based on identified risks and how assurance is achieved and reported to the board through the audit committee. The level of combined assurance provided is determined by the effectiveness of the risk response activities and the impact of such risk to the group. No significant areas of overlap of assurance gaps have been identified during the year and the levels of assurance are considered appropriate.



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 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 has engaged 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 has since come to an end. Bell Equipment is not aware of any wrongdoing as regards its interactions with the CPHA and its other members during the relevant period.

In line with the amendment to the FIC Act, with the inclusion of persons who carry on the business of dealing in high value goods as an accountable institution, BESSA and BECSA have registered as accountable institutions, and these subsidiaries shall continue to comply with the FIC Act.

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. The group voluntarily complies with a range of non binding rules, codes and standards throughout the group.

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, strategic OEM partners, suppliers, employees and shareholders.

Corporate governance report *continued*

Financial and non financial information continues to be disseminated timeously and accurately to all stakeholders.

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 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 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. A report on how the group has engaged with its stakeholders during the reporting period is available on pages 68 to 92.

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.

POPIA and access to information

Bell Equipment continues to comply with the requirements of POPIA, GDPR and the PAIA. The corporate manual was updated during FY 2022 to incorporate the information required to be disclosed in accordance with POPIA. The manual is available on the website at www.bellir.co.za. During the reporting period one PAIA application was received by the group and was appropriately and timeously responded to, and a POPIA security compromise notification was provided to the Information Regulator.

Governance focus areas in 2023:

- 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 ensure that effective governance policies and processes are in place to address these issues.
- Continued focus on ESG considerations is an imperative. The group understands how environmental, social and governance matters are inextricably linked, and how ESG performance is dependent on a concerted effort in all of these areas, together with a supportive culture and structure in the business.
- Formal board, committee, external and internal auditor, company secretary and director self evaluations will be undertaken in FY 2023 and analysed by the nominations committee and appropriate action items reported to the board.
- Close monitoring of economic conditions shall take place given the macroeconomic uncertainty associated with continued supply chain concerns, rising interest rates, high inflation, the ongoing conflict between Russia and Ukraine and energy price disruptions, and the ongoing strain on talent. Focus on long term sustainability of the business will continue.



Social, ethics and transformation committee report

The social, ethics and transformation committee ("the committee") is a statutory committee and a formal subcommittee of the board constituted in accordance with the Companies Act read with the Regulations promulgated thereunder and the King IV Code. 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 pages 42 to 50 and the stakeholder relations report on pages 68 to 92 which report will provide the stakeholders with a comprehensive review of how the group creates sustainable value.

Role and responsibilities of the company

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 (chairperson) and Rajendran Naidu, non executive directors Gary Bell and Ashley Bell, and Karen van Haght, the executive group finance director. 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 2021 and the committee was assessed to have adequately discharged its mandate. It was agreed that further consideration will be given to a greater strategic role that the committee should fulfil going forward.

Attendance at committee meetings is detailed in the leadership report on pages 26 to 29 and fees paid to committee members

for 2022 and the proposed fees for 2023 are detailed on page 67 in the remuneration committee report.

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, the Sustainability Disclosure Guidance and the Climate Change Disclosure Guidance developed by the JSE for listed companies to navigate the areas of sustainability were considered by the committee. Going forward ESG would be 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.

Good corporate citizenship

- The monitoring of 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 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 group's continued commitment to zero tolerance of fraud, theft, corruption or any similar illegal behaviour and commitment to compliance with all applicable anti-bribery and corruption laws, regulations, included the formalisation of a group anti-bribery and anti-corruption compliance framework.
- 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 2022 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 2022 Bell ensured its CSI/SED spend was undertaken with the best possible impact in mind in making its communities self sufficient and empowered, with an ongoing focus on education. The group CSI and SED spend for 2022 was directed at community based projects as highlighted in the stakeholder relations report on pages 83 to 87.

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 greater emphasis on ESG matters.

- The committee has considered the relevant laws and regulations applicable to the group's operations during the reporting period and its compliance with these. The grey listing of South Africa was considered and how it could affect the group as a global corporate entity.

Social and economic development

- The group's subsidiaries, BESSA and BECSA, completed their verification processes in August and September 2022 respectively and achieved a level 1 and level 3 BBBEE contributor status 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. New opportunities are being explored to ensure a sustainable absorption of the bursary students and other learnerships into the business.
- The group has recommitted to observing the articles advocated by the Universal Declaration of Human Rights and the International Labour Organisation and the 10 principles of the UN Global Compact.
- 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.

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 on pages 70 to 71 in the stakeholder relations report. Bell Equipment has participated successfully in the YES Programme for 5 years. During 2022, it was decided to host the candidates in house at Bell once again rather than be a sponsor and have the candidates hosted by external companies. This gave 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 12 month programme.
- The committee received assurance that the group is committed to promoting equal opportunities and fair employment practices, globally, across all its businesses, observing the principles advocated by the International Labour Organisation Protocol on decent work conditions.

The group recognises its most valuable asset is its human capital. A great deal of time and money is 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 were considered to ensure that the group invested, developed, upskilled and retained its human capital from a global perspective.

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 2022. Further detail can be found in the stakeholder relations report on page 68.
- the outcome of the social and ethics committee trends survey undertaken by the Institute of Directors of South Africa was considered by the committee, including the analysis of and the tracking of major trends related to social and ethics committees in South Africa.

The committee is further satisfied that it has fulfilled its mandate as set out in the Companies Act, read with Regulation 43 of the Companies Regulations and in 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 to respond to any enquiries regarding the statutory obligations of the committee.



Mamokete Ramathe
Chairperson
Social, ethics and transformation committee
28 March 2023

Remuneration committee report

This report provides an overview of the remuneration framework for all group employees and how the remuneration policy and practices were implemented in the reporting period to align with shareholder value creation. The report aims to inform shareholders on the group's remuneration policy and its implementation to enable them to make informed decisions when voting on remuneration related resolutions.

SECTION A: committee governance

SECTION B: remuneration policy

SECTION C: implementation report

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 takes into account 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 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 and 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 pages 26 to 29. Rajendran Naidu, an independent non executive director, was nominated and appointed by the board as a member of the committee with effect from 17 February 2022, following the resignation of John Barton on 16 February 2022. The three suitably skilled and experienced members had an appropriate mix of talent with a majority of non executive directors who were not involved in the day to day management of the business.

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 which this committee engages with. However he has no voting rights and is recused when his own remuneration is reviewed. In addition, other members of executive management 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 course of the year. The attendance details of members of the committee who participated thereat are set out in the leadership report on page 26.

Key activities of the committee during the reporting period:

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

- following a self evaluation performance review of the board and its various committees undertaken at the end of 2021, the results were considered by the committee in the first quarter of 2022 and the committee was assessed to have adequately discharged its mandate.
- the committee reviewed the group's executives succession plan to ensure that the group had appropriate resources to execute its strategic objectives.
- The basis for remuneration of non executive directors for the 2024 financial year was approved by the committee subject to approval by the shareholders at the AGM scheduled to take place on 31 May 2023.
- the committee approved a pay out in terms of the STIS for the financial year ended 31 December 2021.
- In quarter 1 of 2022 the LTIS was rolled over on the same basis as the previous LTIS for a further year except that the ROIC hurdle was revised to 15% per annum. At the same time the

committee agreed that the scheme would undergo a review to determine the way forward.

- MOTTO Business Consulting assisted with the implementation and execution of the development plan for the GEC members and their direct reports. Stage two, which encompasses leadership and diversity programs which are designed to enable and empower employees and management to achieve group sustainability through the achievement of well aligned individual objectives and goals was also started in 2022 and is planned to continue in 2023.
- Global Business Solutions assisted with the commencement of the redesign of the group's key grading and salary structures, which will be finalised during 2023.

Future focus areas of the committee:

During the 2023 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:

- the ongoing investigation of a change to the group's member risk benefits for non scheduled employees on the Old Mutual Pension and Provident funds in order 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.
- the completion of the regrading project for all non scheduled jobs in South African operations to ensure job profiles, salary scales, and job grades are current and market related, and to ensure the company pays its non scheduled employees a fair and reasonable salary that is commensurate with the jobs they perform.
- to continue 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 2023 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 2023

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 2023.

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 four 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%

Remuneration committee report *continued*

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 2023 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 2023.

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. Executive directors and senior management also participate in a short term incentive scheme (in the form of a performance bonus plan) and 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.

Fair and responsible remuneration across the group

Bell Equipment is committed to the principle of fair and responsible remuneration for the whole group. Investing in its people initiatives are considered and include:

- talent management
- development opportunities for all employees
- various training courses based on identified needs
- retention and motivation of top quality and talented employees.

The components of guaranteed remuneration of the European, African, Australasian and US employees are different from their South African counterparts but remain market related and include a basic salary plus benefits, which benefits include medical insurance and a car allowance or a company vehicle.

Variable remuneration

● - - The STIS:

- incorporates a meaningful stretch to motivate and retain senior employees.
- 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.
- applies to all permanent staff who do not already receive a guaranteed thirteenth cheque and who participate in the scheme in terms of the rules of the scheme.
- ensures incentive payments are proportionate to employees' CTC salary packages and 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.
- ensures that the measures and rules implemented are reviewed annually and that 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 awarded strike based and zero strike awards to key executives in 4 equal annual tranches from quarter 1 of 2018 to quarter 1 of 2021. The number of awards granted to key executives was determined with reference to market norms for long term incentive schemes and a multiple of the salary packages of the participants.
- The LTIS was rolled over for a further year in 2022 with a revised ROIC hurdle of 15% per annum that applied to the 2022 awards made in quarter 1 of 2022.
- 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.
- 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 HEPS and ROIC performance conditions were initially as follows:

- annual compounded HEPS growth rate of inflation plus 5%
- From the 2020 awards, the ROIC was introduced as a performance hurdle and in respect of the 2020 and 2021 awards, the annual ROIC performance hurdles required improvement in the financial performance over time of the following:

2020	6,5%
2021	6,4%
2022	9,2%
2023	10,9%
2024	12,5%
2025	12,9%
- For the 2022 awards, the ROIC hurdle was set at 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. The ROIC performance condition is based, over time, on operational returns in excess of the cost of capital, plus a margin. 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

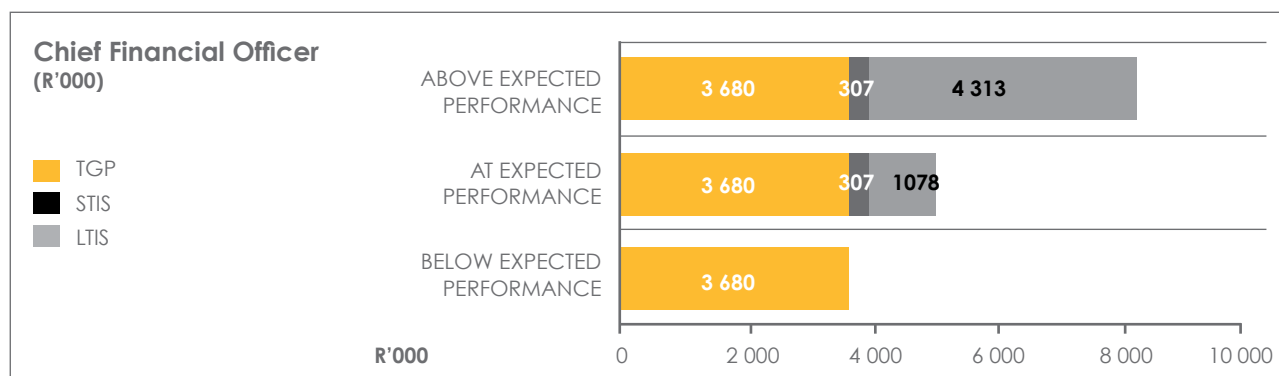
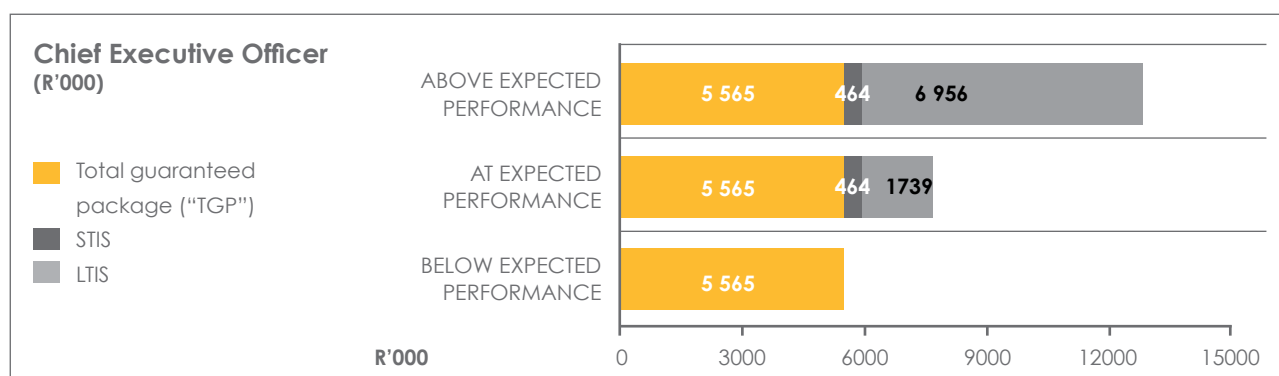
Remuneration committee report *continued*

- - Cash settled LTIS *continued*

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.
- In 2022 a review of the LTIS was undertaken by Investec and approved by the board. It was agreed that whilst the model and structure of the LTIS was sound, the weightings of the strike versus the zero strike based options needed to be reviewed as well as the appropriate hurdle rates of the performance conditions. The following changes were approved for the 2023 awards:
 - The ROIC performance hurdle would be 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%:
 - The HEPS performance hurdle would be calculated at an annual compounded growth rate of inflation plus 3% over the vesting periods.
 - The weighting of the strike versus zero strike based options was amended to be 40% strike based options and 60% zero strike based options.
 - The weighting of the ROIC versus the HEPS performance hurdles for the zero strike awards remained unchanged at 50% each.
 - The total benefit paid to all participating employees in any financial year would remain unchanged and shall not exceed 6% of the NPAT as reflected in the audited results of the group.
 - The awards determined from the review would be granted over 4 years starting on 1 January 2023.

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 2022:



☉ - - **Equity settled LTIS**

This scheme came to an end in 2022. All awards under this scheme have expired, with the 2012 awards expiring out of the money on 14 May 2022.

☉ - - **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 2024 calendar year represent an increase of 6% over the previous year.

Remuneration committee report *continued*

SECTION C

IMPLEMENTATION REPORT 2022

This report summarises the outcomes of implementing the remuneration policy as approved by the remuneration committee for the 2022 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 2022.

STIS outcome

The budgeted hurdles of the STIS were met for the financial year ended 31 December 2021, and following the release of the group's audited financial statements in March 2022, the committee approved the short term incentive pay out in line with the rules of the scheme. The rules of the STIS allow an additional bonus 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. This discretion was exercised and a payout was approved.

Share-based payment arrangements with employees

Equity-settled employee share option plan

This scheme was approved by the shareholders and the board in 2009 and share options were granted to senior employees on 15 February 2010, 15 April 2011 and 15 May 2012. No further share options have been granted since 2012. All outstanding options under this scheme expired during 2022 as detailed below. The scheme is no longer in operation.

Equity-settled share options granted

The following equity settled share-based payment arrangements were in existence and expired during the reporting period:

Grant date	Tranches	Initial number of options granted	Expiry date	Exercise price	Fair value at grant date
15 May 2012	Tranche 1	316 666	14 May 2022	R 21,35	R 12,79
15 May 2012	Tranche 2	316 667	14 May 2022	R 21,35	R 13,18
15 May 2012	Tranche 3	316 667	14 May 2022	R 21,35	R 13,54

Movement in equity-settled share options for the year

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

	2022		2021	
	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	1 047 000	16,24
Forfeited during the year	-	-	(72 500)	16,49
Expired during the year *	(372 000)	21,35	(602 500)	13,06
Balance at end of the year	-	-	372 000	21,35

* The options which expired in 2022 are in respect of unexercised options which were granted in May 2012 and which expired in May 2022 in terms of the scheme rules.

Cash-settled employee share award plan

The awards vesting in 2022 were not in the money as the share price had not appreciated relative to strike price and the performance hurdles had not been met. Accordingly, no pay out was approved.

Cash-settled share awards granted

The following share-based payment arrangements were in existence at the end of 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 2023	Vesting January 2024	Vesting January 2025	Vesting January 2026	Vesting January 2027	
1 January 2018	294 333	165 333	459 666	-	-	-	-	R 13,53
1 January 2019	588 667	330 666	459 667	459 666	-	-	-	R 12,68
1 January 2020	883 000	496 000	459 667	459 667	459 666	-	-	R 8,88
1 January 2021	883 000	496 000	-	459 667	459 667	459 666	-	R 6,52
1 January 2022	1 069 000	601 000	-	-	556 667	556 667	556 666	R 12,43
Total share units	3 718 000	2 088 999	1 379 000	1 379 000	1 476 000	1 016 333	556 666	

Refer to the number of phantom share awards held by directors and prescribed officers on pages 64 to 66.

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 R28,2 million (2021: R10,0 million) was raised for this cash-settled employee share award plan in the group's annual financial statements.

Inputs into the model	Measurement date	
	31 December 2022	31 December 2021
Spot price of the option	R 15,25	R 12,35
Dividend yield	3,3%	0,0%
Expected volatility of the share price	48,3%	63,6%
Risk-free interest rate	7,7% - 7,9%	4,9% - 6,6%
HEPS	473	294
ROIC	9,5	7,1

Movement in cash-settled share awards granted

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

	2022		2021	
	Number of awards	Weighted average strike price R	Number of awards	Weighted average strike price R
Balance at beginning of the year	5 056 333	6,48	4 525 000	7,45
Expired during the year	(919 334)	8,39	(459 667)	8,66
Granted during the year	1 670 000	7,96	1 573 000	4,17
Forfeited during the year	-	-	(582 000)	6,08
Balance at end of the year	5 806 999	6,60	5 056 333	6,48

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 2,5 years (2021: 2,6 years).

Remuneration committee report *continued*

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

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

	Salary R000	Pension/ Provident fund R000	Incentive payment R000	Other benefits and allowances R000	2022 Total R000	2021 Total R000
Executive directors						
L Goosen	4 711	625	1 193	186	6 715	5 100
KJ van Haght	3 140	413	788	83	4 424	3 423
A Goordeen (appointed 18 June 2021)	2 686	362	691	259	3 998	1 844
Total	10 537	1 400	2 672	528	15 137	10 367

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

	Salary R000	Pension/ Provident fund R000	Incentive payment R000	Other benefits and allowances R000	2022 Total R000	2021 Total R000
Prescribed officers						
A Goordeen (appointed as an alternate executive director on 18 June 2021)	-	-	-	-	-	1 248
N Paynter (expatriate salary, resigned 31 March 2021)	-	-	-	-	-	1 459
DB Chinnappen	2 820	376	691	307	4 194	3 164
SR Jones	2 749	362	691	77	3 879	2 989
DN Mashika (resigned 31 October 2021)	-	-	-	-	-	3 033
A Mayer (expatriate salary)	4 013	301	881	760	5 955	5 035
DE Morris	2 945	389	743	90	4 167	3 490
JJ van Wyngaardt	2 292	310	592	311	3 505	2 823
D McIlraith	1 776	231	439	28	2 474	1 899
JM Fleetwood (appointed 1 July 2022) *	2 498	337	163	125	3 123	-
TM Du Pisanie (appointed 1 July 2022) *	1 820	246	116	107	2 289	-
PW Badenhorst (appointed 1 July 2022) *	1 802	240	110	165	2 317	-
Total	22 715	2 792	4 426	1 970	31 903	25 140

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.

* Remuneration is for the full financial year.

Paid to non-executive directors of the company by the company:

	2022 Fees R000	2021 Fees R000
Non-executive directors		
JR Barton (resigned 16 February 2022)	-	1 602
AJ Bell	568	582
GW Bell	956	1 060
DH Lawrance	927	1 323
R Naidu	793	1 151
ME Ramathe	692	1 171
HR van der Merwe	803	1 013
U Maharaj (appointed 1 April 2022)	491	-
M Geyer (appointed 1 April 2022)	345	-
Total	5 575	7 902

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION *continued*

The following reconciles the number of unexercised share options held by directors and prescribed officers at the end of the year:

		Balance at 31 December 2020	Forefeited	Expired	Balance at 31 December 2021	Expired	Balance at 31 December 2022
Executive directors and prescribed officers	Exercise price	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
L Goosen	13,06	50 000	-	(50 000)	-	-	-
	21,35	30 000	-	-	30 000	(30 000)	-
Total		80 000	-	(50 000)	30 000	(30 000)	-
KJ van Haght	13,06	50 000	-	(50 000)	-	-	-
	21,35	30 000	-	-	30 000	(30 000)	-
Total		80 000	-	(50 000)	30 000	(30 000)	-
A Goordeen	13,06	50 000	-	(50 000)	-	-	-
	21,35	30 000	-	-	30 000	(30 000)	-
Total		80 000	-	(50 000)	30 000	(30 000)	-
N Paynter (resigned 31 March 2021)	13,06	30 000	(30 000)	-	-	-	-
	21,35	15 000	(15 000)	-	-	-	-
Total		45 000	(45 000)	-	-	-	-
DB Chinnappen	13,06	50 000	-	(50 000)	-	-	-
	21,35	30 000	-	-	30 000	(30 000)	-
Total		80 000	-	(50 000)	30 000	(30 000)	-
A Mayer	13,06	30 000	-	(30 000)	-	-	-
	21,35	15 000	-	-	15 000	(15 000)	-
Total		45 000	-	(30 000)	15 000	(15 000)	-
SR Jones	13,06	30 000	-	(30 000)	-	-	-
	21,35	15 000	-	-	15 000	(15 000)	-
Total		45 000	-	(30 000)	15 000	(15 000)	-
JJ van Wyngaardt	13,06	7 500	-	(7 500)	-	-	-
	21,35	3 000	-	-	3 000	(3 000)	-
Total		10 500	-	(7 500)	3 000	(3 000)	-
GRAND TOTAL		465 500	(45 000)	(267 500)	153 000	(153 000)	-

Remuneration committee report *continued*

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:

		Balance at 31 December 2020	Granted	Expired	Forfeited	Balance at 31 December 2021	Granted	Expired	Balance at 31 December 2022
Executive directors and prescribed officers	Strike price	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards
L Goosen	13,53	247 000	-	(82 331)	-	164 669	-	(82 331)	82 338
	-	138 000	-	(46 000)	-	92 000	-	(46 000)	46 000
	12,68	247 000	-	-	-	247 000	-	(82 331)	164 669
	-	138 000	-	-	-	138 000	-	(46 000)	92 000
	8,88	247 000	-	-	-	247 000	-	-	247 000
	-	138 000	-	-	-	138 000	-	-	138 000
	6,52	-	247 000	-	-	247 000	-	-	247 000
	-	-	138 000	-	-	138 000	-	-	138 000
	12,43	-	-	-	-	-	247 000	-	247 000
	-	-	-	-	-	-	138 000	-	138 000
Total		1 155 000	385 000	(128 331)	-	1 411 669	385 000	(256 662)	1 540 007
KJ van Haght	13,53	132 000	-	(44 000)	-	88 000	-	(44 000)	44 000
	-	74 000	-	(24 666)	-	49 334	-	(24 666)	24 668
	12,68	132 000	-	-	-	132 000	-	(44 000)	88 000
	-	74 000	-	-	-	74 000	-	(24 666)	49 334
	8,88	132 000	-	-	-	132 000	-	-	132 000
	-	74 000	-	-	-	74 000	-	-	74 000
	6,52	-	132 000	-	-	132 000	-	-	132 000
	-	-	74 000	-	-	74 000	-	-	74 000
	12,43	-	-	-	-	-	132 000	-	132 000
	-	-	-	-	-	-	74 000	-	74 000
Total		618 000	206 000	(68 666)	-	755 334	206 000	(137 332)	824 002
A Goordeen	13,53	132 000	-	(44 000)	-	88 000	-	(44 000)	44 000
	-	74 000	-	(24 666)	-	49 334	-	(24 666)	24 668
	12,68	132 000	-	-	-	132 000	-	(44 000)	88 000
	-	74 000	-	-	-	74 000	-	(24 666)	49 334
	8,88	132 000	-	-	-	132 000	-	-	132 000
	-	74 000	-	-	-	74 000	-	-	74 000
	6,52	-	132 000	-	-	132 000	-	-	132 000
	-	-	74 000	-	-	74 000	-	-	74 000
	12,43	-	-	-	-	-	132 000	-	132 000
	-	-	-	-	-	-	74 000	-	74 000
Total		618 000	206 000	(68 666)	-	755 334	206 000	(137 332)	824 002
N Paynter (resigned 31 March 2021)	13,53	62 000	-	-	(62 000)	-	-	-	-
	-	35 000	-	-	(35 000)	-	-	-	-
	12,68	62 000	-	-	(62 000)	-	-	-	-
	-	35 000	-	-	(35 000)	-	-	-	-
	8,88	62 000	-	-	(62 000)	-	-	-	-
	-	35 000	-	-	(35 000)	-	-	-	-
	6,52	-	62 000	-	(62 000)	-	-	-	-
	-	-	35 000	-	(35 000)	-	-	-	-
Total		291 000	97 000	-	(388 000)	-	-	-	-
DE Morris	13,53	62 000	-	(20 667)	-	41 333	-	(20 667)	20 666
	-	35 000	-	(11 667)	-	23 333	-	(11 667)	11 666
	12,68	62 000	-	-	-	62 000	-	(20 667)	41 333
	-	35 000	-	-	-	35 000	-	(11 667)	23 333
	8,88	62 000	-	-	-	62 000	-	-	62 000
	-	35 000	-	-	-	35 000	-	-	35 000
	6,52	-	62 000	-	-	62 000	-	-	62 000
	-	-	35 000	-	-	35 000	-	-	35 000
	12,43	-	-	-	-	-	62 000	-	62 000
	-	-	-	-	-	-	35 000	-	35 000
Total		291 000	97 000	(32 334)	-	355 666	97 000	(64 668)	387 998

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:

	Strike price	Balance at 31 December 2020	Granted	Expired	Forfeited	Balance at 31 December 2021	Granted	Expired	Balance at 31 December 2022
		Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards
Executive directors and prescribed officers									
DB Chinnappen	13,53	62 000	-	(20 667)	-	41 333	-	(20 667)	20 666
	-	35 000	-	(11 667)	-	23 333	-	(11 667)	11 666
	12,68	62 000	-	-	-	62 000	-	(20 667)	41 333
	-	35 000	-	-	-	35 000	-	(11 667)	23 333
	8,88	62 000	-	-	-	62 000	-	-	62 000
	-	35 000	-	-	-	35 000	-	-	35 000
	6,52	-	62 000	-	-	62 000	-	-	62 000
	-	-	35 000	-	-	35 000	-	-	35 000
	12,43	-	-	-	-	-	62 000	-	62 000
	-	-	-	-	-	-	35 000	-	35 000
Total		291 000	97 000	(32 334)	-	355 666	97 000	(64 668)	387 998
SR Jones	13,53	62 000	-	(20 667)	-	41 333	-	(20 667)	20 666
	-	35 000	-	(11 667)	-	23 333	-	(11 667)	11 666
	12,68	62 000	-	-	-	62 000	-	(20 667)	41 333
	-	35 000	-	-	-	35 000	-	(11 667)	23 333
	8,88	62 000	-	-	-	62 000	-	-	62 000
	-	35 000	-	-	-	35 000	-	-	35 000
	6,52	-	62 000	-	-	62 000	-	-	62 000
	-	-	35 000	-	-	35 000	-	-	35 000
	12,43	-	-	-	-	-	62 000	-	62 000
	-	-	-	-	-	-	35 000	-	35 000
Total		291 000	97 000	(32 334)	-	355 666	97 000	(64 668)	387 998
D McIlrath	13,53	62 000	-	(20 667)	-	41 333	-	(20 667)	20 666
	-	35 000	-	(11 667)	-	23 333	-	(11 667)	11 666
	12,68	62 000	-	-	-	62 000	-	(20 667)	41 333
	-	35 000	-	-	-	35 000	-	(11 667)	23 333
	8,88	62 000	-	-	-	62 000	-	-	62 000
	-	35 000	-	-	-	35 000	-	-	35 000
	6,52	-	62 000	-	-	62 000	-	-	62 000
	-	-	35 000	-	-	35 000	-	-	35 000
	12,43	-	-	-	-	-	62 000	-	62 000
	-	-	-	-	-	-	35 000	-	35 000
Total		291 000	97 000	(32 334)	-	355 666	97 000	(64 668)	387 998
A Mayer	13,53	62 000	-	(20 667)	-	41 333	-	(20 667)	20 666
	-	35 000	-	(11 667)	-	23 333	-	(11 667)	11 666
	12,68	62 000	-	-	-	62 000	-	(20 667)	41 333
	-	35 000	-	-	-	35 000	-	(11 667)	23 333
	8,88	62 000	-	-	-	62 000	-	-	62 000
	-	35 000	-	-	-	35 000	-	-	35 000
	6,52	-	62 000	-	-	62 000	-	-	62 000
	-	-	35 000	-	-	35 000	-	-	35 000
	12,43	-	-	-	-	-	62 000	-	62 000
	-	-	-	-	-	-	35 000	-	35 000
Total		291 000	97 000	(32 334)	-	355 666	97 000	(64 668)	387 998

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:

		Balance at 31 December 2020	Granted	Expired	Forfeited	Balance at 31 December 2021	Granted	Expired	Balance at 31 December 2022
Executive directors and prescribed officers	Strike price	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards
JJ van Wyngaardt	13,53	62 000	-	(20 667)	-	41 333	-	(20 667)	20 666
	-	35 000	-	(11 667)	-	23 333	-	(11 667)	11 666
	12,68	62 000	-	-	-	62 000	-	(20 667)	41 333
	-	35 000	-	-	-	35 000	-	(11 667)	23 333
	8,88	62 000	-	-	-	62 000	-	-	62 000
	-	35 000	-	-	-	35 000	-	-	35 000
	6,52	-	62 000	-	-	62 000	-	-	62 000
	-	-	35 000	-	-	35 000	-	-	35 000
	12,43	-	-	-	-	-	62 000	-	62 000
	-	-	-	-	-	-	35 000	-	35 000
Total		291 000	97 000	(32 334)	-	355 666	97 000	(64 668)	387 998
D Mashika	8,88	62 000	-	-	(62 000)	-	-	-	-
(resigned 31 October 2021)	-	35 000	-	-	(35 000)	-	-	-	-
	6,52	-	62 000	-	(62 000)	-	-	-	-
	-	-	35 000	-	(35 000)	-	-	-	-
Total		97 000	97 000	-	(194 000)	-	-	-	-
JM Fleetwood	12,43	-	-	-	-	-	62 000	-	62 000
(appointed 1 July 2022)	-	-	-	-	-	-	35 000	-	35 000
Total		-	-	-	-	-	97 000	-	97 000
TM Du Pisanie	12,43	-	-	-	-	-	62 000	-	62 000
(appointed 01 July 2022)	-	-	-	-	-	-	35 000	-	35 000
Total		-	-	-	-	-	97 000	-	97 000
PW Badenhorst	12,43	-	-	-	-	-	62 000	-	62 000
(appointed 01 July 2022)	-	-	-	-	-	-	35 000	-	35 000
Total		-	-	-	-	-	97 000	-	97 000
GRAND TOTAL		4 525 000	1 573 000	(459 667)	(582 000)	5 056 333	1 670 000	(919 334)	5 806 999

At the AGM held on 31 May 2022, the basis for the remuneration payable to non executive directors for the 2023 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 2023	
Non-executive chairman	425 010
Lead Independent non-executive director	327 000
Non-executive directors	229 000
Fees per meeting payable to the Chairman of the Board and the Chairmen of Board Committees	
Board	38 720
Audit Committee	23 280
Risk and Sustainability Committee	23 280
Nominations Committee	18 290
Remuneration Committee	18 290
Social, Ethics and Transformation Committee	22 950
Fees to be paid to lead independent non-executive directors per board meeting	38 470
Fees to be paid to non-executive directors, including chairman of the board and the chairmen of board committees, per board meeting	
Board	38 200
Audit Committee	30 580
Risk and Sustainability Committee	23 280
Nominations Committee	15 630
Remuneration Committee	15 630
Social, Ethics and Transformation Committee	22 950
Bell Audit Services Committee	15 230
Ad-hoc Committee	15 630



Stakeholder relations report

incorporating sustainability elements

Bell Equipment's stakeholders are those individuals, groups and organisations that affect and are affected by Bell Equipment's activities, products or services and associated performance. Engaging with and building relationships with its stakeholders is key to sustaining the group's business. Bell Equipment's key stakeholder base includes employees, customers, government departments, shareholders and financiers, communities, suppliers and alliance partners.

Bell Equipment values its stakeholder relationships and appreciates the need and responsibility to create mutual value cultivating enduring and sustainable partnerships with its 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 the group's core values of respect, honesty and integrity.

The Bell Equipment brand is the essence of who it is in the marketplace. The organisation uses its brand to differentiate itself through its people centric approach to business and by promoting the 1-BELL philosophy internally and nurturing it externally, thereby adding value to all stakeholders.

The group's stakeholder engagement strategies, systems and processes continue to be enhanced to better understand

and respond to its stakeholders' legitimate concerns and to form collaborative partnerships to find solutions to collective challenges.

Bell Equipment's approach to corporate sustainability has been enhanced by focusing on the six capitals and understanding the value created by the group by employing these six capitals. Through carefully identifying the interests and expectations of each key stakeholder group Bell creates value through the use of the relevant capital/s, thereby striving to ensure sustainability of its business.

Engagement is an integral part of developing an understanding of Bell Equipment's stakeholder needs, interest and expectations. Set out below are the key stakeholders with whom the group engages on a regular basis and the means of engagement. The use of six capitals in respect of stakeholder engagement is further illustrated in the following tables and information thereunder.

OUR SIX CAPITALS



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.

EMPLOYEES



Reason for engagement

- Bell Equipment's people are the heart and soul of its business. Their skills and commitment determine the group's ability to realise its strategy.

Stakeholder interests and expectations

- Healthy working conditions.
- Fairly remunerated for their service.
- Recognition.
- Health and safety.
- Career advancement.
- Employment equity.

Methods of engagement and value creation

- Employee forums (e.g. health and safety, employment equity committees).
- Training and skills development.
- Learning programmes for disabled black employees.
- Information road shows about employee benefits (e.g. medical aid and pension funds).
- Fraud awareness road shows.
- Fraud management briefs.
- Induction programmes.
- Quarterly GEC feedback sessions.
- Internal newsletter and intranet.
- Health and safety 'toolbox talks'.
- Employee wellness days.
- Long service awards.
- Anonymous tip off reporting line.
- Regular engagement with trade union representatives on key issues.
- Voluntary vaccination programme in South Africa.

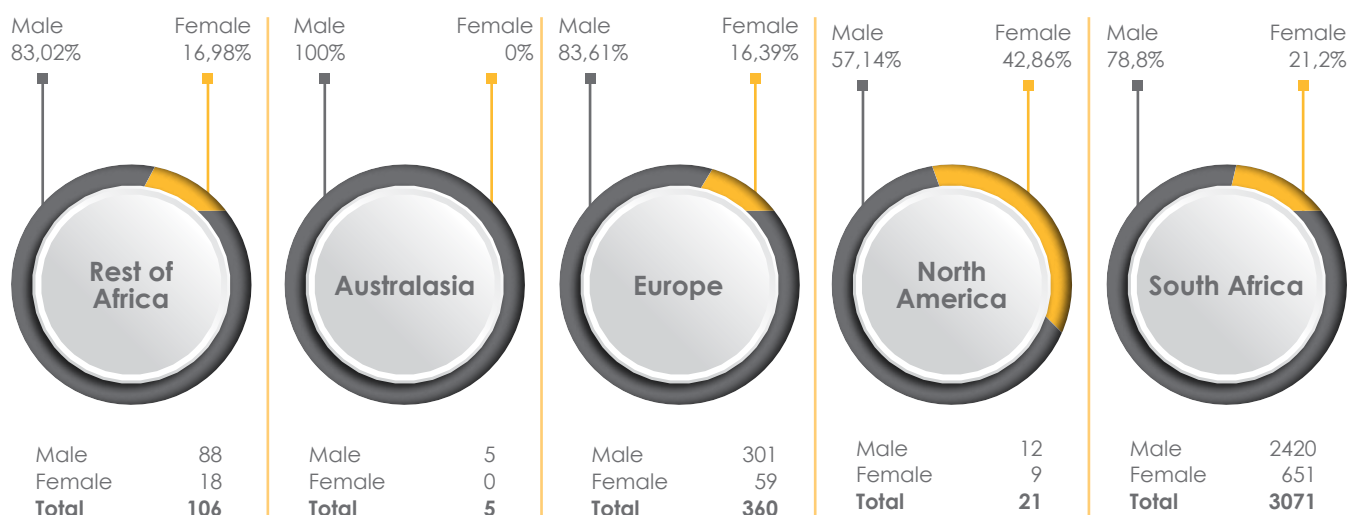
Upon the repealing of the remaining COVID-19 regulations by most governments, the Bell workforce returned to the office environment in mid-July.

Following a period of adjustment after two years of remote working, we have noticed significant benefits for employees who are thriving on having a renewed sense of community and have regained a healthier work/life balance. At the same time, the group has benefited from increased productivity, collaboration and inspiration. However, we acknowledge there are times where it will benefit the organisation and its strategic objectives if employees have the opportunity to work remotely and are developing a remote working policy.

After COVID-19 put paid to our traditional long service luncheon, it was fitting that our first post-COVID luncheon in Richards Bay had a record number of attendees. In 2022 the group had 290 employees who achieved milestone service with Bell, which comprised 250 people with 10 years of service, 33 with 20 years, two with 30 years and two with 40 years of service.

Bell Equipment total workforce

■ Male ■ Female



Stakeholder relations report *continued*

incorporating sustainability elements

Employment equity summary: actual December 2022

		Female				Male				Total
Occupational levels		African	Coloured	Indian	White	African	Coloured	Indian	White	
BECSA	Senior management								1	1
	Specialists/mid-management	7		3	3	9		16	16	54
	Skilled	15	2	8	11	69	10	94	43	252
	Semi-skilled	210	15	37	11	895	57	224	64	1513
	Unskilled	31	1	2		149	10	15	5	213
	Non-permanent	45	1	1		59	2	6	2	116
	Total	308	19	51	25	1181	79	355	131	2149
BEGS	Top management								1	1
	Senior management				3			2	6	11
	Specialists/mid-management	2		2	14	16	3	10	75	122
	Skilled	13	2	11	19	35	2	24	25	131
	Semi-skilled	25	2	11	19	75	2	7	5	146
	Unskilled	3				5	1			9
	Non-permanent			1	1	4	1	1	1	9
	Total	43	4	25	56	135	9	44	113	429
BESSA	Senior management			1		1			1	3
	Specialists/mid-management	1	2	1	2	3	1	2	14	26
	Skilled	4	4	2	10	95	14	13	108	250
	Semi-skilled	37	12	7	29	71	13	17	11	197
	Unskilled	2				5				7
	Non-permanent	3	2		1	2	1		1	10
	Total	47	20	11	42	177	29	32	135	493

Employees with disabilities - BECSA, BEGS and BESSA combined

		Female		Male		Grand Total
Occupational levels		African	Coloured	Indian	White	
BECSA	Specialists/mid-management	0	0	1	0	1
	Skilled	0	0	1	1	2
	Semi-skilled	1	0	1	0	2
	Total	1	0	3	1	5
BEGS	Skilled	0	0	0	1	1
	Total	0	0	0	1	1
BESSA	Specialists/mid-management	0	1	0	0	1
	Total	0	1	0	0	1
Grand Total		1	1	3	2	7

Combined BECSA, BEGS and BESSA workforce age analysis

Male workforce	BECSA	BEGS	BESSA	Total	Female workforce	BECSA	BEGS	BESSA	Total
18 - 20	34	0	0	34	18 - 20	2	3	0	5
21 - 30	483	38	60	581	21 - 30	129	16	8	153
31 - 40	644	97	127	868	31 - 40	171	47	49	267
41 - 50	381	105	112	598	41 - 50	83	38	33	154
51 - 60	167	53	57	277	51 - 60	13	20	24	57
61 - 65	37	7	16	60	61 - 65	5	4	6	15
Above 65		1	1	2	Above 65	0	0	0	0
Total	1 746	301	373	2 420	Total	403	128	120	651

Total group workforce age analysis

Age	Rest of Africa		Australasia		Europe		North America		South Africa		Grand Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
18 - 20	0	0	0	0	0	4	0	0	5	34	43
21 - 30	2	30	0	1	13	51	1	0	153	581	832
31 - 40	4	22	0	0	15	88	1	3	267	868	1268
41 - 50	9	22	0	1	19	71	3	5	154	598	882
51 - 60	3	13	0	0	11	66	3	0	57	277	430
61 - 65	0	1	0	2	1	16	1	3	15	60	99
Above 65	0	0	0	1	0	5	0	1	0	2	9
Grand Total	18	88	0	5	59	301	9	12	651	2 420	3 563

Stakeholder relations report *continued*

incorporating sustainability elements

Employee welfare

Our annual wellness week is our focus project to promote health and wellness among our Bell employees. Due to logistical challenges, the event was not held by BESSA last year but the BECSA and BEGS event in Richards Bay took place from 28 July to 1 August. During this time 636 employees (552 males and 114 females) were tested for a wide range of physical and mental health-related issues that impact on the general health and wellness of our employees and their productivity. These include HIV/AIDs, tuberculosis, glucose, cholesterol, body fat index (BMI), thyroid imbalance, anaemia, anxiety, stress, depression and high blood pressure. Monitoring, and treating if problematic, helps to prevent illnesses such as diabetes, heart disease, obesity and strokes.

Wellness week provides an opportunity to advise employees on how to lead a healthier lifestyle by being aware of their health status and implementing practices such as deep breathing and meditation to relieve stress, and incorporating exercise, good sleeping habits, a healthy diet and avoiding alcohol and drug dependency for general health and wellness improvements.

Financial, budgeting, and retirement planning is offered to employees and forms another important aspect of the event.

During 2022 we partnered with the following institutions: Old Mutual, NUMSA Financial Services, Momentum Health, SANCA, SOS Optometrists, Café Gym Expert, Lifeline Zululand, and Ziphakamisa, who participated and interacted with our employees.

In addition, we maintain an on-site clinic at Richards Bay that includes occupational health practitioners and a part-time doctor, who look after the day-to-day health and welfare of our employees onsite. In Richards Bay, we also have a psychology service available to our employees that can be accessed through the clinic to assist with mental health. For BESSA and BEEQ we have a relationship with various health practitioners, which includes clinics and psychologists in the areas where we have customer support centres, to assist where we require these services for our employees.



Health and Safety



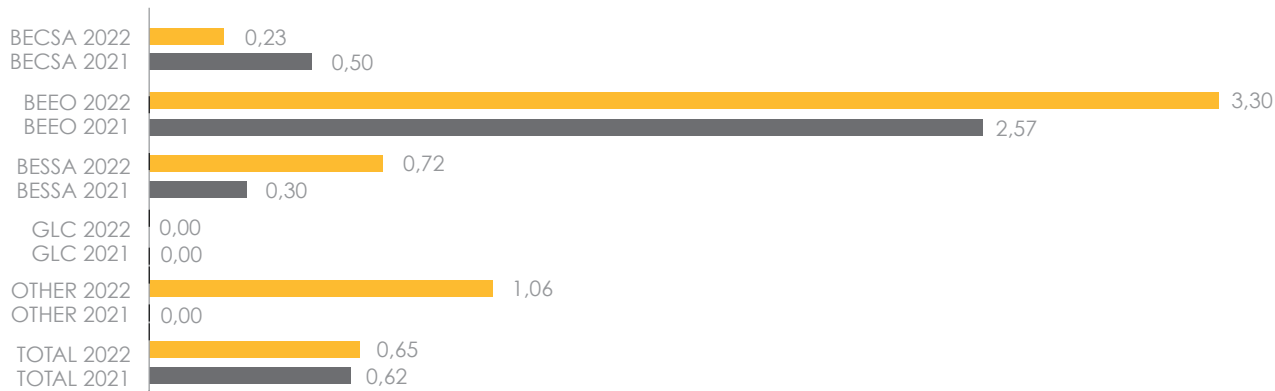
Bell Equipment has developed a culture in which the value of safety is embedded in every level of the workforce in line with our aspiration to operate sustainably, without harm to people, the environment and the communities in which we operate.

Adopting our Behaviour Based Safety programme has enabled management and employees to work together towards the aim of 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.

For the period up to 31 December 2022 our Lost Time Injury Frequency Rate (LTIFR) was 0,65 and our Total Injury Frequency Rate (TIFR) 2,85. The slight increase from 2021 was mainly due to the higher production rate and the impact of COVID-19 on our workforce during the first part of the year, including absenteeism, personal health and stress and the effect of wearing COVID PPE.

Lost Time Injury Frequency Rate (LTIFR)



Total Injury Frequency Rate (TIFR)



Stakeholder relations report *continued*

incorporating sustainability elements

Training

With a dedicated focus on training for almost 35 years, Bell is a fully accredited training provider with well-equipped training facilities in Richards Bay and Johannesburg, South Africa. Training is focused on 'growing its own timber' through the group's MERSETA-registered apprenticeship programme and providing operator and technical training for Bell employees and customers.

As a company with African roots, Bell understands the importance of skills development and is one of the largest suppliers of artisans for the earthmoving industry in southern Africa and takes this responsibility seriously.

Through the apprenticeship programme Bell provides candidates with the practical and theoretical aspects of a highly skilled occupation through a combination of on the job training and related classroom instruction under the supervision of a journey-level crafts person or trade professional (artisan). At the end of December 2022 the group had 170 apprentices on its books.

Our Zambian earthmoving mechanic apprentices are trained at Bell Zambia, which is an ideal teaching facility as we have fully equipped workshops and undertake complete rebuilds of our machines. This provides our apprentices with invaluable, real-life experience, which then culminates in a trade test at our accredited training centre in South Africa. The Zambian Government has chosen Bell Zambia to pioneer its Apprenticeship Programme starting in 2023, whereby the government will fund 50% of our Zambian apprentice training over four years to drive skills development.



Zambian apprentices at the signing ceremony in February 2023 between Bell Zambia and Zambia's Technical Education, Vocational and Entrepreneurship Training Authority.

Apprenticeship statistics

As at 31 Dec 2022, the group employed 170 apprentices at a total annual cost of R21 195 452.

Apprenticeship	Year	Male				Male Total	Female		Female Total	Grand Total
		African	Coloured	Indian	White		African	Indian		
Auto Electrician	Apprentice 1	1		1		2				2
Auto Electrician	Apprentice 2	1				1				1
Boilermaker CoS	Apprentice Boilermaker CoS	12				12	1		1	13
Diesel Mechanic CoS	Apprentice Diesel Mechanic CoS	2				2	1		1	3
Earthmoving Mechanic	Apprentice 1	41	6	1	7	55	3		3	58
Earthmoving Mechanic	Apprentice 2	16	1		5	22	2		2	24
Earthmoving Mechanic	Apprentice 3	1				1				1
Earthmoving Mechanic	Apprentice 4	23	2		4	29	4		4	33
Electrical	Apprentice 4	2				2				2
Fitter	Apprentice 4	2				2				2
Fitter & Turner	Apprentice 4	3				3				3
Millwright CoS	Apprentice Millwright CoS	13	1	1		15	4		4	19
Turner	Apprentice 1	3				3	2		2	5
Turner	Apprentice 2	2		1		3		1	1	4
Grand Total		122	10	4	16	152	17	1	18	170

Group training statistics for 2022 are as follows:

Entity	Technical training	Soft skills	Legislative training	Apprentice-ship training	ARPL	Education assistance	Graduates/interns/ in-service/vac work	Bursaries	Work experience (YES)	TOTAL
BECSA	8	355	858	231		6	39	3	121	1621
BESSA/ BEFT	184	38	408			3		3		636
BEGS	4	159	164			6				333
BENA	2	1								3
EMEA	12	40	177							229
External customers	63		11	45						119

Stakeholder relations report *continued*

incorporating sustainability elements

War on Waste training

Bell Equipment launched an initiative in 2022 to refocus on productivity and efficiency through the implementation of lean manufacturing principles, with a specific focus on identifying and reducing waste. A steering committee of senior managers was established, and the initiative was named 'Bell War on Waste' or 'Bell WOW.' The training approach includes a combination of classroom sessions, workshops, and guided projects to educate managers, supervisors, and shopfloor employees.

- Over 1 000 hours of training in various formats have been conducted, including classroom sessions, workshops, and guided projects.
- The training has included an introduction to the eight wastes and their classification in the pilot process, performance measurement, and visual management.
- New productivity measurement tools have been implemented, specifically efficiency, utilisation, and quality. The combination of these measures is known as ORE (Overall Resource Effectiveness). This has enabled the measurement of waste attributed to lost time.
- Visual management has been introduced, including boards designed to display the daily plan, efficiency, and actions to reduce waste. These boards are updated daily and reviewed by the team and supervisor in a 10-minute daily meeting.
- The production manager and supervisor review the ORE measures by process, and the production GM reviews the facility OREs with his managers and offers appropriate support.

Bell WOW has resulted in an improvement in productivity and efficiency. The company will continue to monitor and review the progress of the initiative and provide updates to the board of directors.



Mr Bhekumndeni Khanyile celebrated 40 years of dedicated service to the company with his daughter at the 2022 Bell Long Service Awards where he was presented with a hamper and certificate by Leon Goosen and Gary Bell.

I am thankful and appreciative of our founder, the late Mr Irvine Bell, who created Bell Equipment, and for his sons who have followed in his footsteps and carried the legacy and vision.

- Bhekumndeni Khanyile

CUSTOMERS



INTELLECTUAL



SOCIAL AND
RELATIONSHIP



MANUFACTURED

Reason for engagement

- To meet the group's customers' needs and build long term loyalty.
- To enhance Bell Equipment's brand and grow market share.

Stakeholder interests and expectations

- Innovative products that meet operational needs.
- World class after sales support.
- Overall value proposition.
- Personally committed and trusted advisor.

Methods of engagement and value creation

- 'EYE' external customer service monitoring service.
- 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.

Intellectual • Social and relationship



Bell Equipment's customers are the Bell-owned and independent dealers that sell and support the group's products and the end users of our equipment.

Towards the end of 2022 the group started appointing an independent dealer network in South Africa for its forestry and agriculture products. This is part of the group's strategy to expand its existing product offering, get closer to this customer segment, and introduce the JCB Agriculture range.

During the year the group exhibited at several trade shows, including Hillhead in the UK, Bauma in Germany, and the Institute of Quarrying, Royal Agricultural Show, NAMPO and the SugarMac Festival in South Africa.



The Bell Team at Bauma Munich.

Stakeholder relations report *continued*

incorporating sustainability elements



Bell Golf Day hosted by BESSA Central Region.

The group reached out to customers through regular social media posts, email ecards and trade media advertising while BESSA's central region once again hosted its annual golf day at the Serengeti Golf and Wildlife Estate in Gauteng.

In addition, the group was involved in the following sports sponsorships:

- Sponsoring Hayley Smith, one of South Africa's leading female mountain bike riders, who had podium finishes in many high-profile events.
- Sponsoring of equipment to build giant sandcastles for the Red Bull Quicksand event in Durban in July.
- Associate sponsor of the Richards Bay Rugby Club, which competes in the KwaZulu-Natal Premier and Premier Reserve rugby leagues.

It was pleasing to resume visits with dealers during the year following two years of online interactions. This included hosting dealer principals from around the world and for senior management to visit markets and end users.

Bell Equipment continues to benefit from the external monitoring service 'EYE' which contacts customers randomly on behalf of the group from a list of recent services and parts transactions and asks them to rate their perception of Bell Equipment's service. The group's service rating remains in the world-class range.



The Hexindo Cycling Club in Jakarta in their Bell cycling shirts.



Bell Equipment has built its brand through providing strong, reliable solutions to its customers. Employees, investors and business partners enjoy long term growth and benefits from this reputation. The group's manufacturing operations are central to maintaining and growing this reputation.

The group's lean manufacturing journey started over 10 years ago and has evolved to our Bell 'War on Waste' (Bell WOW), which is based on best manufacturing practices worldwide. The foundations include some of the sound principles established early in the journey, namely safety and 5S (sort, set in order, shine, standardise and sustain), and now with a focus on measurement, visual management and process quality measurement.

This renewed focus on lean manufacturing has meant further progress, and lessons learnt in the pilot process will be rolled out throughout the Richards Bay plant during this year.

Bell WOW identifies activities and lost time that are not adding value to its customers and finds ways to improve, reduce or eliminate them where possible in eight key areas. Complementing this is the 5S initiative, part of world class practices that enhance productivity, quality and safety in the workplace.

Bell WOW seeks to maintain the group's competitive advantage considering the logistics challenges faced by the group's complex local and international supply chains.

To remain relevant and resilient from a technology perspective, the group understands the need to invest in new technology to keep its products at the cutting edge of innovation and IT that can improve its processes and the way in which it interacts with its customers.



An example of a visual board used during regular meetings on the shopfloor to ensure employee engagement in the Bell WOW initiative.



Products

The group expanded its design and manufacturing expertise recently to include motor graders. This is a significant step forward in the group's strategy to grow its IP and strengthen its position by diversifying its product offering to reduce reliance on its core product, the Bell ADT.

Motor graders are complementary to the group's flagship ADT product as a core earthmoving product. There are a number of shared markets and dealer distribution channels. Significant design complexity as well as developing the needs of the operator are key for this product line and the group has demonstrated ability to achieve these.

There has been a progressive shift towards more robust and powerful graders as the industry evolves to demand greater reliability and performance. Bell is confident that the new Bell Motor Graders will fully meet these expectations.

Three base machines will initially be offered, each with the option of a four- or six-wheel drive configuration. The G140 is well suited to all maintenance and light construction tasks while the G160, with its increased power and performance, is designed to handle heavy construction applications. Completing the range is the G200, which is designed as an entry-level machine for the mining industry.

Prototypes have been operating in a wide variety of applications from



Stakeholder relations report *continued*

incorporating sustainability elements

landscaping to road construction and maintenance with great success. In line with our philosophy of listening to the customer, customer days were organised where customers had the opportunity to test drive and provide valuable feedback for the refinement process.

Final testing and refinement of the first generation is underway with production set to begin towards the end of 2024.

The group sees potential to introduce the Bell Tracked Carrier to Western Europe, where it garnered interest at Bauma in Germany. The Bell Tracked Carrier has proved itself to be highly customisable and provides a durable short haul solution for construction sites with soft underfoot conditions that require low ground pressure machines, either for environmental or traction reasons. At the same time, the tracked vehicles impress with exceptional climbing ability, even in rough terrain. This makes them highly suitable for operations on sandy or wet coastal soils, work on energy infrastructure (pipelines, wind power, etc.) in remote or sensitive areas, and to construction work in alpine regions.

Innovation

Three years after commencing extensive testing, autonomous technology on Bell ADTs is now at the adoption stage with customers in the United Kingdom, South America, and Australia set to introduce autonomous Bell ADTs on their worksites during 2023.

A leading UK mobile plant supplier and earthmoving contractor with a large existing fleet of Bell ADTs is looking to install an autonomous system onto multiple B30Es for a quarry application. Initially, they will be introducing autonomous ADTs on two of their sites as part of a continuous drive to improve safety. A mining customer in Australia will be introducing five autonomous Bell ADTs later in the year.

Bell currently has two approved service providers, xtonomy based in Europe and Pronto AI in the United States, both of which can work with Bell customers from anywhere in the world.

Xtonomy has had units operating autonomously in the Alps since 2020. Pronto has established two test sites in the US, one at a Texas sand mine and another in Reno, Nevada, where autonomously operated Bell B45Es and a Bell B50E are working in a quarry. In addition, they will soon be establishing a demo site in South America.

A third supplier has recently been engaged and the group hopes to begin testing this system later this year.

The Bell E-series small truck range available in Europe and the complete E-series large truck range, and its VersaTruck derivatives, are now fully compatible with Hydrotreated Vegetable Oil (HVO) fuel, without needing dilution with diesel or impacting on engine service intervals. This marks a significant step forward in the company's commitment to reducing the environmental impact of its machines and supporting the transition to a more sustainable future. By using HVO in their Bell ADTs customers will reduce their own carbon footprint and contribute to the reduction of global emissions.

UK construction company, Smiths of Gloucester, worked on a contract that required a sustainable fuel solution for all plant and equipment and successfully ran two Bell B30Es on HVO fuel for the duration of the project.

The company's Plant Manager, Rob Davis, reports there was 'no detriment to the performance and we've been able to successfully re-fill the machines with diesel for subsequent jobs'.



Bell currently has two approved service providers of autonomous systems, xtonomy based in Europe and Pronto AI in the United States, both of which can work with Bell customers from anywhere in the world. (Photo courtesy of Pronto AI)

Processes

Bell is committed to the journey of creating and maintaining new and better integrated solutions for its customer through the process of digital transformation.

Investment in Enterprise Resource Planning (ERP), which started with SAP implementation at the ALC, is continuing with the migration of the logistics hubs and Kindel assembly plant onto the new SAP S4Hana Rise platform currently underway.

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 further enhance planning and inventory management capabilities.

The initial scoping exercises to establish the required functionality for Richards Bay will commence in this year with implementation planned for 2025.

The investment in our Customer Relationship Management (CRM) platform has allowed for our thus far manual machine sales processes in South Africa to be automated. Further development in this area with integrations to other technologies will allow this process to be streamlined further.

Bell is currently performing an analysis of a system to store and manage digital twins of our machines that would provide a lifecycle view of individual machines from production through to retirement.

From an aftermarket perspective, Analytics Plus has been introduced as an additional helpdesk ticket management tool to improve efficiency and the Vistex SAP DM pricing software has been upgraded from SP2 to SP7. This has improved performance and will ensure compatibility with the SAP S4Hana Rise platform once implemented.

Digital transformation is continuing with a focus on digitisation that evolves into digital tools that increase the ease of doing business with Bell. The digital technology team is focused on changing the way the group works, implementing digital processes, improving functional processes, and designing and implementing new architecture and tools. All these tools like Bell online parts, business portal, support portal, Fleetm@tic®, and mobile Bell support application, help its customers as well as its own employees and dealers who need to support its customers.

The group has identified the adoption of digital tools as a challenge because customers still prefer human interaction, even if only an email. Creating awareness of the benefits of digital tools and increasing the adoption thereof will help everyone in the chain by improving accuracy and efficiency, which ultimately adds to the bottom line for Bell and its customers.

Improved
inventory planning
1st pick availability
at the GLC
increased
to 92%



The Bell UK stand at Hillhead in June 2022.

Stakeholder relations report *continued*

incorporating sustainability elements

SUPPLIERS AND STRATEGIC OEM PARTNERS



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> Suppliers and strategic OEM partners are key to the group's performance and core to the group's strategic positioning. 	<ul style="list-style-type: none"> Timely payment and fair terms. Future growth of the group and understanding the expectations of the group. Reputational consistency. Responsible and positive brand management. 	<ul style="list-style-type: none"> Product launches and demonstrations. Trade exhibitions. Quest for gold supplier improvement initiative. 913 South African suppliers form part of Bell Equipment's supplier network. Ongoing regular direct engagements. Service level agreements and audits. Suppliers conference. Factory and site visits.

The global logistics challenges faced in 2021 worsened in 2022 with our strategic OEM partners experiencing parts shortages on new machine builds, which pushed out lead times. Increased shipping costs and shipping delays exacerbated the situation.

The easing of travel restrictions in early 2022 gave management an opportunity to meet face to face with the JCB management team for the first time since Bell Equipment South Africa's dealer appointment in May 2021. During that same visit the Bell team visited Finlay's operations in Northern Ireland to meet the new Terex Finlay management team.

Several other visits were undertaken during the year to attend the JCB Top 75 dealer conference in the UK, where JCB shared its vision, goals and targets.

Trips to the JCB and Finlay factories in India gave Bell the opportunity to evaluate the product offering and grow confidence regarding the manufacturing quality from these facilities. Going forward certain Finlay models will now be supplied from India to improve lead times and availability.

Travel was reciprocated with Finlay visiting South Africa to provide sales and technical training. Likewise, JCB flew out technical specialists in several fields, including compaction, wheel loaders, attachments and agriculture to provide training and expertise.

JCB has proven to be a good match with their range of products, the acclaimed performance and brand pedigree. They also share a similar approach to business and family culture.

As a group we have diversified our OEM business into two distinct groupings, Forestry & Agriculture and Mining & Construction, to identify opportunities that will enable us to make the most of this partnership.

Kobelco continues to be a beneficial partnership with supporting trips during the year, and we look forward to face to face engagement during 2023 to meet the company's new senior management.

The group continued to work closely with suppliers, as its business partners, and its strategic OEM partners to ensure a competitive

advantage by focusing on customer satisfaction, continuously improving product/s and productivity, servicing markets with agility, reducing total cost and assisting in growth opportunities.

Bell quest for gold aims to develop mutually beneficial and profitable relations with its suppliers, implement quality and cost controls as well as measure and reward outstanding performance.

During 2022, 292 suppliers were evaluated as part of quest for gold, which specifically targets suppliers linked with production. Suppliers are evaluated in six areas: quality, delivery, cost, warranty, flexibility and technical support. South African suppliers are additionally evaluated on their BBBEE scorecard.

COVID-19 has had a substantial impact on the group's supply chain with certain suppliers no longer in business due to the pandemic. Load shedding in South Africa is adding to supplier challenges with many companies either closing their doors or unable to deliver on time.

European and USA travel opened during 2022 and more suppliers were visited as a result.



JCB compaction specialists at a JCB Roller Day in Johannesburg.

LOCAL COMMUNITIES



Reason for engagement

- Empowering local economies builds trust in Bell Equipment while communities benefit from social and environmental initiatives.

Stakeholder interests and expectations

- Socio economic empowerment.
- Community involvement on key issues.
- Employment creation.
- Environmentally responsible.

Methods of engagement and value creation

- Social development through sports development, sponsorship of local sports events.
- Providing 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 the communities in which the group operates.
- Support of CANSA events.



The group is guided by its CSI and SED policies, which identify priority areas, outline implementation strategies, and enable the group to monitor CSI and SED expenditure and measure the impact of its projects; ensuring projects are aligned to the group strategy and contribute to the group's overall mission, vision and adhere to its core values.

Community relief

Following the April floods in KwaZulu-Natal the group partnered with KZN disaster relief organisation, Gift of the Givers, and donated towards its flood relief efforts. In addition, we made equipment available to local municipalities in some of the worst affected areas to assist with clean-up operations and repairs to infrastructure.



In addition, the group makes available the Bell helicopter and a pilot to provide the South African Police Service and Farm Watch with aerial visibility when requested. During 2022 the helicopter was used to:

- search for drowning victims on two separate occasions,
- provide aerial support to conservation efforts to stop gill netting in Richards Bay's Lake Mzingazi,
- assist police with monitoring dense greenbelts in Richards Bay for squatter activity, and
- provide aerial assistance to Farm Watch after crime incidents and aerial patrols, especially over December when crime rates increase.



A Bell wheel loader assisting with flood damage repairs in Ethekwini. Photo credit: Anthony Grote.

Stakeholder relations report *continued*

incorporating sustainability elements

Bursaries

Awarded by BECSA in 2022

Candidate	Field of study	Institution	Year of study
African female	Bachelor of Education	UNISA	Final year. One rewrite to complete in 2023.
African male	National Diploma Mechanical Engineering - extended course	Cape Peninsula University of Technology	Fourth year
Indian male	Bachelor of Science Mechanical Engineering	University of KwaZulu Natal	Completed in 2022 and currently a graduate in training at Bell.



Bursary recipients Zinhle Dlamini, Sihle Tladinyane, Zinhle Maphumulo and Khumo Marope.

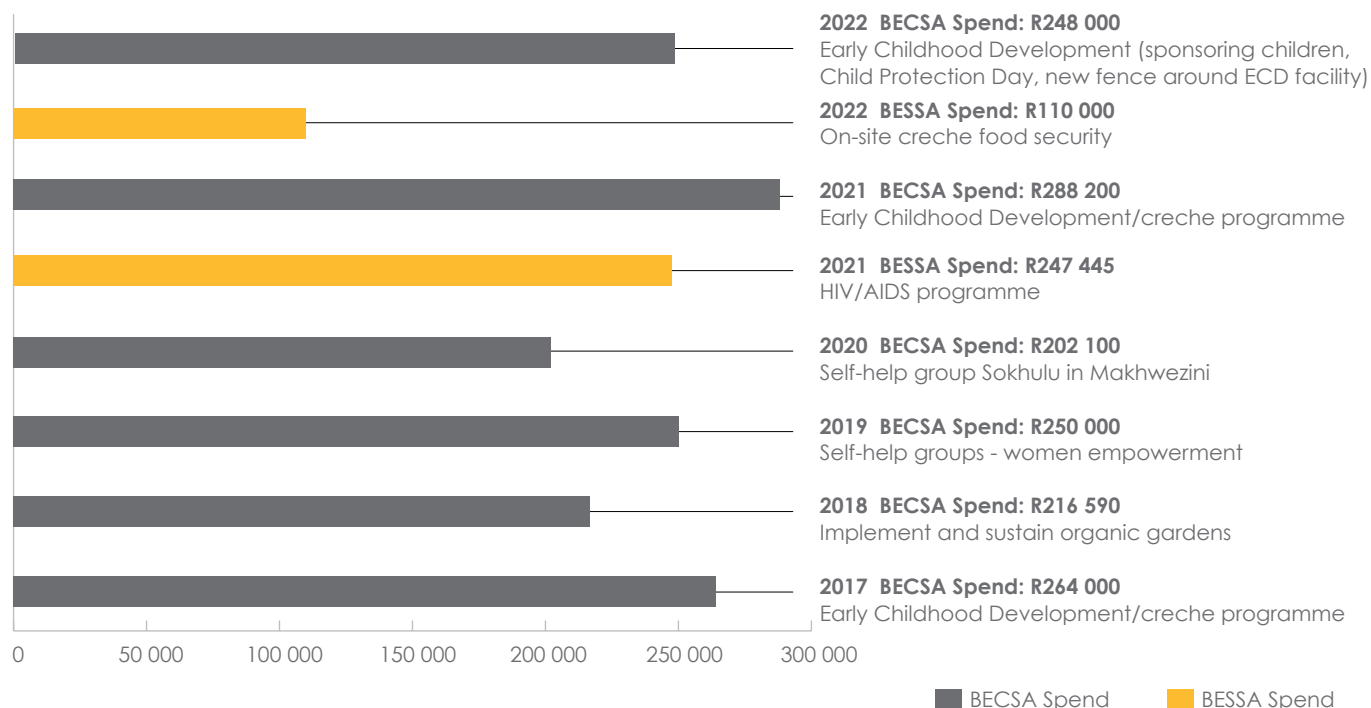
Awarded by the Bell Foundation Trust:

Candidate	Field of study	Institution	Year of study
African female	Bachelor of Engineering Mechanical	Stellenbosch University	Completed in 2022 and currently a graduate in training at Bell.
African female	Bachelor of Engineering Mechanical	Stellenbosch University	Third year
African female	Bachelor of Engineering Mechanical	Stellenbosch University	Third year

SED Projects

Amangwe Village

Historical spend from 2017 to 2022



R248 000

BECSA spend on
Amangwe Village
in 2022

BECSA continued its long-standing relationship with Amangwe Village by identifying the Early Childhood Development (ECD) programme as a worthy cause. There are currently 27 children at the centre, many of whom are orphaned and vulnerable or from child-headed households and do not have the means to pay creche fees due to poverty. Amangwe seeks sponsors to cover the fees so these children are not deprived of an education.

ECD focuses on children between three and six years old and BECSA's funding covered the sponsorship of:

- 10 children from either child-headed families or orphaned children,
- the Child Protection Day commemorations held annually in June, and
- erection of a new fence around the ECD site for the protection of the children.

R110 000

BESSA spend on
Amangwe Village
in 2022

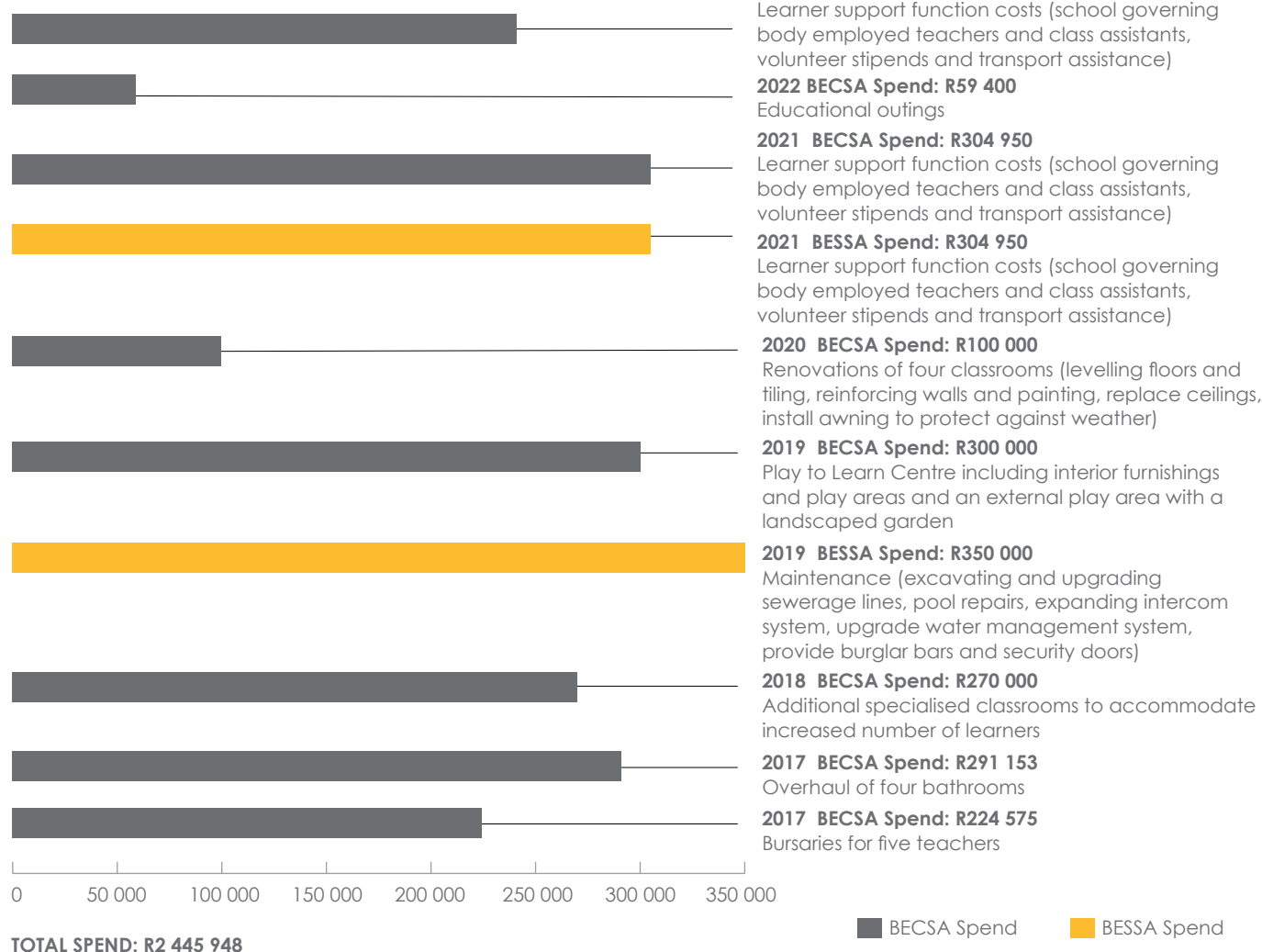
BESSA sponsored Amangwe for the second year by contributing towards the onsite creche food security programme, which supplements the ECD programme that BECSA sponsored. Recognising that the development and growth of a child depends largely on a healthy lifestyle and providing nutritional meals to help them grow and develop, Amangwe provides children with educational programmes and two balanced meals daily. To provide fresh produce for the meals, the ECD site has a dedicated vegetable garden.

BESSA's funding covered:

- management and maintenance of the onsite garden,
- fencing around the garden to prevent access to children and small wildlife,
- garden equipment and tools,
- vegetable seedlings, and
- safety clothing.

Thuthukani Special School

Historical spend from 2017 to 2022



Stakeholder relations report *continued*

incorporating sustainability elements

Thuthukani fulfils an important role in the Zululand region in the advancement and development of learners aged 6 to 19 years who have severe to profound intellectual disability. Bell is a long-time supporter of this special school and in 2022 it was agreed to sponsor the short-term need of learner support once again having been involved in longer-term projects in the past few years.

While the Department of Education provides limited support in terms of teachers, the significant growth in learner numbers means that the school governing body needs to raise funds for the balance. The funding from BECSA was allocated towards these costs, which included governing body employed teachers and class assistants, and volunteer stipends and transport assistance for a year. These staff members fulfil a vital role in supporting the teachers and driving all the extracurricular projects at the school. They also receive in service training at the school to improve their knowledge, ability, and skills in working with learners with disabilities.

Overlooked Mining

BESSA identified an SED project through its customer, Overlooked Mining, which is facilitating the project and has channelled its own SED spend into the initiative. The project supplies housing to residents of Emzinoni in the Govan Mbeki Local Municipality as part of an approved low-cost housing project.

Zambia CSI spend

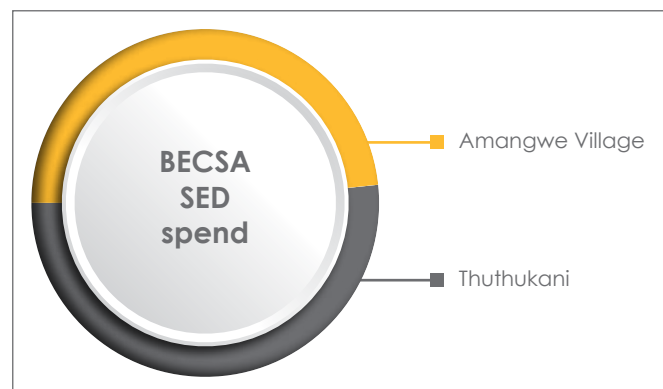
Bell Zambia sponsored the top two Grade 11 learners at Helen Kaunda Secondary School at their end of year graduation ceremony in the amount of \$158.

ESD

BECSA has recognised contributions of R2,090 million from supplier development beneficiaries and R1,389 million from Enterprise Development beneficiaries in 2022. These ESD contributions are on initiatives in the form of grants and developmental loans for the benefit of 51% black owned EMEs and/or QSEs.

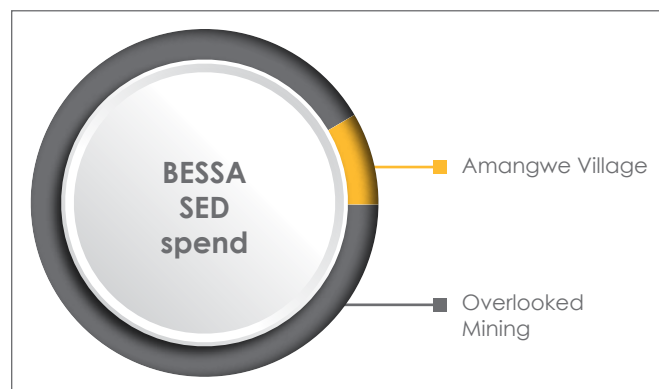
BESSA has invested in developmental grants with recognised contributions of R1,323 million with an enterprise development beneficiary and R2,646m with a supplier development beneficiary in 2022 for the benefit of 51% black owned EMEs and/or QSEs. The investments were done through Tectonic, which will use the funds to purchase Bell Equipment units and rent them to qualifying users who are BBBEE entrepreneurs.

SED



BECSA

- Amangwe Village received R248 000
- Thuthukani received R300 320



BESSA

- Amangwe Village received R110 000
- Overlooked received R1 140 000

R300 320

BECSA spend on Thuthukani in 2022

R1 140 000

BESSA spend on Overlooked Mining in 2022

R3,969 million

BESSA spend on ESD in 2022

Disabled Learnerships

The following spend was made by BESSA and BECSA through Training Force in 2022:

	BECSA	BESSA
Disabled black learnerships	R803 000	R1,2m
No. of Learners	8	12

YES

For the 2022 YES Programme, which is in year 5 of Bell Equipment's participation in the initiative, it was decided to host the candidates in-house at Bell once again rather than be a sponsor and have the candidates hosted by external companies. This gives 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 12-month programme. Five of the year 4 candidates were absorbed permanently into Bell by the end of December 2022

and a number of others were taken onto the books of Blu, the company that supplies labour broker employees to BECSA when the factory build rates increase.

The spend and number of candidates taken on for year 5 of the programme is as follows:

	BESSA	BECSA
YES candidates spend	R1,68m	R0,85m
No. of candidates	30	15

Environmental



Our Environmental Policy was reviewed during 2022. Bell actively strives for high standards of environmental compliance in all our operations by integrating world class environmental principles into our business processes.

In this regard, the group is committed to:

- Implementing and maintaining environmental management systems that focus on continual improvement.
- Reducing our environmental impact across the group with emphasis on energy consumption, water usage, waste reduction and recycling.
- Ongoing and effective assessment and training to ensure employee knowledge of environmental risks.
- Waste reduction and the recycling of materials where the means to recycle materials exist.
- Preventing and reducing all forms of pollution by employing effective technologies.
- Increasing the use of modern communication techniques to reduce the need for travel.
- Complying with and, where possible, exceeding all relevant legislation, commercial requirements and codes of conduct regarding the impact on the environment of our business.
- Maintaining transparent, consultative relationships with all stakeholders through effective communication channels.
- Contributing to the long-term social, economic and institutional development of our employees and the communities within which our operations are located.

Through innovation and constant monitoring of international best practices, Bell Equipment seeks to effect positive change and ensure that the group's ecological footprint is minimised. Five main areas are considered material in this regard:

- Implementing and maintaining environmental management systems that focus on continual improvement.
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regarding the impact on the environment of our business.

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- Contributing to the long-term social, economic and institutional development of our employees and the communities within which our operations are located.

Through innovation and constant monitoring of international best practices, Bell Equipment seeks to effect positive change and ensure that the group's ecological footprint is minimised.

Five main areas are considered material in this regard:

1. Environmental Compliance

Environmental management is practised daily as spillages and high-risk environmental areas are monitored closely. The Safety Department provides monitoring and related environmental problems are reported to the Safety Department and actioned accordingly.

High environmental risks are hazardous waste management, storm water management and Hydrocarbon storage and spillage.

Assurance is achieved by scheduled internal compliance inspections and annual external audits at the group's main operations. The Department of Environmental Affairs (EDTEA) conducted an audit at the Richards Bay facility during March 2022 and zero non-compliances were reported.

2. Energy Efficiency

Bell has initiated various energy saving strategies including the installation of energy efficient lighting, air-conditioning and ventilation, and is constantly investigating energy saving programmes.

In addition to energy efficiency, Bell is mindful that electricity supply costs in South Africa will continue to increase in the foreseeable future. Globally the focus is on the use of renewable energy as an alternative source of electricity and the group is cognisant of the need to consider alternative sources of power to remain competitive.

Stakeholder relations report *continued*

incorporating sustainability elements

Richards Bay Factory

Most offices at our manufacturing operation are equipped with energy efficient air conditioners that use double inverter technology with a 70% power saving capability. Air conditioners are programmed to switch off automatically after employees have left the building.

A solar power project is being investigated for the factory whereby parking bays will be fitted with solar panels. The project will be designed to generate 1MW. The turnkey option offers the quickest ROI and options exist to expand the project and generate additional power.

Although this is a long-term cost saving project there are significant operational advantages in terms of reducing generator running costs due to load shedding and municipality infrastructure failure.

Jet Park

A 770KW grid tied solar system is currently being installed at the Jet Park operations, which will be split between BESSA and the GLC with generator integration. This system will provide electricity during daylight hours and reduce electricity costs and the generator running hours during times of load shedding. This project was initiated between Bell and the landlord to both finance the project and share in the electricity cost saving. This project, which will significantly reduce our carbon footprint, kicked off in 2022 and will be completed in the second quarter of 2023.

Kindel and ELC Operations

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

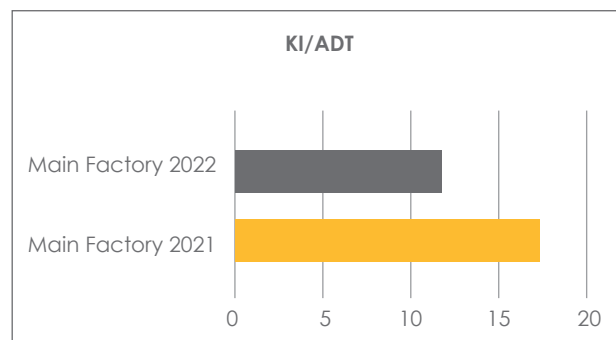
A gas heating system is used during the winter months, which is currently the most energy efficient way to heat and is more environmentally friendly than using conventional oil/diesel heating. In addition, the buildings' insulation is of the highest available quality, which reduces gas consumption as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

3. Water Stewardship

Bell Equipment is a long serving representative of the uMhlathuze Crisis Committee in Richards Bay, which allows stakeholders to be involved in the water and environmental

management plan of the local municipality and make recommendations towards water saving initiatives and a cleaner environment. Currently Bell is liaising with the uMhlathuze Water Stewardship partnership, which integrates major industries around the uMhlathuze region, on better management of water resources, as well as any synergies that may be possible for waste integration and water saving innovations.

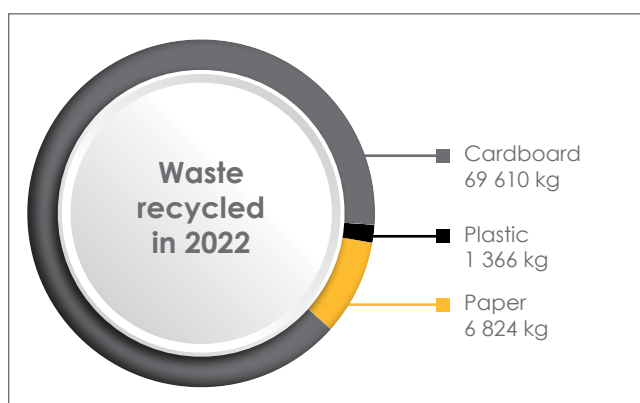
Harvested rainwater is used in the operational areas of the Richards Bay factory for supplying the wash bays and for flushing toilets and urinals in the factory ablution facilities. Although rainfall varies per year and there are no flow meters for the Richards Bay water harvesting system, there has been a reduction in municipal water usage from 13 865 kilolitres in 2019 to 12 818 kilolitres in 2022. Relating municipal water consumption to production, the KI/ADT rate reduced to 11,9kl/ADT in 2022 from 17,4kl/ADT in 2021.



A new bulk oil storage facility was constructed at the GLC, which complies to the latest environmental requirements pertaining to hydrocarbon storage and will ensure minimal risk in terms of hydrocarbon contamination into the storm water system.

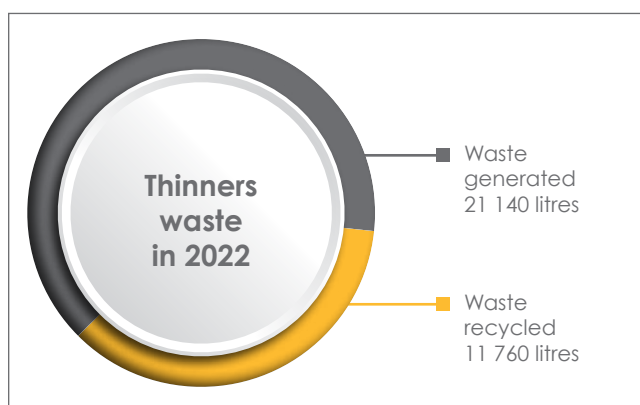
4. Waste Management

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.



In terms of on-site recycling, separation into three categories takes place at source as far as possible. Elsewhere both hazardous and non-hazardous waste streams are monitored by type, volume and disposal method and disposed of at certified waste disposal facilities. This ensures consistency, compliance and comparability. All waste is monitored for further improvements to recycling. 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 amount of contaminated thinners that was previously having to be disposed of. This has yielded a cost reduction in terms of the quantity of new thinners being purchased as well as the associated disposal costs. It is also environmentally friendly by reducing the amount of hazardous liquid waste.



The average recovery rate for 2022 was 57%.

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.



A large oil bunker was erected at GLC to protect oil drums and provide extra storage.

Stakeholder relations report *continued*

incorporating sustainability elements

5. Greenhouse Emissions

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 2022 compared to the previous three years.

Bell Equipment Germany has partnered with a large bike leasing company to promote bike commuting to reduce carbon emissions and encourage a healthier and friendlier way for employees to commute. While the project has had a slow start, Bell is hopeful that more employees in Germany will make use of the opportunity to purchase or lease a new bicycle at a reduced cost and interest rate. There is also a tax saving incentive for these employees like normal car allowances. Each employee is entitled to two bicycles or e-bikes on this programme.

Over the decades of development and testing, Bell has found that the holistic approach of doing a lot of small things to add up to one great approach works best for the group and its customers. The results consistently speak for themselves in the various competitor demos that Bell engages in.

As reported on page 80, Bell also supports and enables the use of green fuels in its ADTs. E-series ADTs fitted with the Mercedes Benz OM471LA, OM473LA and OM934/6LA engines are now fully compatible with Hydrotreated Vegetable Oil

(HVO) fuel, without needing dilution with diesel or impacting on engine service intervals.

HVO fuel is a paraffinic fuel made entirely of renewable waste materials and can reduce greenhouse gas emissions by as much as 90%. By using HVO in our Bell ADTs customers will reduce their own carbon footprint and contribute to the reduction of global emissions.



In terms of products, the Bell philosophy has always been to design the lowest cost per tonne equipment. Since fuel is a significant operational cost, fuel efficiency is a key focus area both in terms of cost and emissions. This is achieved in the ADT by minimising dead weight, optimising the efficiency of the drivetrain and hydraulic system, increasing levels of automation and adopting regenerative brake charging.



UK construction company, Smiths of Gloucester, worked on a contract that required a sustainable fuel solution for all plant and equipment and successfully ran two Bell B30Es on HVO fuel for the duration of the project.

GOVERNMENT



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> The group's relationship with governments impact on its ability to contribute towards job creation, broader economic, social and environmental objectives globally. 	<ul style="list-style-type: none"> Socio economic growth. Skills development. Employment creation. Transformation. BBBEE. Mining Equipment Manufacturers of South Africa (MEMSA). 	<ul style="list-style-type: none"> Local design and manufacture of equipment and the use of locally produced materials. Employer of 3 071 South Africans. 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. Economic empowerment leading to 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.

The Mining Equipment Manufacturers of South Africa (MEMSA) has proved an invaluable mouthpiece for the 'yellow industry' sector. Through MEMSA, Bell and another manufacturer held high level meetings with various government departments that include DTIC on duties and yellow metal designation as well as BMA Analysts and SANRAL.

Product designation is on hold due to the Minister of Trade and Industry of South Africa applying his mind and requesting more information of reciprocity, which was provided in November 2022. Our duty application has been hampered by objections from various parties that include some Southern African Customs Union (SACU) member states.

Through MEMSA, Bell has been able to access ambassadors of various countries that include Côte d'Ivoire, Ghana, Botswana, Zimbabwe and Guinea. Côte d'Ivoire has proven to be the gateway to Africa for Bell and MEMSA member. Professor Justin Barnes is actively playing a role in assisting the industry gain inroads in that country.

From a BESSA public sector perspective, a request has been registered for the RT57 transversal contract to favour local manufacturers as per government's declaration to support localisation under the Preferential Procurement Policy Framework Act. This initiative is gaining traction.

The DTIC, CSIR, Department of Science and Technology and DMRE conducted a factory tour in the last quarter of 2022, which has triggered various initiatives. These initiatives have also seen the establishment of a relationship with the DMRE that we hope will bear fruit regarding the problem of addressing illegal mining and mine dump rehabilitation.

Bell Equipment was recognised as MEMSA's Manufacturer of the Year 2022 at the inaugural MEMSA Manufacturing Excellence Awards. The award recognises evidence of excellence across a range of criteria including continuous improvement, health and safety, environmental sustainability, efficiency, good management systems, and creating a diverse, inclusive and transformed workplace.



The DTIC, CSIR, Department of Science and Technology, DMRE factory tour.

Stakeholder relations report *continued*

incorporating sustainability elements

SHAREHOLDERS, INVESTORS, FINANCIERS AND INSURERS



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> To create an informed perception of the group and its activities. 	<ul style="list-style-type: none"> Group strategy implementation. Group performance and sustained returns on investment. Leadership strength and management depth. 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. IAR. Final and interim results. SENS announcements. Media relations. Group website including a dedicated investor relations page. Dividend policy. Sound corporate governance. Meetings and ad hoc telephonic engagement, outside of a closed period.

Bell Equipment strives to create shared value by managing a sustainable business for all its stakeholders by managing its financial capital to support the group's growth and diversification objectives in a sustainable and profitable manner.

Bell continues to engage with its shareholders through its IAR and its AGM held annually. In line with King IV, engagement with shareholders has improved by providing more and better information, thereby ensuring good governance. The social, ethics and transformation committee of the Bell Equipment Limited board, as detailed in its report incorporated in the IAR, is mandated to report to shareholders at the AGM thereby providing a holistic overview of the group and its activities as a good corporate citizen.

Through SENS announcements the group provided its shareholders with updated information, pertinent events, trading updates or corporate actions and governance, relevant to the business and which could impact the share price.

An investor relations company is engaged to assist Bell with its annual investor relations programme. This programme includes presentations placed onto the website, which are relevant to shareholders, financiers and interested stakeholders, the arrangement of one on one meetings with shareholders, peer review of share price data, shareholder analyses, index comparisons as well as the compilation of financial press releases for Bell Equipment.

Engagement with financiers and insurers is equally important to the group and Bell ensures that these stakeholders are kept abreast of sites across geographies. Interactions are through meetings, face to face engagements, cash flow and financial analysis and project updates.

The group will continue to strive for improved interaction with these important stakeholders on an ongoing basis to nurture strong relationships.



Summarised consolidated statement of financial position

as at 31 December 2022

	2022 R'000	2021 R'000
ASSETS		
Non-current assets	1 894 149	1 792 903
Property, plant and equipment	944 480	918 968
Right-of-use assets	367 902	250 966
Intangible assets	260 225	282 236
Investments	62 935	58 717
Interest-bearing receivables and contract assets	44 187	50 421
Deferred taxation	214 420	231 595
Current assets	6 756 576	5 131 104
Inventory *	4 751 990	3 624 452
Trade and other receivables	1 278 094	1 023 122
Interest-bearing receivables and contract assets	231 242	218 328
Other assets	231 222	78 558
Current taxation assets	35 428	30 312
Cash and bank balances	228 600	156 332
TOTAL ASSETS	8 650 725	6 924 007
EQUITY AND LIABILITIES		
Capital and reserves	4 365 208	3 861 733
Stated capital (note 7)	235 541	235 541
Non-distributable reserves	1 008 484	940 673
Retained earnings	3 076 317	2 661 457
Attributable to owners of Bell Equipment Limited	4 320 342	3 837 671
Non-controlling interest	44 866	24 062
Non-current liabilities	870 682	681 418
Interest-bearing liabilities *	193 069	175 838
Lease liabilities	388 943	266 731
Contract liabilities (note 13)	116 159	98 357
Refund liabilities (note 14)	4 357	11 986
Provisions	78 254	45 383
Other liabilities	19 270	10 031
Deferred taxation	70 630	73 092
Current liabilities	3 414 835	2 380 856
Trade and other payables	1 627 003	1 215 273
Interest-bearing liabilities *	652 054	202 806
Lease liabilities	50 284	42 800
Contract liabilities (note 13)	319 894	243 832
Refund liabilities (note 14)	34 149	51 693
Provisions	142 482	111 113
Other liabilities	10 683	8 076
Current taxation liabilities	46 923	31 929
Bank overdrafts and borrowings on call	531 363	473 334
TOTAL EQUITY AND LIABILITIES	8 650 725	6 924 007

* The increase in inventory and interest-bearing liabilities is mainly due to higher customer demand which resulted in higher levels of components, work in progress and finished goods inventory.

Summarised consolidated statement of profit or loss

for the year ended 31 December 2022

	2022 R'000	2021 R'000
Revenue (note 2)	10 276 220	8 017 125
Cost of sales	(8 244 734)	(6 473 383)
Gross profit	2 031 486	1 543 742
Other operating income	260 134	184 960
Distribution costs	(811 947)	(670 069)
Administration expenses	(114 851)	(106 643)
Factory operating expenses *	(659 634)	(548 268)
Profit from operating activities (note 3)	705 188	403 722
Interest expense (note 4)	(136 977)	(96 388)
Interest income (note 5)	77 512	62 276
Profit before taxation	645 723	369 610
Taxation	(166 872)	(75 344)
Profit for the year	478 851	294 266
Profit for the year attributable to:		
- Owners of Bell Equipment Limited	456 846	286 770
- Non-controlling interest	22 005	7 496
Earnings per share (basic)(cents) (note 6)	478	300
Earnings per share (diluted)(cents) (note 6)	357	260

* 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 2022

	2022 R'000	2021 R'000
Profit for the year	478 851	294 266
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising during the year	25 659	40 028
Exchange differences on translating foreign operations	31 008	40 028
Reclassification to profit or loss of foreign currency translation reserve on deregistered operations	(5 349)	-
<i>Items that may not be reclassified subsequently to profit or loss:</i>	47 797	23 850
Surplus arising on revaluation of properties	58 051	-
Taxation relating to revaluation of properties	(13 223)	-
Fair value gain on investments designated as at fair value through other comprehensive income *	2 969	23 850
Other comprehensive income for the year, net of taxation	73 456	63 878
Total comprehensive income for the year	552 307	358 144
Total comprehensive income attributable to:		
- Owners of Bell Equipment Limited	530 302	350 648
- Non-controlling interest	22 005	7 496

* 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 2022

	2022 R'000	2021 R'000
Cash generated from operations before working capital changes	1 131 187	790 120
Cash utilised in working capital	(1 157 295)	(132 650)
Cash (utilised in) generated from operations	(26 108)	657 470
Interest paid	(122 173)	(97 705)
Interest received	89 816	60 460
Taxation paid	(157 839)	(26 361)
Net cash (utilised in) generated from operating activities	(216 304)	593 864
Purchase of property, plant and equipment and intangible assets	(130 740)	(103 651)
Proceeds on disposal of property, plant and equipment	5 008	13 221
Proceeds on disposal of listed investments	3 455	-
Net cash utilised in investing activities	(122 277)	(90 430)
Interest-bearing liabilities raised	1 245 231	322 464
Interest-bearing liabilities repaid	(795 665)	(690 529)
Lease liabilities repaid	(47 914)	(53 541)
Dividends paid	(48 832)	(189)
Net cash generated from (utilised in) financing activities	352 820	(421 795)
Net increase in cash for the year	14 239	81 639
Net bank overdrafts and borrowings on call at beginning of the year	(317 002)	(398 641)
Net bank overdrafts and borrowings on call at end of the year *	(302 763)	(317 002)
* Comprising:		
Cash and bank balances	228 600	156 332
Bank overdrafts and borrowings on call	(531 363)	(473 334)
Net bank overdrafts and borrowings on call at end of the year	(302 763)	(317 002)

Summarised consolidated statement of changes in equity

for the year ended 31 December 2022

	Attributable to owners of Bell Equipment Limited				Non-controlling interest R'000	Total capital and reserves R'000
	Stated capital R'000	Non-distributable reserves R'000	Retained earnings R'000	Total R'000		
Balance at 1 January 2021	235 541	891 355	2 360 316	3 487 212	16 566	3 503 778
Total comprehensive income attributable to owners of Bell Equipment Limited	-	63 878	286 770	350 648	-	350 648
Total comprehensive income attributable to non-controlling interest	-	-	-	-	7 496	7 496
Decrease in statutory reserves of foreign subsidiaries	-	(9 979)	9 979	-	-	-
Decrease in equity-settled employee benefits reserve	-	(4 581)	4 581	-	-	-
Dividends paid	-	-	(189)	(189)	-	(189)
Balance at 31 December 2021	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

Notes to the summarised consolidated results

for the year ended 31 December 2022

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 annual consolidated 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 amended accounting standards relevant to its operations and effective for annual reporting periods beginning 1 January 2022. The adoption of these 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 Haght 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 2022

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 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
December 2021					
Revenue					
Sale of equipment *	1 043 265	2 766 176	1 877 434	142 362	5 829 237
Sale of parts	390 445	253 567	829 787	160 439	1 634 238
Service contracts and transport revenue	56 018	48 500	215 889	30 178	350 585
Extended warranty	69 388	-	-	-	69 388
Rental revenue	-	9 185	120 978	3 514	133 677
Total revenue	1 559 116	3 077 428	3 044 088	336 493	8 017 125

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

	2022 R'000	2021 R'000
Timing of revenue recognition		
At a point in time		
Sale of equipment *	7 582 037	5 829 237
Sale of parts	2 034 315	1 634 238
Service contracts and transport revenue	454 269	350 585
Total	10 070 621	7 814 060
Over time		
Extended warranty	92 130	69 388
Rental revenue	113 469	133 677
Total	205 599	203 065
Total revenue	10 276 220	8 017 125

* Sale of equipment in manufacturing, assembly, logistics and dealer sales operations in Europe has been increased by an amount of R17,2 million (2021: increased by R35,6 million) relating to a reversal of the expected loss on sales transactions concluded with residual value guarantees.

Included in revenue for the year is an amount of R292,8 million (2021: R76,3 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.

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

3. PROFIT FROM OPERATING ACTIVITIES

	2022 R'000	2021 R'000
Profit from operating activities is arrived at after taking into account:		
Income		
Currency exchange gains (i)	409 912	247 473
The Automotive Production Development Programme - production incentives (ii)	144 351	90 884
Net surplus on disposal of property, plant and equipment	1 828	8 160
Expenditure		
Amortisation of intangible assets	44 531	36 364
Amounts written off as credit impaired	5 065	3 850
Auditors' remuneration - audit and other services	17 691	14 436
Cash-settled employee share awards	18 200	10 031
Consulting fees	25 907	32 133
Currency exchange losses (i)	385 785	258 624
Increase in allowance for expected credit losses on trade and other receivables	800	11 810
Depreciation of property, plant and equipment	141 993	151 396
Depreciation of right-of-use assets	58 474	63 436
Impairment loss recognised on intangible assets	9 348	-
Increase in contract provision - warranty	67 316	14 964
Lease expenses (iii)	32 286	18 681
Research expenses (excluding staff costs)	38 983	36 466
Staff costs (including directors' remuneration) (iv)	1 747 535	1 529 528

- (i) Net currency exchange gains arose mainly on USD denominated revenue and receivables as a result of the movement in the Rand and the Euro against the USD in the current year.
- (ii) Income from production incentives increased by 58,8% (2021: 45,1%) due to an increase in production volumes in the current period.
- (iii) Included in lease expenses are amounts for short-term leases and leases of low value assets.
- (iv) Staff costs increased by 14,3% (2021: 17,8%) mainly due to an increase in the workforce at the manufacturing and assembly facilities stemming from increased production volumes, and labour cost escalations.

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

4. INTEREST EXPENSE

	2022 R'000	2021 R'000
Interest expense incurred on the following:		
Bank overdrafts and loans	49 340	23 608
Lease liabilities	37 180	37 034
Industrial Development Corporation (IDC) of South Africa working capital facility	45 945	27 022
Other interest expenses *	4 512	8 724
Total interest expense	136 977	96 388

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

5. INTEREST INCOME

Interest income earned on the following:		
Service contracts	9 804	9 616
Extended warranty contracts	25 360	24 622
Instalment sale agreements	26 546	17 087
Other interest income *	15 802	10 951
Total interest income	77 512	62 276

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

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

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

		2022	2021
Basic earnings per share is arrived at as follows:			
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	456 846	286 770
Weighted average number of shares in issue	('000)	95 629	95 629
Earnings per share (basic)	(cents)	478	300
Diluted earnings per share is arrived at as follows:			
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	456 846	286 770
Fully converted weighted average number of shares	('000)	127 826	110 182
Earnings per share (diluted)	(cents)	357	260

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)	456 846	286 770
Net surplus on disposal of property, plant and equipment	(R'000)	(1 828)	(8 160)
Taxation effect of net surplus on disposal of property, plant and equipment	(R'000)	237	2 270
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)	452 587	280 880
Weighted average number of shares in issue	('000)	95 629	95 629
Headline earnings per share (basic)	(cents)	473	294
Diluted headline earnings per share is arrived at as follows:			
Headline earnings calculated above	(R'000)	452 587	280 880
Fully converted weighted average number of shares	('000)	127 826	110 182
Headline earnings per share (diluted)	(cents)	354	255

Headline earnings is calculated in accordance with *Circular 1/2021 Headline Earnings* 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)	4 365 208	3 861 733
Number of shares in issue	('000)	95 629	95 629
Net asset value per share	(cents)	4 565	4 038
The gearing ratio at the end of the period was as follows:			
Short-term and long-term borrowings	(R'000)	1 376 486	851 978
Cash and bank balances	(R'000)	(228 600)	(156 332)
Net debt	(R'000)	1 147 886	695 646
Total equity	(R'000)	4 365 208	3 861 733
Net debt to equity ratio	(%)	26,3	18,0

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

7. STATED CAPITAL

	2022 R'000	2021 R'000
Authorised		
100 000 000 (2021: 100 000 000) ordinary shares of no par value		
Issued		
95 629 385 (2021: 95 629 385) ordinary shares of no par value	235 541	235 541

8. CAPITAL EXPENDITURE COMMITMENTS

Contracted	25 134	26 267
Authorised, but not contracted	186 696	115 659
Total capital expenditure commitments	211 830	141 926

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 Swaziland.
- 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.

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

9. SUMMARISED SEGMENTAL ANALYSIS *continued*

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.

	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 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
December 2021						
Manufacturing, assembly, logistics and dealer sales operations						
South Africa	1 559 116	3 556 860	5 115 976	8 558	4 252 535	3 499 598
Europe	3 077 428	209 936	3 287 364	157 561	2 223 787	1 192 851
Direct Sales operations						
South Africa	3 044 088	18 756	3 062 844	94 036	1 415 932	1 308 765
Rest of Africa **	336 493	2 641	339 134	122 546	267 678	132 500
Other operations and inter-segmental eliminations *	-	(3 788 193)	(3 788 193)	21 021	(1 235 925)	(3 071 440)
Total	8 017 125	-	8 017 125	403 722	6 924 007	3 062 274

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 2022 or 2021.

* Inter-segmental eliminations above relate to the following:

- Revenue - the elimination of intra-group sales transactions, mainly sales from the manufacturing, assembly, logistics and dealer sales operations, to other group operations.
- Operating profit - the elimination of profit 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.
- 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.

** Profit from operating activities in the Rest of Africa segment in the prior year included the intra-group waiving of debt owed by the Zimbabwean operation.

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

10. CONTINGENT ASSETS AND LIABILITIES

	2022 R'000	2021 R'000
10.1 Contingent assets		
Reimbursement right relating to standard warranty in respect of manufactured goods		
Reimbursement right from component suppliers in respect of standard warranties where virtual certainty of recovery has not yet been established	38 744	28 182
10.2 Contingent liabilities		
Third party warranties and indemnities		
Warranties and indemnities limited to USD3 million provided to a third party in previous years relating to the sale of assets of the DRC operation in 2018, expired in the current year.	-	47 638

11. RELATED PARTY TRANSACTIONS

Information regarding significant transactions with related parties is presented below. Transactions are carried out on an arms length basis.

Shareholders

John Deere Construction and Forestry Company *

- purchases

195 519

* John Deere Construction and Forestry Company ceased being a related party at the end of September 2021 when their interest was purchased by I A Bell and Company (Pty) Ltd, which is the parent company of the group. The prior period above reflects transactions up to the end of September 2021.

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

12. 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 2022 are listed below.

	Foreign amount '000	Rate R	Market value in Rands R'000	Fair value (loss) gain R'000
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
December 2021				
Import contracts				
British Pound	5 911	21,04	127 845	3 468
Euro	15 908	17,98	289 083	3 126
Japanese Yen	111 113	7,14	15 499	(67)
United States Dollar	9 095	15,94	145 591	567
Export contracts				
British Pound	24	21,42	519	(5)
Euro	4 369	18,36	79 024	1 208
United States Dollar	23 783	15,85	381 095	(4 059)

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

12. 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 estimating the fair value, the group used an average price to book ratio of 2,06 (December 2021: 2,25) applied to the estimated net asset value of the entity as at 31 December 2022. The price to book ratio of 2,06 (December 2021: 2,25) represents an average of observable price to book ratios of a number of entities within the heavy equipment industry. The price to book ratios were obtained from a reputable market database. For a 10% change in the price to book ratio, there would have been an equal impact of R5,8 million (2021: R4,5 million) on the fair value of the investment.

The fair value gain of R12,7 million (2021: R14,6 million) was accounted for in other comprehensive income.

A reconciliation of this investment is presented below:

	2022 R'000	2021 R'000
Opening balance	44 636	29 754
Translation difference	875	298
Fair value gains recognised in other comprehensive income	12 669	14 584
Closing balance	58 180	44 636

Valuation techniques and fair value hierarchy

There was no change in the valuation techniques used for forward foreign exchange contracts (Level 2) and listed (Level 1) and unlisted investments (Level 3).

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

13. CONTRACT LIABILITIES

Contract liabilities consist of the following:		
Advance receipts from customers	123 302	68 847
Deferred warranty income	172 498	149 435
Deferred service contract income	64 689	62 086
Deferred finance income liability	75 564	61 821
	436 053	342 189
Less: current portion	(319 894)	(243 832)
Long-term portion	116 159	98 357

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

14. REFUND LIABILITIES

	2022 R'000	2021 R'000
Refund liabilities relate to the following:		
Residual value risk - De Lage Landen International (i)	8 138	23 715
Right-to-return parts	30 368	22 493
Financing venture with WesBank (note 15)	-	17 471
	38 506	63 679
Less: current portion	(34 149)	(51 693)
Long-term portion	4 357	11 986

(i) The group has guaranteed the residual values on machines on lease agreements offered by the financial institution to the group's customers in certain countries.

15. FINANCING VENTURE WITH WESBANK

The group has assisted customers with the financing of equipment purchased through a financing venture with WesBank, a division of FirstRand Bank Limited. In respect of the different categories of financing provided by WesBank, the group carries certain credit risks.

Specific transactions where the group carries all the credit risk (Bell-backed deals)

These transactions are credit applications that have initially been declined by WesBank but based on the group's backing are financed through the financing venture. Where the group carries all the credit risk, the group is liable for the full balance due to WesBank by default customers. The net credit risk is reflected below. The group is required to invest an amount with WesBank equal to 25% of the value of the financing provided by WesBank to customers as collateral in respect of these transactions. This investment, which earns interest at the cost of capital of the financing venture, is reflected as contract assets. The cash investment is adjusted for anticipated credit losses and these are recognised in the statement of profit or loss as an adjustment to revenue.

Based on the insignificant historical loss rate on Bell-backed transactions, market conditions, market prices which are expected to be realised for the equipment held as security, management concluded that the risk of expected credit losses on a portfolio basis was reduced to an insignificant amount.

	2022 R'000	2021 R'000
The carrying amount of the 25% cash collateral in respect of these Bell-backed deals at year-end was	6 801	25 187
The group's credit risk exposure to WesBank has been disclosed below:		
At year-end the group's credit risk exposure to WesBank under Bell-backed deals, for which the group carries all the credit risk, totalled *	26 724	112 739
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liabilities	50 291	161 521
	(23 567)	(48 782)
Less: allowance for expected credit losses against cash collateral	-	(5 824)
Less: refund liability recognised (note 14)	-	(17 471)
Net credit risk relating to WesBank Bell-backed transactions	-	-

* The group's credit risk exposure decreased due to the collection of prior year balances in the current year and less outstanding Bell-backed deals by year-end.

16. 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.

	2022 R'000
Cash and bank balances in Russia	40 177

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

17. IMPAIRMENT CONSIDERATIONS AND IMPACT ON THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 the market capitalisation and net asset value of the group were R1,5 billion (2021: R1,2 billion) and R4,4 billion (2021: R3,9 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.

Further consideration was given to the possible impairment of specific asset categories on the statement of financial position as set out in note 17.2. below.

17.1 Impairment considerations of the OEM CGU

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

- 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.

17.2 Impairment considerations of specific asset categories

• **Inventory**

The group conducted a detailed assessment of the valuation of inventory at 31 December 2022. All inventory is valued at the lower of cost and net realisable value. At 31 December 2022, an amount of R313,2 million (2021: R326,9 million) included in inventory was carried at net realisable value. Included in cost of sales in the current year is an amount of R55,1 million (2021: R42,5 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 2022, the allowances for expected credit losses on trade and interest-bearing receivables totalled R56,5 million (2021: R48,0 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 current year and a reversal of a prior year impairment loss of R5,8 million (2021: Rnil) was accounted for in profit or loss and a revaluation surplus of R58,1 million (2021: Rnil) was accounted for in other comprehensive income for the period. No impairment of property, plant and equipment was considered necessary.

• **Intangible assets**

A review was conducted of capitalised engineering development costs and projects to the value of R9,3 million (December 2021: Rnil) were discontinued and impaired in the current period.

17.3 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 note 16). The carrying value of inventory in this operation amounts to 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.

17.4 Directors' assessment of going concern

The group's net debt at 31 December 2022 has increased to approximately R1,1 billion (December 2021: R0,7 billion) due to planned higher production volumes.

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 2022, 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. The group's lenders continue to support the business.

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

Notes to the summarised consolidated results *continued*

for the year ended 31 December 2022

18. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

The information in respect of directors' and prescribed officers' remuneration is included in the Remuneration Committee Report on page 62.

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 64 to 66.

19. POST FINANCIAL POSITION EVENTS

Notice is hereby given that the directors have declared a gross final cash dividend of 90 cents per ordinary share for the year ended 31 December 2022 payable to ordinary shareholders in accordance with the timetable below.

The net final dividend is 72 cents per share for ordinary shareholders who are not exempt from dividends tax. The dividend withholding tax rate is 20 percent.

The dividend has been declared from income reserves.

The company's income tax reference number is 9022169206.

The issued share capital at the declaration date is 95 629 385 ordinary shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 18 April 2023
Shares commence trading "ex" dividend	Wednesday, 19 April 2023
Record date	Friday, 21 April 2023
Payment date	Monday, 24 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 April 2023, and Friday, 21 April 2023, both days inclusive.

No other fact or circumstance material to the appreciation of these summarised consolidated financial statements has occurred between 31 December 2022 and the date of this report.

Shareholder analysis

Register date: 31 December 2022

Issued share capital: 95 629 385

	Number of shareholdings	%	Number of shares	%
SHAREHOLDER SPREAD				
1 - 1,000 shares	5 145	87,32	350 515	0,37
1,001 - 10,000 shares	538	9,13	2 066 052	2,16
10,001 - 100,000 shares	173	2,94	5 131 911	5,37
100,001 - 1,000,000 shares	28	0,48	10 833 917	11,33
1,000,001 shares and over	8	0,14	77 246 990	80,77
Totals	5 892	100,00	95 629 385	100,00
DISTRIBUTION OF SHAREHOLDERS				
Banks/Brokers	20	0,34	5 065 937	5,30
Close Corporations	16	0,27	3 245 137	3,39
Endowment Funds	4	0,07	22 639	0,02
Individuals	5 646	95,82	5 888 410	6,16
Insurance Companies	6	0,10	1 529 585	1,60
Investment Companies	1	0,02	30 000	0,03
Medical Schemes	1	0,02	70 000	0,07
Mutual Funds	31	0,53	10 678 202	11,17
Other Corporations	10	0,17	42 889	0,04
Own Holdings	1	0,02	32 233	0,03
Private Companies	65	1,10	67 552 572	70,64
Retirement Funds	23	0,39	904 818	0,95
Trusts	68	1,15	566 963	0,59
Totals	5 892	100,00	95 629 385	100,00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non - Public Shareholders	15	0,28	67 467 879	70,55
Directors & Associates of the Company	12	0,20	395 553	0,41
Bell Equipment Share Scheme	1	0,02	32 233	0,04
Strategic Holders of more than 10%	2	0,06	67 040 093	70,10
Public Shareholders	5 877	99,72	28 161 506	29,45
Totals	5 892	100,00	95 629 385	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				
I A Bell And Company (Pty) Ltd			67 040 093	70,10
Ninety One			3 741 324	3,91
Clark, IAJ			3 119 220	3,26
Allan Gray			3 003 108	3,14
Sanlam			2 624 153	2,74
Pershing			1 545 769	1,62
Perspective Investment Management			972 662	1,02
Clearstream Banking SA Luxembourg			908 220	0,95
AG Capital			799 599	0,84
Gilmour, S			696 111	0,73
Totals			84 450 259	88,31
TOP 10 INSTITUTIONAL SHAREHOLDERS				
Allan Gray Asset Management			4 580 587	4,79
Ninety One			4 004 268	4,19
Sanlam Investment Management			2 617 371	2,74
Pershing Llc			1 545 769	1,62
Perspective Investment Management			972 662	1,02
Clearstream Banking SA Luxembourg			908 220	0,95
AG Capital			799 599	0,84
RMB Securities			483 700	0,51
Peresec Prime Brokers			465 365	0,49
CounterPoint Asset Management			418 489	0,44
Totals			16 796 030	17,59

Shareholder analysis continued

		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		20 040	0,02	
Goosen, L			20 040	0,02	
Bell, AJ	Non-executive director		2 598	0,00	
Bell, AJ			2 598	0,00	
Mayer, A	Subsidiary director		2 000	0,00	
Mayer, A			2 000	0,00	
Du Pisanie, TM	Subsidiary director		5 655	0,01	
Du Pisanie, TM			5 655	0,01	
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		109 660	285 893	0,30	
BELL EQUIPMENT SHARE SCHEME					
Bell Equipment			32 233	0,03	
Totals			32 233	0,03	
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		5 827	98,90	91 978 195	96,18
United States		6	0,10	1 968 125	2,06
Luxembourg		1	0,02	908 220	0,95
France		3	0,05	210 334	0,22
Namibia		17	0,29	202 131	0,21
Germany		3	0,05	164 100	0,18
Eswatini		7	0,12	113 737	0,12
United Kingdom		4	0,07	57 598	0,06
New Zealand		5	0,08	13 600	0,02
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
Zimbabwe		2	0,03	383	0,00
Botswana		1	0,02	270	0,00
UAE		5	0,08	180	0,00
Lesotho		5	0,08	8	0,00
Western Sahara		1	0,02	3	0,00
Cape Verde		1	0,02	1	0,00
Totals		5 892	100,00	95 629 385	100,00

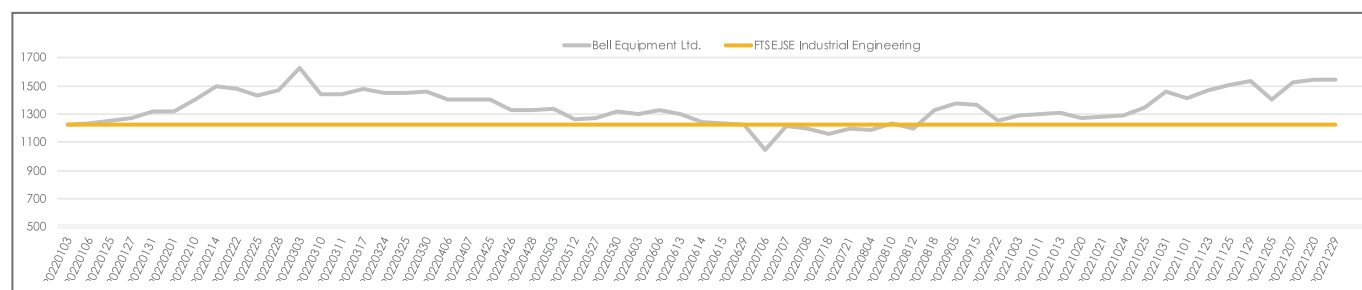
Bell Equipment Limited Share Trades 1 January 2022 to 31 December 2022

Year	Month	High	Low	Deals	Volume	Value
2022	January	1 340	1 200	258	468 063	5 986 929
2022	February	1 600	1 252	625	1 342 555	18 863 931
2022	March	1 750	1 411	475	599 774	9 033 980
2022	April	1 498	1 301	249	658 993	9 221 886
2022	May	1 340	1 220	359	641 386	8 140 114
2022	June	1 343	1 120	179	169 633	2 126 125
2022	July	1 248	1 001	151	286 293	3 337 923
2022	August	1 425	1 150	312	762 808	9 492 069
2022	September	1 459	1 170	542	759 584	10 318 115
2022	October	1 519	1 246	173	521 126	7 030 188
2022	November	1 576	1 407	272	348 379	5 233 595
2022	December	1 576	1 371	203	486 254	7 210 996

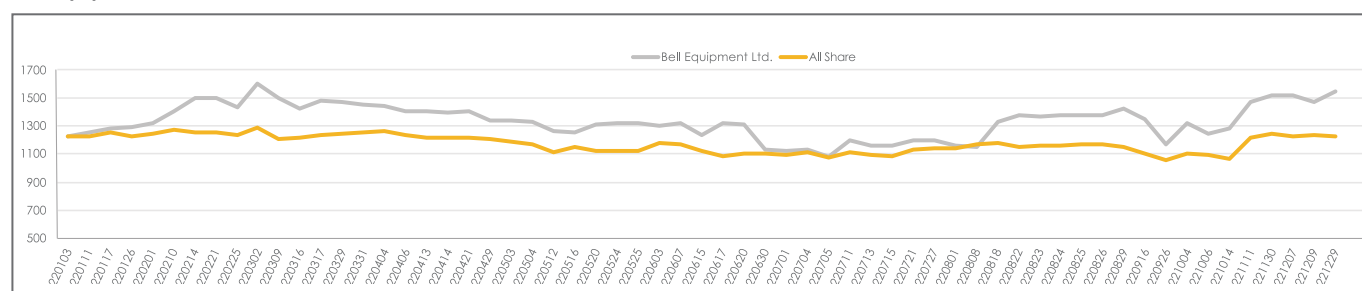
Traded Price (cents per share)

Close	1 525
High	1 750
Low	1 001
Market capitalisation	1 458 348 121
Value of shares traded	95 995 851
Value traded as % of mktcap	6,58%
Volume of shares traded	7 044 848
Volume traded as % of number in issue	7,37%
Dividend Yield	2,62
Earnings Yield	21,51
Shares in issue	95 629 385
Average no of shares in issue	95 629 385
Shares issued/ repurchased	0
Number of shareholders	5 892

Bell Equipment Ltd. vs FTSEJSE Industrial Engineering



Bell Equipment Ltd. vs All Share Index



Shareholder diary

Financial year end	31 December 2022
Integrated annual report	April 2023
Annual general meeting	31 May 2023
Interim results announcement	September 2023

Glossary

ADT	Articulated Dump Truck
AGM	Annual General Meeting
AIS	Automotive Investment Scheme
ALC	American Logistics Centre
APDP	Automotive Production and Development Programme
Bauma	Bauma trade exhibition in Munich, Germany
Bell Equipment or Bell or the group	Bell Equipment Limited and its subsidiaries
BEE or BBBEE	Black Economic Empowerment or Broad-Based Black Economic Empowerment
BEE Manco	K2019577563 (South Africa) (RF) Proprietary Limited
BECSA	Bell Equipment Company SA Proprietary Limited
BECSA Holdings	BECSA Holdings Limited
BEE0	Bell Equipment European Operations comprising the Bell operations in Germany, UK and France
BEF	Bell Equipment Foundation Trust
BEGS	Bell Equipment Group Services Proprietary Limited
BENA	Bell Equipment North America Inc.
BESSA	Bell Equipment Sales South Africa Limited
BESSA BEE SPV	K2017044733 (South Africa) (RF) Proprietary Limited
BHL	Bell Equipment SA Holdings Limited
CEO	Chief Executive
CFO	Chief Financial Officer
CGU	Cash generating unit
COBIT	Control Objectives for Information and Related Technology
Companies Act	Companies Act of South Africa No 71 of 2008 (as amended)
COVID-19	Corona virus disease
CRM	Customer Relations Management
CSC	Customer Service Centre
CSDP	Central Securities Depository Participant
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DOE	Department of Environmental Affairs
DMRE	Department of Mineral Resources and Energy
DRC	Democratic Republic of the Congo
DTIC	Department of Trade, Industry and Competition
ELC	European Logistics Centre
EME	Exempted Micro-Enterprise
ESD	Enterprise and Supplier Development
EU	European Union
EYE customer service	External customer monitoring service
FD	Financial Director
FIC Act	Financial Intelligence Centre Act, 2001
FTA	Field Technical Analyst
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GEC	Group Executive Committee
GLC	Global Logistics Centre

HEPS	Headline earnings per share
IAR	Integrated Annual Report
IDC	Industrial Development Corporation
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISO	International Standards Organisation
IT	Information Technology
John Deere	John Deere Construction and Forestry Company, a Delaware corporation
JSE	Johannesburg Stock Exchange Limited
King III™	King Code of Governance Principles and the King Report on Governance
King IV™	King IV Report on Corporate Governance in South Africa 2016
KPI	Key Performance Indicators
LIMUSA	Liberated Metalworkers Union of South Africa
LTIFR	Lost Time Injury Frequency Rate
LTIS	Long Term Incentive Scheme
LTRS	Lifetime Revenue Stream
Matriarch	Bell brand name for forestry products
MEMSA	Mining Equipment Manufacturers of South Africa
MERSETA	Manufacturing, Engineering and Related Services Sector Education Training Authority
MHCV	Medium and Heavy Commercial Vehicle
MOI	Memorandum of Incorporation
NPAT	Net Profit after Tax
NUMSA	National Union of Metalworkers of South Africa
OEM	Original Equipment Manufacturer
PAIA	Promotion of Access to Information Act, 2000
POPIA	Protection of Personal Information Act, 2013
PPP	Paycheck Protection Program
QSE	Qualifying Small Enterprise
ROE	Return on Equity
ROIC	Return on Invested Capital
SAICA	South African Institute of Chartered Accountants
SANRAL	South African National Roads Agency
SAP	System Applications and Products in Data Processing
SED	Social Economic Development
SEFA	Small Enterprise Finance Agency
SENS	Stock Exchange News Service
SIBI	Sibi Capital Proprietary Limited
STIS	Short Term Incentive Scheme
SVA	Shareholder Value-Add
TIFR	Total Injury Frequency Rate
TLB	Tractor Loader Backhoe
TMP cycle	Trough, mid and peak cycle
UASA	United Association of South Africa
US	United States of America
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

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 55th annual general meeting (the "AGM") of shareholders of Bell Equipment Limited 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 Wednesday, 31 May 2023 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 to be found on pages 114 to 115 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, 21 April 2023;
- the last day to trade in order to be eligible to attend, participate and vote at the AGM, as Tuesday, 16 May 2023;
- 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, 19 May 2023.

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 2022, including the directors' report, the independent auditor's report, the audit committee's report, the social, ethics and transformation committee's report and the remuneration committee's report.

The audited annual financial statements of the company for the financial year ended 31 December 2022, 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. Participants 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's report and the summarised consolidated financial statements for the year ended 31 December 2022 are included in the integrated annual report on pages 52, 54 and 93 respectively.

ORDINARY BUSINESS

To consider and, if deemed fit, to pass, with or without modification, all of the ordinary resolutions relating to business 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 RESOLUTIONS 1.1, 1.2 and 1.3: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

- 1.1 Resolved that G Bell, be and is hereby re-elected as a non-executive director of the company;
- 1.2 Resolved that R Naidu be and is hereby re-elected as a non-executive director of the company; and
- 1.3 Resolved that M Ramathe 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 G Bell and R Naidu and Ms M Ramathe 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 on page 26 of the integrated annual report 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 recommend to shareholders that they should vote in favour of the re-election of each of the directors referred to in ordinary resolution number 1.

2. ORDINARY RESOLUTIONS 2.1 to 2.4: ELECTION OF THE MEMBERS OF THE AUDIT COMMITTEE

- 2.1 Resolved that 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 2024;
- 2.2 Resolved that subject to his re election as a director, 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 2024;
- 2.3 Resolved that subject to her re election as a director, 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 2024;
- 2.4 Resolved that 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 2024.

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 on pages 27, 28 and 29 of the integrated annual report 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.

3. ORDINARY RESOLUTION 3: APPOINTMENT OF AUDITORS

Resolved that Deloitte & Touche, 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 Andrew Kilpatrick be noted as the individual JSE accredited designated auditor until the conclusion of the next AGM.

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.

Pursuant to the Independent Regulatory Board for Auditors' ("IRBA") rule regarding mandatory audit firm rotation, Bell Equipment's 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. A proposal to this effect will be tabled at the AGM in 2024.

The incumbent external auditors, Deloitte & Touche, have expressed their willingness to continue in office until the conclusion of the audit of the financial year ending 31 December 2023 in accordance with the mandatory audit firm rotation rule issued by the IRBA and this resolution proposes the appointment of Deloitte & Touche as the company's auditor until the next AGM.

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

Notice of annual general meeting *continued*

4. ORDINARY RESOLUTION 4: 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 (over and above any ordinary shares already approved to be allotted and issued by the company in terms of any share plan or incentive scheme for the benefit of employees), representing 5 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 2024 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 4 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. This number has been determined as 5 percent of the number of ordinary shares in issue as at the date of the notice of the AGM (for which purposes any ordinary shares already approved to be allotted and issued by the company in terms of any share plan or incentive scheme for the benefit of employees shall be excluded), 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 2024 or 15 (fifteen) months from the date of passing of the resolution, whichever date is earlier.

5. 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's report contained on page 56 of 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 on pages 56 to 59 of the integrated annual report 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 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 and 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.

6. NON-BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION IMPLEMENTATION REPORT

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's report contained on pages 60 to 66 of 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 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 on pages 60 to 66 of the integrated annual report 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 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 and 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 percent of the voting rights exercised on the resolution.

7. 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.

8. 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.

Notice of annual general meeting *continued*

9. SPECIAL RESOLUTIONS 3.1 TO 3.19:

BASIS OF REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS FROM 1 JANUARY 2024

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 2024 (representing a 6 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	450 510
3.2	Lead independent non executive director	346 620
3.3	Non executive directors	242 740
	Fees per meeting payable to the chairman of the board and the chairmen of board committees	
3.4	Board	41 040
3.5	Audit committee	24 680
3.6	Risk and sustainability committee	24 680
3.7	Nominations committee	19 390
3.8	Remuneration committee	19 390
3.9	Social, ethics and transformation committee	24 330
3.10	Fees to be paid to lead independent non executive director per board meeting	40 780
	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	
3.11	Board	40 490
3.12	Audit committee	32 420
3.13	Risk and sustainability committee	24 680
3.14	Nominations committee	16 570
3.15	Remuneration committee	16 570
3.16	Social, ethics and transformation committee	24 330
3.17	Bell Equipment audit services committee	16 140
3.18	Ad hoc committees	16 570
3.19	Annual general meeting	16 570

The proposed fees for 2024 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 as such is determined in advance for the then forthcoming period that commences at the beginning of the next succeeding January.

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

10. 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 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;
- 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 percent of the initial number of the relevant class of shares, and for each 3 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 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 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 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 months following the date of the 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 111
Share capital of the company	page 103

Directors' responsibility statement

The directors, whose names are given on pages 26 to 29 of the integrated annual report 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

Notice of annual general meeting *continued*

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.

11. 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 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 84 433 4836 / +27 81 711 4255 / +27 61 440 0654 as soon as possible, but in any event no later than 11:00 (SA time) on Monday 29 May 2023.

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 Forms of Proxy 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 Thursday 25 May 2023 and Monday 29 May 2023 via the email/cell number provided on the Form, with a unique link to allow it/him/her 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 its/his/her shares in dematerialised form other than on an own name basis ("Dematerialised Shareholder"), wishes itself/himself/herself to participate in the AGM in person it/he/she should instruct it/his/her CSDP or broker to issue it/him/her with the necessary letter of representation, in the manner stipulated in its/his/her 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 its/his/her CSDP or broker to ascertain how the Dematerialised Shareholder wishes to cast its/his/her votes at the AGM, the Dematerialised Shareholder should contact its/his/her CSDP or broker to give its/his/her 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 its/his/her shares in certificated form ("Certificated Shareholder") or who is a shareholder which holds its/his/her 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 it/him/her 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 Forms of Proxy be received by no later than 11:00 on 29 May 2023 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 its/his/her 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 2023

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 Wednesday 31 May 2023 at 11:00, is entitled to appoint a proxy/ies to attend, speak or vote thereat in its/ his/ her 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 Monday 29 May 2023 for administrative purposes to meetfax@linkmarketservices.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 re-elect directors who retire by rotation			
1.1	G Bell			
1.2	R Naidu			
1.3	M Ramathe			
2.	To elect the members of the audit committee			
2.1	Election of D Lawrance, an independent non-executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2024			
2.2	Election of R Naidu, an independent non-executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2024			
2.3	Election of M Ramathe, an independent non-executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2024			
2.4	Election of U Maharaj, an independent non-executive director, as a member of the audit committee until the conclusion of the AGM to be held in 2024			
3.	Appointment of Deloitte & Touche as the independent auditor of the company until the conclusion of the AGM to be held in 2024			
4.	Placement of certain of the authorised but unissued shares under the control of the directors			
5.	Non-binding advisory vote on the company's remuneration policy			
6.	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	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				
3.11	Board			
3.12	Audit committee			
3.13	Risk and sustainability committee			
3.14	Nominations committee			
3.15	Remuneration committee			
3.16	Social, ethics and transformation committee			
3.17	Bell Equipment audit services committee			
3.18	Ad hoc committees			
3.19	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 _____ 2023.

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 it/he/she thinks fit in respect of all the shareholder's exercisable votes. A proxy is not obliged to use all the votes exercisable by it/him/her, 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 Form of Proxy:

- 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 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 Wednesday 31 May 2023 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 Monday 29 May 2023.

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 it/ he/ she 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.

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

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Empangeni, 3880

South Africa

BUSINESS AND REGISTERED ADDRESS

13 - 19 Carbonode Cell Road

Alton

Richards Bay, 3900

AUDITORS

Deloitte & Touche

Tel: +27 (0)31 560 7000

SHARE TRANSFER SECRETARIES

JSE Investor Services Proprietary Limited

One Exchange Square

Gwen Lane

Sandown

Sandton

2196

PO Box 4844

Johannesburg, 2000

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