Barloworld
Leading brands

Sustainable growth through transformation

Integrated Report

for the year ended 30 September 2021

A history built on enduring partnerships

Barloworld's history demonstrates how the company's strength is its ability to constantly evolve and change to ensure it remains resilient and continues to create sustainable value for its stakeholders.

Motor industry and affiliated businesses
OVER 50 YEARS OF PARTNERSHIPS IN THE AUTOMOTIVE INDUSTRY

Logistics

Mining industry

Various industries

Consumer goods
PART OF OUR DNA FOR OVER 100 YEARS

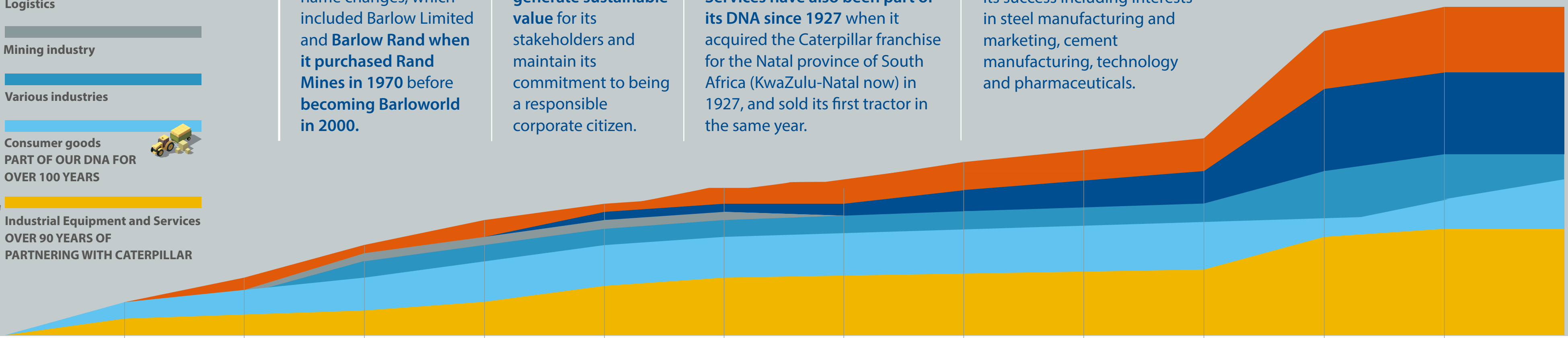
Industrial Equipment and Services
OVER 90 YEARS OF PARTNERING WITH CATERPILLAR

Since Thomas Barlow & Sons was formed in 1902 the business has gone through many transformations and name changes, which included Barlow Limited and **Barlow Rand when it purchased Rand Mines in 1970** before **becoming Barloworld in 2000.**

Like all businesses its fortunes have waxed and waned, but nearly **120 years later it continues to generate sustainable value** for its stakeholders and maintain its commitment to being a responsible corporate citizen.

Consumer services have been part of its DNA since it opened its doors as a supplier of consumer goods in 1902, nearly 120 years ago. **Industrial Equipment and Services have also been part of its DNA since 1927** when it acquired the Caterpillar franchise for the Natal province of South Africa (KwaZulu-Natal now) in 1927, and sold its first tractor in the same year.

The motor industry and logistics have also played an important part in its success, with a number of other industries contributing to its success including interests in steel manufacturing and marketing, cement manufacturing, technology and pharmaceuticals.



1902 – 1941
- Thomas Barlow & Sons
- CAT South Africa franchise 1927
- Listed on the JSE 1941

1959 – 1969
- Manufactured Kelvinator products and electrical appliances
- CAT Botswana 1964

1971 – 1978
- NMI Group acquired 1978
- Acquisition of Rand Mine Ltd – becomes Barlow Rand
- Develops strong manufacturing base in a variety of industries

1980 – 1982
- Imperial Cold Storage and Tiger Oats 1980 C.G Smith Sugar
- Further expansion into various industries in both USA and South Africa

1984
- JC Bibby UK Agriculture interests
- Lamson Finanzauto Iberia STET (Portugal)
- JC Bibby UK materials handling
- PPC retained after unbundling non-core assets

1989 – 1994
- Supplies CAT in Siberia 1994. CAT franchise for the rest of southern Africa
- Dealer network extended 1989
- Unbundling of Rand Mines, Reunert, etc

1999
- Unbundles and becomes Barlow Limited
- Distributes Perkins Engines

2000
- Invested in 26.3% of Avis South Africa
- Barlow Limited becomes Barloworld

2001
- Freightliner truck dealerships
- Protean labs
- Barloworld Logistics Division launched

2002
- Celebrates 75-year partnership with CAT
- Sets target of doubling value in four years

2003 – 2008
- CAT Siberia JV
- Acquires remaining shares in Avis SA
- Automotive BEE deal
- PPC and Coatings are unbundled. Coatings listed on JSE as Freeworld Coatings Limited

2010 – 2015
- 100% owner of VT in Russia
- Licence to operate Budget brand in southern Africa. Avis Leasing Tanzania acquired Avis Fleet Lesotho

2016 – 2021
- Ingrain acquired
- Equipment Mongolia
- Sold motor retail assets to NMI-DSM
- 75 years on the JSE
- Khula Sizwe B-BBEE empowerment transaction approved

Contents

Forward-looking statements

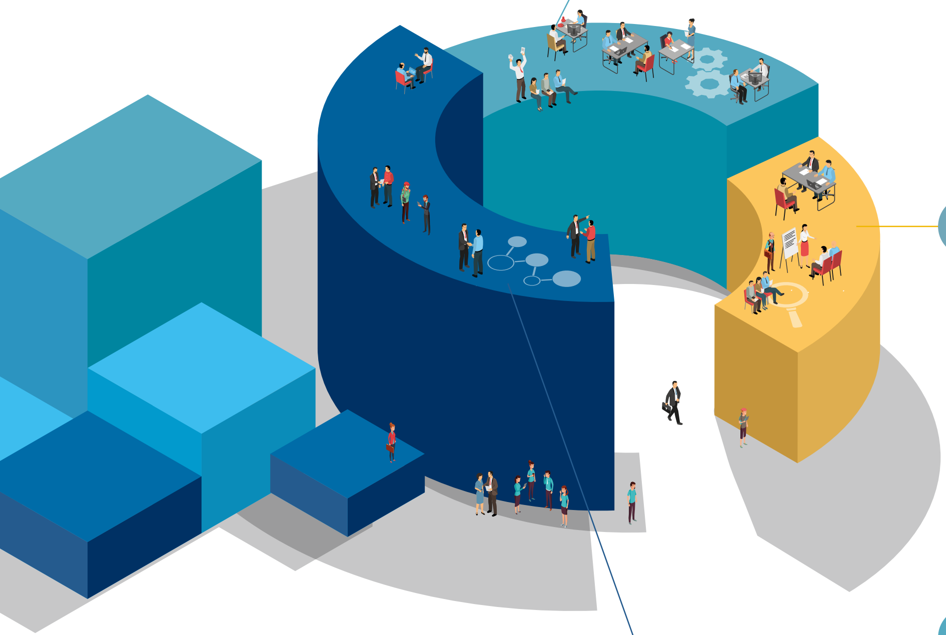
In this report, we may make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies taking into account, among other factors, the impact of the Covid-19 global pandemic on Barloworld. No reliance should be placed on such expectations, estimates and intentions expressed in such forward-looking statements, as they may change as a result of new information, future events or otherwise.

Navigating our report

This is an interactive report. Navigation tools are at the top right of each page.

Other icons used throughout the report

- Covid-19
- Reference to our website
- King IV™* Report on Corporate Governance for South Africa
- LA Limited Assurance over selected FY2021 non-financial indicators by PwC



1

Our purpose

To inspire a world of difference, enabling growth and progress in society

2

Our vision

We create enduring economic and social value for our stakeholders by building businesses that serve industrial customers.

3

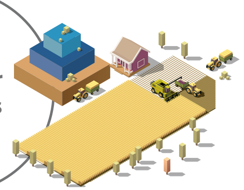
Our sustainability commitment

To be a responsible corporate delivering products, services and solutions that generate sustainable outcomes.

Industrial Equipment and Services

Our industrial equipment and services offer earthmoving equipment, industrial services and power systems that enable a large array of mining, construction and power solutions for our customers through deep relationships built on trust.

Consumer Industries



Through our Consumer Industries business we provide businesses with the ingredients essential to the manufacturing of, among others, food and beverages, paper, pharmaceuticals, building materials and adhesives.

Automotive

In a changing automotive world, our automotive products include car rental, fleet services, used vehicle and disposal solutions.

Introduction

About our report

This report is one of our primary communications with our stakeholders. It has been prepared with the aim of providing a balanced, transparent and integrated review of Barloworld's financial performance and our most material sustainability issues during the financial year 1 October 2020 to 30 September 2021.

Boundary and scope

Our integrated reporting boundary covers the risks, opportunities and outcomes arising from:

Our business strategy

Our business model

Our operating context

Material matters, risks and opportunities

Our stakeholder relationships

- Investor community
- Employees and unions
- Customers and suppliers
- Host communities
- Governments
- The media

Reporting boundary
This report provides an overview of Barloworld's strategy and business model, principal risks and opportunities, operational performance and governance practices for the financial year ended 30 September 2021. The information included in this report relates to our activities at group, business unit and joint venture level.

Combined assurance

We use a combined assurance model to ensure the information we provide and our underlying processes support the credibility and integrity of our reporting. This includes assurance obtained from management and from our internal and external assurance providers. This year, our joint auditors, Ernst & Young Inc and SNG Grant Thornton Inc, audited our consolidated annual financial statements (AFS) 2021, while PricewaterhouseCoopers Inc provided assurance on selected sustainability information in our integrated report 2021. The execution of our assurance plan and reporting is monitored by the audit and risk committee, which reports to the board quarterly and to shareholders annually. Financial, operating, compliance and risk management controls are assured and monitored by the internal audit function and overseen by the audit and risk committee.

Feedback

Your feedback is important to us and we welcome your input to enhance the quality of our reporting. Please send your comments to bawir@barloworld.com

Board approval

The Barloworld Board acknowledges its responsibility for ensuring the integrity of this integrated report. It has applied its collective mind to the preparation and presentation of this report and is of the opinion that our report is in accordance with the International Integrated Reporting Framework (<IR> Framework). The board has critically assessed the assurance obtained and is satisfied that the assurance in place results in an adequate and effective control environment, which supports the integrity of information used for internal decision-making by management, the board and its committees, as well as the integrity of the integrated report.

The board also considered materiality for the purposes of the integrated report and the effect that the presence or absence of an item of information might have on the accuracy or validity of a statement in the integrated report, or a decision by a stakeholder. Our overall objective with this integrated report is to provide information that could materially impact the group's ability to create value over the short, medium and long term. The board is of the view that, to the best of its knowledge and belief, our integrated reporting addresses matters material to our stakeholders' decision-making by explaining the impact of Barloworld's value creation process over time. It also takes into consideration Barloworld's impact on its stakeholders and the environment in which it operates.

Nolulamo Gwagwa
Chair

Dominic Sewela
Group Chief Executive Officer

Nopasika Lila
Group Finance Director

Neo Mokhesi
Lead independent director

Ngozi Edozien

Hester Hickey

Michael Lynch-Bell

Nomavuso Mnxasana

Hugh Molotsi

Peter Schmid

Determining our material matters

Our integrated report should provide current and prospective investors and other stakeholders with the information they need to make an informed assessment of Barloworld's ability to be resilient and adaptable to unanticipated challenges and also to create future enterprise value. To ensure we achieve this, the matters we identify as being most material to our ability to create enterprise value form the basis of our reporting.

The process, which is an integral part of integrated thinking in Barloworld, includes:

The materiality determination process

Assessing trends in our operating environment and our business context and the results of internal surveys we conducted during 2021

→ **Interviewing** our key external and internal stakeholders including shareholders, the Chair, the Group Chief Executive Officer (GCEO) and the Group Finance Director

→ **Evaluating** the resources we rely on in the form of the six capitals and any other factors material to short, medium and long-term enterprise value

The outcome

The outcome forms the basis of our reporting and provides our stakeholders with:

- material financial disclosure
- quantitative information on our material sustainability issues
- qualitative information on:
  - how we have addressed our stakeholders' needs
  - our governance
  - our strategy
  - the risk and opportunity management of our material sustainability factors.

Our material matters

- Strategy execution
- Capital allocation
- Health and safety
- Diversity and inclusion
- Customer relations
- Enduring partnerships
- Ethical and effective leadership
- Ability to adapt to the unanticipated impacts of Covid-19 and other unforeseen events, and to remain resilient
- Uncertain political and economic environment
- Stakeholder engagement
- Environmental stewardship
- Legislative and regulatory compliance across all geographies, including cybersecurity and customer privacy

Our reporting suite

For more information visit
www.barloworld.com/investors

Integrated report

Our integrated report, which covers the period 1 October 2020 to 30 September 2021 is our primary report to our stakeholders. Our aim with this report is to provide a balanced view of how the Barloworld Group has applied the critical resources and relationships (capitals) it relies on to create value during this period, as well as its prospects going forward.
www.barloworld.com/investors

Annual financial statements (AFS)
Our annual financial statements provide a comprehensive report of Barloworld's financial performance for the year.
www.barloworld.com/investors

Global Reporting Initiative (GRI) Index
Our GRI Index provides disclosure on key environmental, social and governance elements that could have a material impact on our performance and business if not managed effectively.
www.barloworld.com/investors

King IV application register
Our King IV application register provides a summary of our application of the 16 principles of King IV that are applicable to Barloworld.

Our reporting suite complies with the:

JSE Limited (JSE) Listings Requirements

Companies Act, 71 of 2008, as amended (Companies Act)

International Financial Reporting Standards (IFRS)

It applies the:

<IR> Framework, which provides principles-based guidance on the reporting structure and content, together with the **Sustainability Accounting Standards Board** (SASB), which provides industry-specific disclosure topics and metrics to assist with the understanding of sustainability risks and opportunities, following their merger to form the Value Reporting Foundation in June 2021.

King IV Report on Corporate Governance™* for South Africa 2016 (King IV)

Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard

Our business

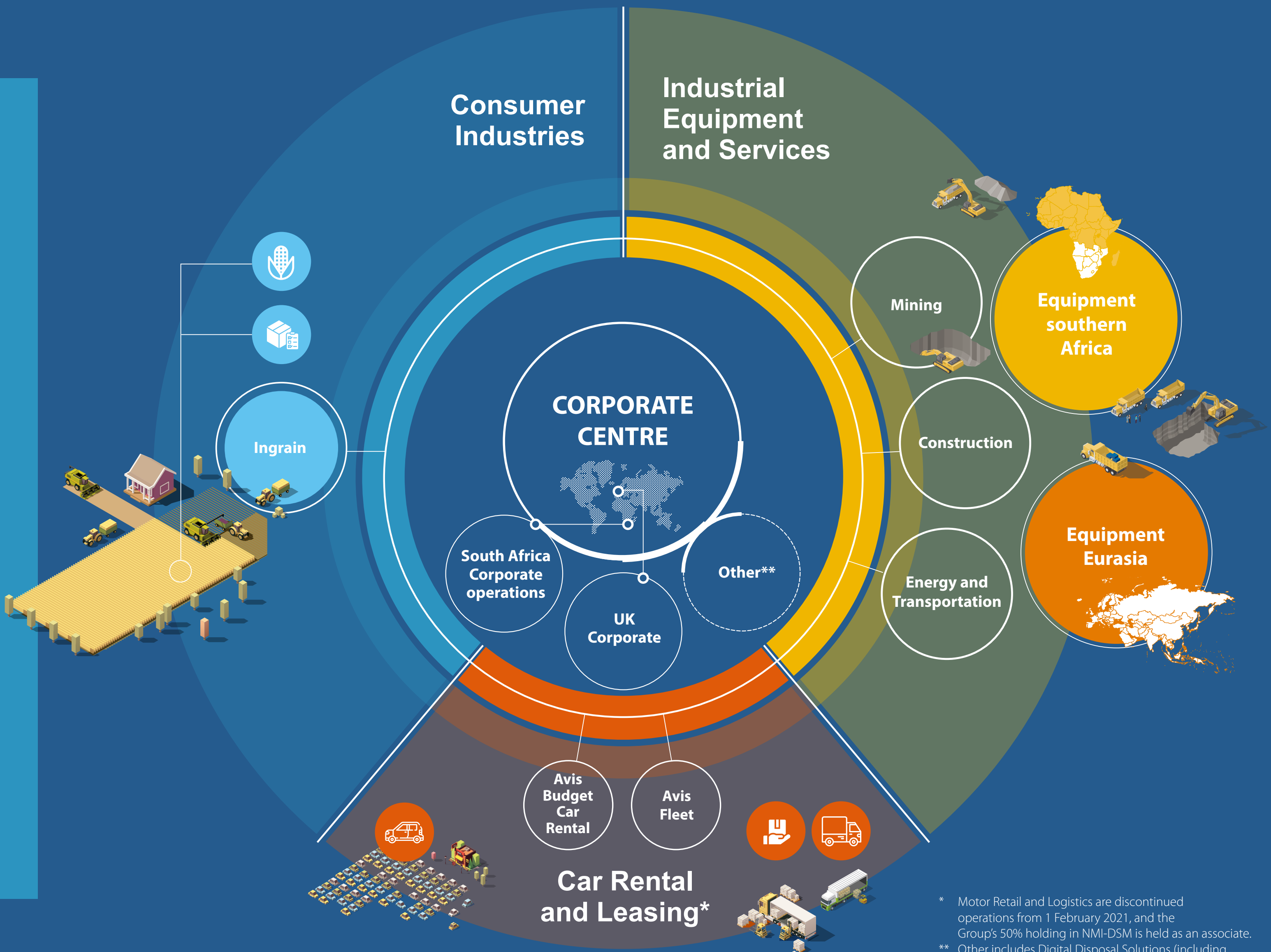
About Barloworld

Barloworld is an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions), with our remaining interests in the rapidly changing Automotive world focused on Car Rental and Leasing activities.

Industrial Equipment and Services offers earthmoving equipment, industrial services and power systems, which enable the operation and maintenance of a large array of mining, construction and power solutions for our customers, with whom we have built enduring relationships based on mutual trust

Consumer Industries provides large enterprises with the ingredients essential to the manufacturing of a range of products including food and beverages, paper, pharmaceuticals, building materials and adhesives, among others

Car Rental and Leasing remain our only Automotive businesses



* Motor Retail and Logistics are discontinued operations from 1 February 2021, and the Group's 50% holding in NMI-DSM is held as an associate.
** Other includes Digital Disposal Solutions (including SMD), Khula Sizwe, Handling and Corporate office.

Creating sustainable value

Creating sustainable value through our commitment to being a responsible corporate citizen delivering products, services and solutions that generate sustainable outcomes.

Our people

Our 7 998* talented employees working in Africa, Australia, Europe, Mongolia, Russia and the United Kingdom make it possible for Barloworld to deliver on its ambition.

Through our focus on a high-performance culture, recognising and rewarding winning behaviours, talent management, and diversity and inclusion, we are able to add value to our employees by providing them with growth opportunities and thus contribute to a more inclusive society.

By providing our employees with a wellness programme and taking steps to keep them safe during the Covid-19 pandemic, we are contributing to the quality of life of our employees and their families.

* Continuing operations

Our customers

Our relationships with our customers, who make it possible for us to achieve our ambition of delivering top quartile shareholder returns, are a key focus at Barloworld. It is our ambition to delight our customers by delivering products, services and solutions that generate sustainable outcomes for them.

Society

Through our commitment to driving economic inclusion by investing in our enterprise and supplier development programme, discretionary procurement from disadvantaged communities and building resilient communities, we are enabling growth and progress in society and contributing to UN SDGs 8 and 10.

Barloworld is also committed to protecting the internationally proclaimed human rights of its employees and the communities in which it operates.

Our shareholders

The financial capital our shareholders provide as well as our ability to maintain a strong balance sheet and reduce our operating costs, have made it possible for Barloworld to achieve acquisitive growth, a resilient performance and return value to shareholders in the form of increasing net asset value (NAV), dividends and share price.

Our partners

Through enduring, value-creating partnerships, some spanning over 90 years, Barloworld has been able to create sustainable value for both its shareholders and its partners.

Regulators

Barloworld complies with the legislation and regulations of the countries in which we operate. We recognise that regulation and good governance are key contributors to a healthy economy, which in turn contributes to the prosperity of all.

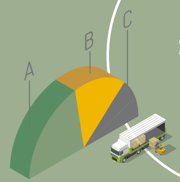
Governments

Through the taxes we pay and our investment in socio-economic development, we contribute to the economic and social development of the countries in which we operate. We engage with local and national government through organised business forums to shape the development of policies and regulations.

Progress against strategy

OUR AMBITION
Sustainably double the intrinsic value created every four years

Deliver top quartile shareholder returns	**Drive profitable growth**	**Instil a high-performance culture**
Sustainable development		



STRATEGIC LEVERS

A	B	C
Fix and optimise existing business portfolio to get to full potential or exit	**Active shareholder operating model** A key strategic enabler	**Acquisitive growth** in identified growth verticals – programmatic or bolt-on M&A

Barloworld is an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions).

Our strategy is based on a clear and ambitious outcome, which is to double the group's intrinsic value every four years. This means that we need to be forward-looking in how we approach our business. The group is actively pivoting its portfolio towards defensive, relatively asset light and cash generative industrial sectors, based on a business-to-business operating model.

As we strengthen our position in our chosen verticals, our strategic focus will remain using our strategic levers:

A Fix and optimise

In line with our focus on optimally deploying capital within the group, we exited our Motor Retail business during the period under review and are in the process of selling our Logistics businesses. We have also indicated we will exit our Car Rental and Leasing business in the medium term. Our focus will remain on reviewing and improving businesses with low operating performance and on implementing the identified disposal actions intended to simplify the group's portfolio.

B Active shareholder operating model

The role of our Corporate Centre remains one of an active shareholder operating model. This is a key component of our 'managing for value' model and centres on:

- setting strategy and driving transactions through a centralised mergers and acquisitions (M&A) function
- a centralised management team and the deployment of leadership and talent to the best suited opportunities within the group
- monitoring, measuring and rewarding performance that contributes to the achievement of the group's strategic priorities
- allocating organisational resources to support performance and deliver on strategy
- responsible corporate citizenship and ethical and effective leadership that ensure socio-economic and environmental outcomes that meet stakeholder expectations.

C Acquisitive growth and portfolio changes

We successfully executed two significant acquisitions in 2020, Equipment Mongolia and Ingrain. The integration of these acquisitions into the group is progressing well and both businesses are delivering ahead of our initial expectations. Our short-term priorities are to complete these integrations and extract further value.

Future acquisitive growth, in line with our identified strategic growth segments, will be considered once we have completed the remaining portfolio changes.

How we create value

This statement shows the total value created by the group for the year ended 30 September 2021 and how it was distributed. Unless specifically stated, the information presented is on a group basis (including continuing and discontinued operations).

TOTAL VALUE CREATED
R16.9bn

Revenue from continuing operations
R41.6bn

Revenue from discontinued operations
R12.3bn

	2021 Rm	2021 %	2020 Rm	2020 %
Revenue from continuing operations*	**41 553**		33 909	
Revenue from discontinued operations*	**12 285**		15 774	
Paid to suppliers for products and services	**(37 145)**		(38 071)	
Value added	**16 693**		11 612	
Income from investments^	**193**		127	
Total value created	**16 886**		**11 739**	
Value distribution				
Employees (note 1)	**7 786**	**46**	8 186	70
Capital providers:	**1 782**	**11**	2 401	20
Finance costs	**1 120**		1 274	
Dividends to Barloworld Limited shareholders	**656**		1 114	
Dividends to non-controlling interest in subsidiaries	**6**		13	
Government (note 2)	**2 920**	**17**	2 066	18
Communities (corporate social investment)	**16**		16	
Reinvested in the group to maintain and develop operations	**4 387**	**26**	(930)	(8)
Depreciation	**2 436**		2 661	
Retained profit/(loss)	**1 540**		(3 493)	
Deferred taxation	**412**		(98)	
	16 891	**100**	**11 739**	**100**

Value added ratios	2021	2021 %	2020	2020 %
Number of employees	**10 229** LA		12 905	
Revenue per employee (rand)#	**5 263 281**		3 511 037	
Value created per employee (rand)#	**1 651 281**		829 543	
Corporate social investment – % of profit after taxation, excluding exceptional items	**0.63%**		-3%	
Notes:	Rm		Rm	
1. Employees				
Salaries, wages, overtime payments, commissions, bonuses and allowances**	**7 105**		7 445	
Employer contributions+	**681**		741	
Total group	**7 786**		**8 186**	
2. Central and local government				
Current taxation	**1 277**		974	
Rates and taxes paid to local authorities	**51**		86	
Customs duties, import surcharges and excise taxes	**1 554**		973	
Skills development levy	**38**		32	
	2 920		**2 066**	

LA PwC Limited Assurance
^ Includes interest received, dividend income and share of associate companies' and joint ventures' retained profit
# Based on average number of employees
* FY2020 revenue was restated due to Logistics and Motor retail businesses being held as discontinued operations
** Represents the gross amounts paid to employees including taxes payable by the employees
+ In respect of pension funds, retirement annuities, provident funds, medical aid and insurance

Key features of our performance in FY2021

KEY
- Achieved/positive outcome
- Partially achieved
- Not achieved/negative outcome

Performance against strategy

Pivot our portfolio into more asset-light and defensive businesses

- Completed sale of Motor Retail
- Logistics disposal in progress
- Acquisition of Consumer Industries' asset Ingrain, and Equipment Mongolia which have contributed to growth

Strategy addresses portfolio simplification

Progress towards our clear and ambitious outcome of doubling the group's intrinsic value every four years

- EBITDA from continuing operations up 54.2%
- Significant increase in group HEPS to 1 195cps
- Business resilience protected from Covid-19 lockdowns by swift implementation of austerity measures
- 22.5% growth in revenue from continuing operations, mainly driven by acquisitive growth

Operating profit up 119%

Our ESG performance

ISS 1 ratings achieved for our Environmental Quality Score and our Social Quality Score

Environmental performance

- An MSCI A rating
- Constituent of the FTSE4Good Index
- Renewable energy (peak installed) of 1 205KW
- New efficiency improvement targets set for the next five years
- Voluntary participants in the CDP Climate Change and Water Security disclosures
  - C achieved for our CDP Climate Change disclosure
  - B achieved for our voluntary participation in the CDP water disclosure
- While high environmental impact of Ingrain has substantially increased our carbon footprint, it has efficiency measures in place, including five-year efficiency targets for both energy and water use
- The non-renewable energy intensity of our operations (including Ingrain) was 93.71GJ/Rm revenue (FY2020: 11.18GJ/Rm revenue

Social performance

- An average of R41.2 million invested per employee in training and development
- Overall winner of Women Empowerment in the Workplace – our Financial Director is a woman and so are two of our business unit CEOs
- 68% of our management team is black
- >40% of our employees are vaccinated
- Our group LTIFR for the year under review is 0.36 (FY2020: 0.38)
- Our Siyakhula ESG programme contributed to wealth building for the 111 beneficiaries of the programme, of which 39% are black female-owned and 93% are EMEs
- 50% of our CSI spend in FY2021 was on health and welfare initiatives including addressing food security
- 19 social entrepreneur cohorts benefited from our Mbewu economic sustainability and transformation programme

Governance

- Our board is chaired by a woman who is an independent non-executive director
- 80% of our board members our independent non-executive directors
- 60% of our board members are black South Africans and 70% of our board members are African
- During the year under review the changes we made to the board subcommittees included disbanding the sustainability and risk committee and integrating risk monitoring and oversight into the audit and risk committee, while the social, ethics and transformation committee continues to monitor social, sustainability and transformation matters (the terms of reference of these committees are available on our website)

Our business model

Our business model and strategy are designed to ensure we can deliver on our purpose, which guides the decisions we make, how we behave as a business, enables growth, and also creates value for our stakeholders and progress in society. Our interaction with the resources and relationships on which our business model depends determines how successful we are at creating, or preserving value over time. These include factors within our control and beyond our control. They also present us with risks and opportunities that have both a negative and positive effect on our ability to deliver value during the year under review.

Input availability

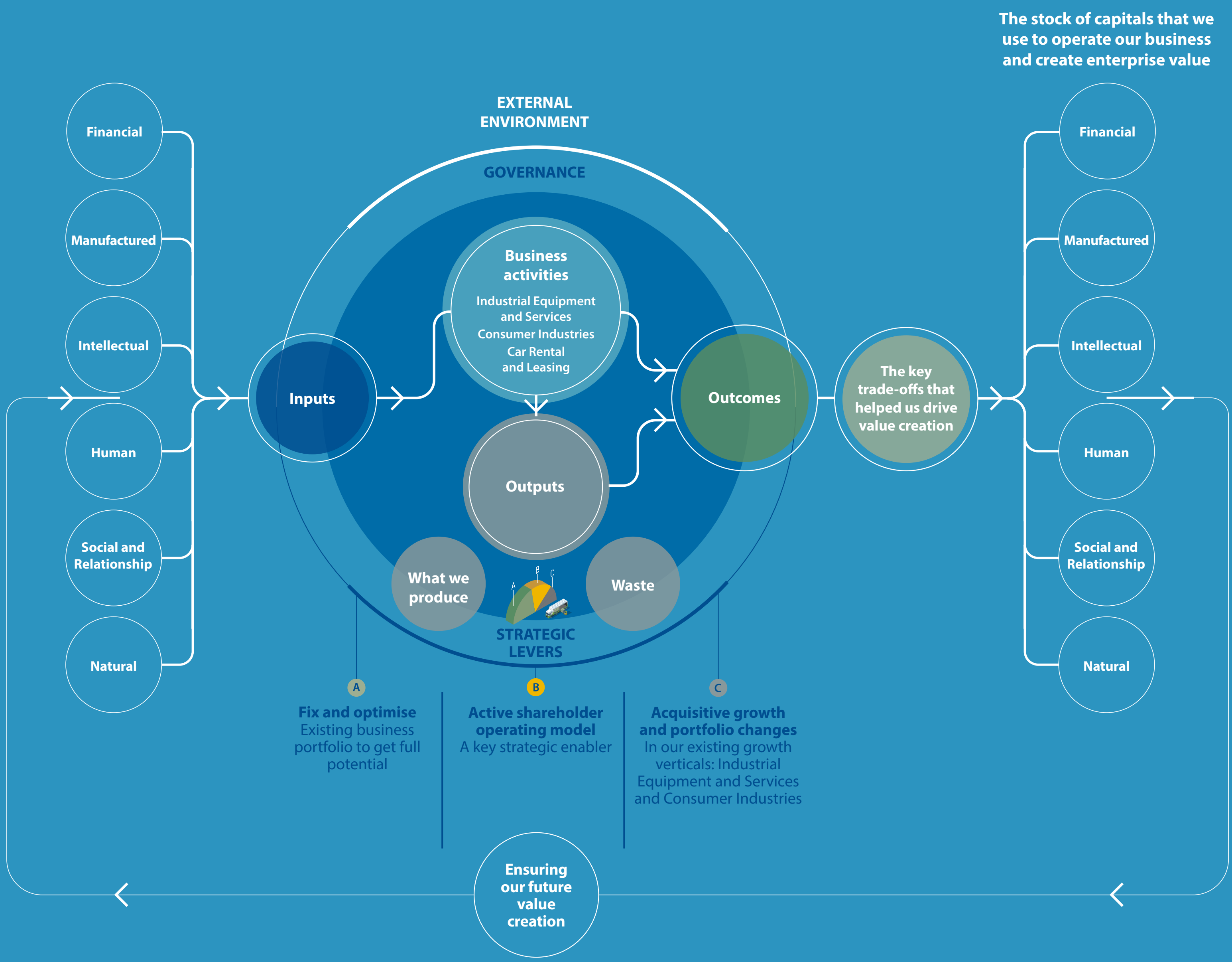
The availability, quality and affordability of the capital inputs into our business model on which we depended on 1 October 2020 were the result of the outcomes we had achieved by 30 September 2020, as well as the financial capital available to us in the form of debt facilities and cash flow generated by our operations during 2021.

Factors we can control:

- Asset management
- Relationships with our stakeholders
- Operational efficiencies
- Effective resource allocation
- Effective governance and compliance

Factors we cannot control:

- Covid-related restrictions and impacts
- Exchange rate volatility
- Impact of the market on sales
- Supply chain challenges
- Macroeconomic environment



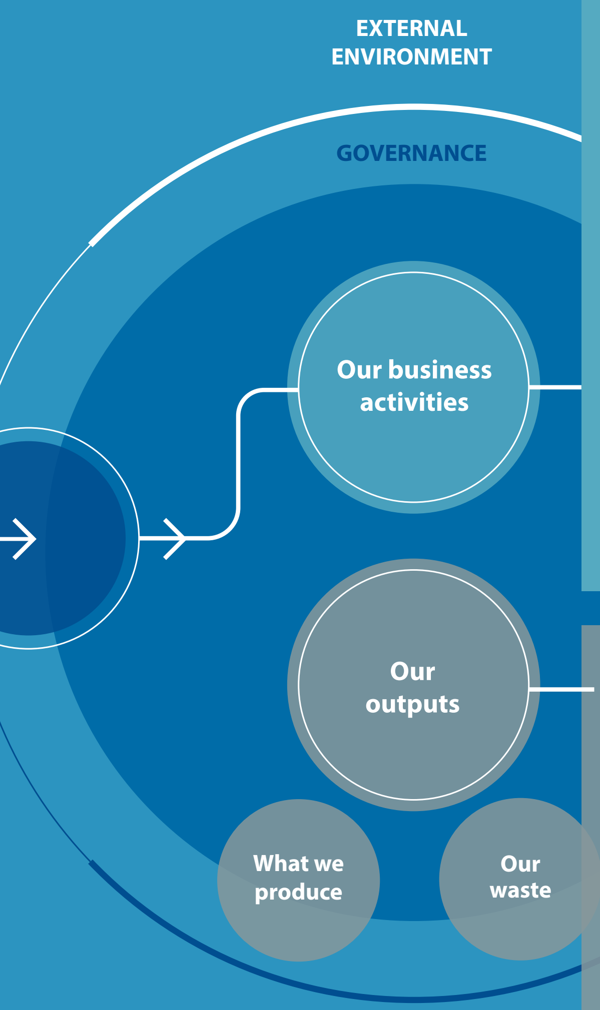
Our capitals

- Financial
- Manufactured
- Intellectual
- Human
- Social and Relationship
- Natural

Our inputs

Financial capital	• R2.3 billion net debt • Free cash generated during the year of R2.2 billion (inclusive of acquisition and disposals), R6.6 billion (exclusive of acquisition and disposals)
Manufactured capital	• Technical capability • Industrial Equipment and Services' global facilities • Ingrain manufacturing plants and infrastructure
Intellectual capital	• The intellectual property and organisational knowledge that differentiates us from our competitors • Our brand and reputation • Robust governance structures and risk and opportunity management • Company culture • Innovative thinking regarding application of technology and automation to achieve increased efficiencies
Human capital	• Workforce of 10 229[LA] people (in the group, including discontinued operations) • The skills, experience and specialist knowledge of our employees • Our investment in the development of our employees • Future skills pipeline through apprenticeships, internships and learnerships • Progress with the transformation of our workforce • Effective entrepreneurial leadership • Diverse, skilled and experienced board
Social and relationship capital	• Value added through collaborative relationships established through extensive engagement with our key stakeholders • Contribution to sustainability of the communities in which we operate through investment in enterprise and supplier development, local procurement and efforts to sustain jobs during Covid-19
Natural capital	• C score for CDP Climate Change disclosure in 2021 • B score for CDP Water Security disclosure in 2021 • Updated climate change strategy • Efficient use of water and energy driven by energy and water efficiency improvement targets • Focus on minimising waste minimisation, recycling, responsible disposal and extended product life cycles

LA PwC Limited Assurance



Our business activities

Barloworld's business model, which has a business-to-business focus on geographically diversified, relatively asset-light and cash generative business units, Industrial Equipment and Services and Consumer Industries, where Ingrain has the competitive advantage of being the sole manufacturer of starch and glucose in South Africa.

Industrial Equipment and Services

Business-to-business sales, servicing, rebuilding and salvaging of earthmoving equipment, industrial services and power systems that enable a large variety of mining, construction and power solutions for our customers in the mining, construction, energy and transportation sectors. Our activities currently include innovative products to reduce GHG emissions in Africa and Eurasia.

Consumer Industries

Supplies major local and multinational customers in key sectors with ingredients essential for manufacturing food, beverages, paper, pharmaceuticals, building material and adhesives, among others.

Acting responsibly

Monitoring the ESG-related impacts of our business activities.

Our outputs

What we produce

Industrial Equipment and Services
Starch and glucose products

Waste

Recycled waste: 87% of liquid waste recycled and 91% of solid waste recycled

GHG emissions: Group including Logistics and Ingrain produced 593 923tCO_2e (FY2020: 194 931tCO_2e)

Our outcomes

Our outcomes

Financial capital

- R53.8 billion in revenue (including discontinued operations)
- Group headline earnings of 1 195 cents per share
- Total dividend of R17.87 per share
- 11.3% ROIC

Manufactured capital

- R3.22 billion order book for Equipment southern Africa
- USD224 million in firm orders for Eurasia
- Equipment business units well placed to take advantage of aftermarket capabilities
- 8.7% increase in Ingrain's domestic sales volumes year on year
- 8.2% in Ingrain sales growth in powdered glucose and 1.3% growth in modified starches

Intellectual capital

- Adoption of Barloworld Business System's holistic business management system throughout the group supporting the achievement of business excellence
- Value in our brand and reputation
- Robust governance

Human capital

- Workforce of 10 229[LA] people (in the group, including discontinued operations)
- R34 million invested in employee development
- R29 million invested in future skills pipeline
- Overall winner of Women Empowerment in the Workplace
- 60% of our board members are women
- 70% of our board members are black
- 71% of our exco members are black and 43% are women

Social and relationship capital

- 50% of CSI committed to health and welfare support
- 111 beneficiaries of Siyakhula ESD programme include emerging miners and emerging farmers, salary support provided for those in need during Covid-19
- 29 social entrepreneurs, trained and funded by the Mbewu programme, achieved scalability and established sustainable income streams
- Our enduring partnership with Caterpillar creates value for our stakeholders

Natural capital

- An MSCI A rating
- Constituent of the FTSE4Good Index
- Renewable energy of 1 205kW (peak) installed reducing consumption of non-renewable energy
- Operational level efficiency intensities identified for key Environmental performance indicators

[LA] PwC Limited Assurance

Trade-offs to create sustainable value

Trade-offs to create sustainable value

To continue creating sustainable enterprise value through relatively asset light and cash generative businesses we invested in two acquisitions, Equipment Mongolia and Ingrain. To acquire Ingrain we needed to incur R5.3 billion in debt. However, Equipment Mongolia and Ingrain have already contributed R823 million in operating profit during the year under review.

To ensure the optimal deployment of capital within our group, we exited our Motor Retail business during the period under review and are in the process of selling our Logistics business. We have also indicated our intention to exit Car Rental and Leasing.

Value created, maintained or eroded

- Financial ↑
- Manufactured ↑
- Intellectual ↑
- Human –
- Social and Relationship ↑
- Natural ↓

The role of the Barloworld Business System in creating value

To facilitate the effective execution of our group strategy and our ability to create sustainable value for our stakeholders we developed the Barloworld Business System (BBS). The purpose of BBS is to achieve a **leadership style and culture that speaks the same language, is based on respect for people, society and the environment, and continuous improvement so that we deliver the value our customers require.**

Our customers – We are committed to finding new ways to make our Customers successful by delivering excellence every day.

Engaged employees – Involving the entire organisation in raising and solving problems for the betterment of Customers, Employees, Shareholders and Suppliers through inspired and engaged people and teams.

Leadership – Developing leaders to enhance and support the transformation through coaching and mentoring and deep learning experiences.

Culture – Driving, leading, and fostering a culture of problem solving, mutual respect, high-performance, learning, and servant leadership.

Business Excellence – Creating and deploying a holistic business management system that integrates the deployment of our strategy to all levels of the organisation – to turn strategy into action – with daily problem solving and end-to-end process improvement, finding new ways to work to add value to the customer, and developing the transformational leaders of the organisation. All focused on serving our customers in the best way we can, and creating valued, enduring and endearing stakeholder experiences.

Digital – We live in a digital world and that we need to embrace and embed technology to deliver excellence in all we do.

Innovation – Finding and implementing the true breakthroughs and business models that will transform Barloworld.

> Leader Standard Work, when implemented properly, is one of the best ways to change culture

Group Chief Executive Officer
Dominic Sewela

What winning looks like through BBS tools, techniques and methodology:

Group strategy deployment aligns strategy from the C-suite to the frontline and keeps the executive team focused on:

- Achieving breakthrough objectives:
  - Creating a zero-harm culture
  - Doubling intrinsic value
  - High free cash conversion relative to EBITDA
  - Achieving selective market share growth
  - Achieving diversity and inclusion targets
- Implementing the strategic initiatives – using problem solving A3 Thinking – required to achieve the breakthrough objectives of:
  - Group Safety
  - Transformational Leadership
  - Group Portfolio Strategy
  - Wellness
- Enhancing the effectiveness of our managers so that they can become coaches and enablers of our people and create a high-performance, learning organisation. Barloworld implemented Leader Standard Work to foster engagement, problem solving and value creation across the enterprise.

69%
of problems raised have been solved

- The roll-out of Managing for Daily Improvement (MDI) has resulted in over 80% of the Barloworld population being involved in daily improvement huddles in their teams to raise over 19 900 problems, of which 69% have been solved. This has had a positive effect on team morale and employees feeling empowered that they can have a positive effect on how they are able to improve their work and serve customers effectively and efficiently.
- Project Studios or Obeya used to effectively manage complex projects and initiatives – particularly at group level where there is cross-divisional and cross-functional collaboration – in the least-waste way. This methodology has assisted in ensuring that mergers, acquisitions and disposals are delivered in a cost-effective manner and has helped in the efficient co-ordination of key Group Finance projects.

Equipment southern Africa – value creation highlights

BOTSWANA, MOZAMBIQUE AND ZAMBIA

A problem-solving plan was developed for these regions, targeting improved profitability. As previously reported, return on invested capital for these regions in the past was below hurdle rate, however, in FY2021 all the regions achieved ROIC above 13%. The daily improvement huddles are progressing well and facilitating effective cross-functional collaboration in problem solving.

AFTERMARKET

The Project Studio (Obeya) and daily improvement huddles worked effectively in focusing the team on excellence in services growth execution.

WORKING CAPITAL

The deployment of BBS tools in the order-to-cash cycle and inventory management resulted in reduced debtors days and improved stock turns.

In summary, 99% of all our brand champions are huddling on a regular basis, and report into scheduled Information Centre meetings. In the past three years since the implementation of the BBS transformation journey, Barloworld Equipment has managed to achieve in excess of 6 times return on investment on external Business Excellence consultants.

END-TO-END CUSTOMER AND SUPPLIER FOCUSED VSA WAS LAUNCHED

SMD

- Under difficult circumstances and the establishment of a new SMD management team, SMD continues on the BBS journey at an accelerated pace, with MDI established across the organisation to engage leaders and team members in collaborative problem-solving and value creation daily.
- Further, an end-to-end customer and supplier focused VSA was launched in August 2021, with some rapid improvement events (RIEs) focused on: realising value by reducing stock greater than six months old through the Stock Management RIE; and improving delivery turnaround times through the Registration Documents RIE. Upcoming RIEs include the Supplier Experience RIE and the Customer Experience RIE.

MANAGING FOR DAILY IMPROVEMENT [MDI] WAS INTRODUCED

Ingrain

- Following the acquisition of Ingrain, the Ingrain Integration Project Studio or Obeya was used to integrate the business effectively and efficiently into Barloworld through a mechanism that enhanced teamwork and collaboration across several workstreams made up of individuals from both organisations.
- Managing for Daily Improvement [MDI] was introduced to the Meyerton mill in February 2021 and to the Kliprivier mill a few months later, resulting in improvements in communication, collaboration, teamwork and problem solving, with incremental non-financial and financial benefits in certain areas and improved workflows.
- An end-to-end VSA to identify opportunities to improve Overall Equipment Effectiveness (OEE) and remove wasteful processes was conducted at the Kliprivier mill and some early-stage problem-solving events are showing promising results.

29% OF TEAM MEMBERS REGULARLY ACHIEVING A MILLION RAND PER MONTH SALES

Avis Budget Rental and Leasing (ABRL)

- Through Managing for Daily Improvement (MDI) the following improvements have been achieved at ABRL, which are scalable and repeatable: an improvement from the internal sales call centre in the lowest performing team from 29% of team members regularly achieving a million rand per month sales to 75% of the team consistently reaching the million mark, thus catapulting the team into the high-performers "Millionaire's Club"; a marked reduction in the defects and backlog experienced by one of the accounts payable teams, resulting in an over 60% reduction in duplicate invoices, lead time and backlog, as well as a 50% improvement in their daily output of invoices; and the team at O.R. Tambo International Airport identified and implemented cost savings opportunities by eliminating wasteful paper-based processes, duplication of effort, data errors, incorrect billing and missing information that negatively impacts employee and customer experiences.
- Through value stream improvement and improvement events, the ABRL team achieved an improvement in trading profit in excess of R20 million, under very challenging trading conditions and a relatively new management team.

Equipment Eurasia

- Starting in Equipment Russia, the deployment of MDI has spread to the Mongolian business, as well as the UK office. The teams at Equipment Eurasia had raised over 2 400 problems, of which 75% had already been solved and the remaining 25% are in the process of being solved.

Our external operating environment

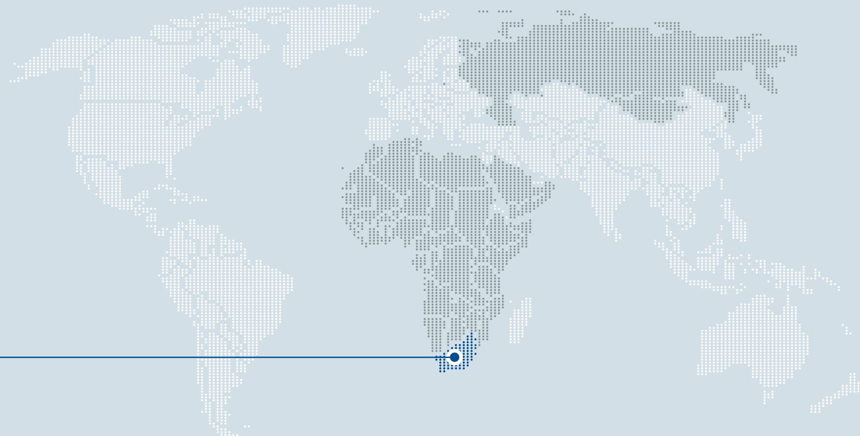
The impact of Covid-19 on global markets and industries has resulted in supply chain constraints, logistical issues and product shortages globally. The countries and some of the industries we operate in have been adversely affected by the aftermath of the pandemic. Locally, the year was also characterised by political uncertainty, industrial action and violent protests.

Our strategic ambition to double the group's intrinsic value every four years regardless of the external factors influencing our operating environment requires a forward-looking approach, agility and a focus on business efficiency. Our strategy, and Barloworld management's swift reaction to the potential impact of Covid-19 lockdowns paid off and is starting to yield results. Certain market forces have also provided profitable opportunities for some of Barloworld's business units and has confirmed that our decision to focus on asset light, cash generative businesses has positioned the group well to achieve its strategic ambition.

The World Bank forecasts that global GDP growth should recover to 4% in 2021, moderating to 3.8% in 2022. However, the continued disruption from the ongoing pandemic means that uncertainty prevails.

South Africa

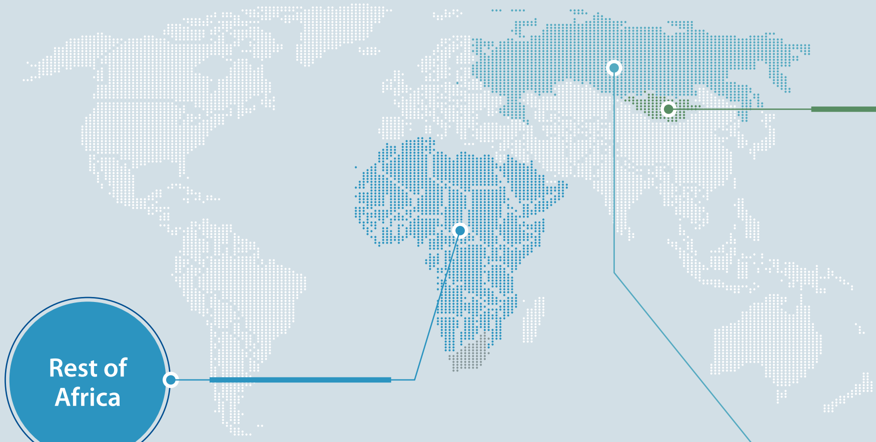
The positive growth South Africa recorded in Q3 and Q4 2020 was not enough to offset the impact of Covid-19 in Q2 2020 when lockdown restrictions were most stringent. Economic activity for the entire year decreased by 7.0% in 2020. Consumer inflation continues its upward trend, mainly driven by the cost of transport, food, non-alcoholic beverages, housing and utilities. Annual fuel inflation has been consistently higher than headline inflation since April 2021, resulting in a slight increase in public transport costs during September 2021, with a 16.2% jump in the prices of car rental over the same period.



The South African economy recorded its fourth consecutive quarter of growth, expanding by 1.2% in Q2 of 2021, subsequent to a revised 1.0% rise in real GDP in the first quarter. Despite these gains, the economy is still 1.4% smaller than pre-Covid levels. The slow rollout of Covid-19 vaccinations has the potential to hamper any further GDP expansion, despite government efforts to increase uptake.

Increased economic activity related to agriculture, transport and communications resulted in these sectors recording the highest growth rate of 6.9% for Q2 2021. The value of mining exports increased strongly in the second quarter of 2021, boosted especially by platinum group metals, benefiting from the international supply chain pressures, which caused a strong surge in commodity prices. Our Industrial Equipment and Services business units are benefiting from the commodity demands. Manufacturing, vehicles and other transport, equipment and agricultural exports also increased over this period, but gains are expected to be impacted by the introduction of severe levels of loadshedding by the country's state-owned power utility. Ingrain, our Consumer Industries business unit, has benefited from the international maize price, which encouraged increased production in South Africa.

The economic impact of severe economic disruption, protest action and violence in KwaZulu-Natal and Gauteng in July, followed by a cyber breach bringing the ports of South Africa to a standstill, is only expected to reflect in the Q3 GDP data due in December 2021. Expectations of a positive macroeconomic outlook appears to have been countered by the Reserve Bank's November announcement of its first interest rate hike in three years, while the anticipated surge in tourism and hospitality over the festive period is dwindling due to renewed travel bans introduced, following the identification of the Omicron Covid-19 variant.



Rest of Africa

According to the African Development Bank, the Angolan economy's main risk is associated with low oil prices; however, if the oil price recovery persists, the budget deficit could narrow to 2.2% of GDP activity, with further expansions in 2022 and 2023.

The Zambian economy is expected to gradually recover, underpinned by activity the mining, tourism and manufacturing sectors. The commissioning of a new hydropower station and a return to normal rainfall patterns are expected to support growth in agriculture and electricity production. The recovery in international demand and the copper price are positive developments, while a reduction in Covid-19 cases will boost activity both in manufacturing and tourism.

Similarly, the outlook for the DRC for 2021 and 2022 is favorable if the pandemic can be brought under control and global demand recovers. Real GDP is expected to grow by 3.3% in 2021 and 4.5% in 2022, driven by higher prices for major mining products, such as copper, associated with a recovery in both consumption and investment.

Botswana expects economic growth of 9.7% in 2021, assisted by higher diamond sales and a recent rebasing of GDP accounts, with most major rating agencies positively revising their outlook for the country.

Mongolia

Mongolia's economic growth rebounded in the first half of 2021 on the back of robust exports and a surge in private investment, mainly in the mining sector, supported by stronger Chinese demand for commodities and higher commodity prices. Government's relief and stimulus measures translated into higher credit growth, increased investment, and supported domestic demand, countered by lockdown restrictions introduced in May 2021 and the disruptions in the supply of imported inputs and commodity exports. Equipment Mongolia is benefiting from the increase in mining activity.

Russia

Employment in Russia is still below pre-pandemic levels, however, the labour market started showing signs of improvement towards the end of 2020. Global economic recovery, higher oil prices, an increase in mining activities, and soft domestic monetary conditions in 2021 are expected to support a recovery in the GDP growth of Russia.

Despite the uncertainty that prevails Barloworld believes it is well-positioned to achieve its strategic ambitions.

Risk intelligence and resilience

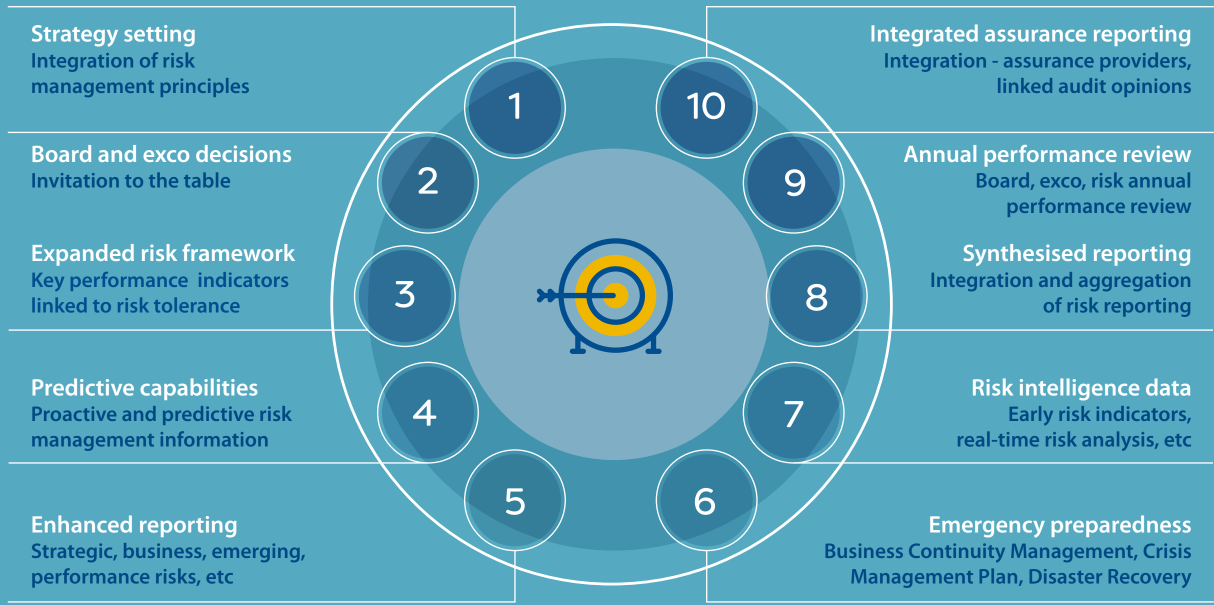
Alongside sustainability, Barloworld's risk aspiration is to deliver a risk-intelligent and resilient organisation.

Risk intelligence
means having the ability to:

- think holistically about risk and uncertainty
- identify the right risks for reward (managing threats and capitalising on opportunities)
- speak a common risk language
- use forward-thinking risk concepts and tools to make better decisions
- create lasting value and ensure sustainability
- continuously learn.

Resilience
means having the ability to:

- anticipate, identify and adapt rapidly to threats, vulnerabilities and opportunities
- operate under stress without failure for extended periods of time
- respond rapidly to contain the impact (i.e. severity/duration) of an incident/threat
- recover rapidly in a coordinated manner
- evolve to a higher state of resilience in response to changes in the environment, near misses and incidents through organisational learning.



This aspiration requires that Barloworld continues pursuing a risk maturity level 5.
This is with an understanding that the levels of risk maturity are rated as:

It is also understood that the associated and requisite investment will be deployed to ensure the balance against additional value that will be derived from pursuing level 5.

Risk Management Framework

Our Risk Management Framework aids decision-making.

We don't intend to eliminate all risk, rather we want our risk portfolio to be one that maximises opportunities and minimises adversity.

Our risk management, in line with King IV, ISO and, where appropriate, international codes of best practice, is aimed at enhancing value for our stakeholders and ensuring the efficient application of our Risk Management Framework.

Our Risk Management Framework has progressed whereby risk is embedded in our strategy setting and results in a strong governance framework.

Risk Management Framework	Resulting in	Risk governance framework
Risk-resilient culture Risk-resilient strategy and appetite Risk-resilient governance (policy/framework/plan)	Oversight Tone from the top	Board of directors Audit and risk committee
Risk-resilient operating model Risk-resilient maturity and reporting Accountability management	Operations People, process, products and services	Group Executive committee Head: Group Risk and Insurance Divisional management committees Divisional risk managers
Stakeholder analysis Environmental scanning Risk identification Risk assessment Risk treatment Risk monitoring Risk reporting Business continuity management Crisis management Disaster recovery	Risk process (ISO and King IV)	M&A department Finance department Human capital department Legal and compliance department Risk and insurance department Corporate affairs department Investor relations department Sustainability department

We also view risk as leveraging opportunities.

Aspiration of delivering a risk-intelligent and resilient organisation.

Additional focus on our risk-bearing capacity and the quality of our control environment for all business risks.

The Barloworld risk universe

The responsibility for monitoring and providing oversight of the management of risks is assigned to the management committee of each business unit. The risks are then considered at a group level through the reporting, monitoring and review processes of the audit and risk committee. Risk registers are tabled at each business unit and subsidiary board meeting under the categories defined by the Barloworld risk universe.

The **Barloworld risk universe** is a depository of all the Barloworld risks, including both current and emerging risks. The depository of our risks is defined by three core categories (external risk, internal risk and behavioural risk) and classed into 15 sub-categories.

External risk categories

- Regulatory/legislative
- Economic
- Socio-political
- Environmental

Internal risk categories

- Occupational health and safety
- Strategic
- Operations
- Financial
- Legal and compliance
- Human capital
- Technology

Behavioural risk categories

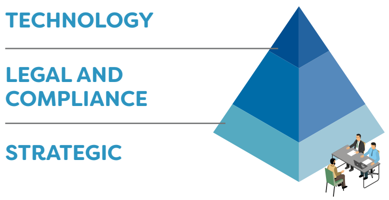
- Governance
- Ethics
- Reputation management
- Innovation and agility

Our risk universe provides the group with a wide lens of all our risks while the risk sources assist in bringing into focus those risks that may be blind spots for the organisation and that may require a more focused approach when performing high-level risk assessments. Ultimately, this ensures that all risks are noted, and that action plans are developed, monitored and discussed to reduce the risks to an acceptable residual risk level. From the risk evaluation in the risk register, significant risks are reported to the audit and risk committee, which in turn reports these risks to the board. The board is accountable for effective risk management with the guidance of the group risk and insurance officer.

The 15 sub-risk categories form the basis of risk management for Barloworld, with the top risks having evolved from one year to the next with resilience taking the forefront following the residual impacts of the Covid-19 pandemic. The risk profile is prepared with the 15 risk sub-categories forming the basis, and using the top 20 risks from each business unit as of 30 September 2021 to arrive at a group-wide view. It then segments the risks into risk categories and maps them against the group risk-bearing capacity to arrive at a heat map that easily identifies the top risk in each category with those in breach of the group risk-bearing capacity being reported to the board of directors.

Risk profile

For the financial year ended 30 September 2021, the group risk profile identified the following categories as focus areas for 2022:

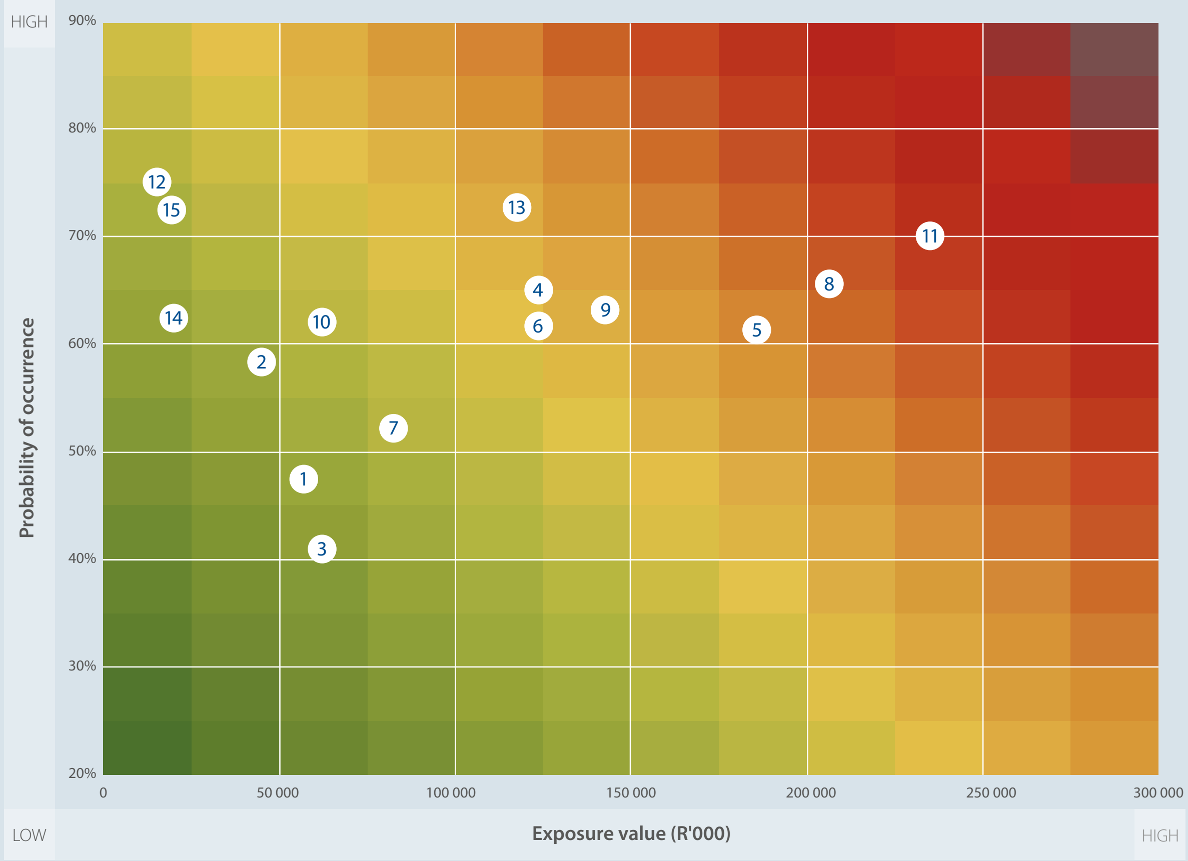


The executives leading the business functions for which the above categories belong have provided robust business continuity management (BCM) plans, which provide insight and assurance to the group on the ongoing management of the risk categories in breach as well as a framework of the scenario planning and the effectiveness of the plans in a live scenario.

Barloworld Risk Profile

Risk #	Exposure	Probability 2021	Probability 2020	Value movement
1	Regulatory/Legislative	48%	59%	↓
2	Economic	58%	60%	↓
3	Environmental	41%	8%	↓
4	Socio-political	65%	63%	↓
5	Strategic	61%	38%	↑
6	Operations	62%	77%	↓
7	Financial	52%	60%	↓
8	Legal and compliance	66%	59%	↑

Risk #	Exposure	Probability 2021	Probability 2020	Value movement
9	Health and safety	63%	95%	↓
10	Human capital	62%	55%	↓
11	Technology	70%	82%	↓
12	Governance	75%	59%	↓
13	Ethics	73%	66%	↓
14	Reputation management	63%	34%	↓
15	Innovation and agility	73%	55%	↓



The risk profile above show that the group risks are managed to below the risk-bearing capacity for the current financial year, and while the average expected probabilities seem to be higher, they are accompanied by a marginally lower severity.

Risk assurance

Risk assurance

Our risk profile is guided by the controls we put in place to ensure that while we embrace risk at Barloworld, we give the board assurance that the quality of our control environment is effective and continually improving. As such, two levers are deployed to provide this level of assurance:

Business continuity management

Where the control environment is less than effective, we deploy a BCM plan to manage and monitor the risk. This is to ensure that we are well prepared for the eventuality of the risk maturing and coming into being and enabling probable scenarios that can be tested and the resultant effectiveness probed.

The board is ultimately responsible for effective control through its committee structure and approved policies, supported by management operating procedures and the collaborative risk, compliance and internal audit functions. Best governance practice and management requirements promote the implementation of control measures and reporting mechanisms.

Risk-based audits

Barloworld also supports the alignment of management's obligations underpinned by a combined assurance approach to support the positive statement over the internal financial controls (IFC), subsequent to the anticipated implementation of these control activities.

The adoption of these activities will promote the assurance over key financial controls and include:

- determining materiality to scope the IFC efforts correctly
- determining the coverage and scope based on the identification of key accounts and sub-accounts
- considering the key control activities in terms of the assurances provided through combined assurance and in terms of an appropriate control framework
- management approving the appropriate level of testing of the internal financial controls (IFC) to support a positive statement.

The risk-based audit outcome report should include all assurance activities.

In addition, Barloworld has developed a combined assurance framework, which aims to coordinate assurance activities across the business and provide reasonable assurance as to the integrity of the financial and regulatory reporting of the group. This provides assurance that key risks are identified and managed appropriately and that the group's main governance systems are suitably designed and operating effectively.

The activities coordinated via the Combined Assurance Framework include:

- line functions, which own and manage risk, compliance and control activities at that level
- specialist functions that oversee risk and compliance
- independent assurance activities such as those performed by Internal Audit
- various oversight committees
- independent external service providers including external auditors
- other specialists engaged for specific assurance purposes, where appropriate.

Based on its own monitoring and oversight, and assurance obtained from management, Group Risk, Compliance and Internal Audit, the board is of the view that an effective IFC environment exists to support the integrity of the integrated report.

Emerging risk management

Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of our strategic objectives. In order to seize market opportunities and leverage the potential for success, risk must be accepted to a reasonable degree. Therefore, risk management is an integral component of our corporate governance structures.

Due to the fact that emerging risks are marked by a high degree of uncertainty such that even basic information is often lacking, which would help to adequately assess the frequency and severity of a given risk, we mark our risks according to proximity and velocity. These are the two metrics that assist us in evaluating when an emerging risk is likely to come to fruition, coupled with the understanding that when it does come to fruition, what the size of its impact would be.

Our stakeholder relationships

The purpose of our stakeholder management is to deliver value for stakeholders and contribute meaningfully to the societies in which we operate. Our ongoing engagement with each group of stakeholders is designed to address their needs and expectations.

Our approach

We adopt a consultative approach to stakeholder engagement, with the aim of developing and achieving an accountable and strategic response. We consider stakeholder trust and confidence in our group to be fundamental to the sustainability of our business.

Our approach to engagement

While our approach to engagement has always included our corporate website, our interim and annual reporting, electronic announcements, which include the Stock Exchange News Service (SENS), previously we focused on one-on-one, face-to-face engagements with our key stakeholders and roadshows whenever possible. The Covid-19 pandemic changed this with online electronic engagement becoming the norm. Hopefully, we will start to see a return to face-to-face engagement in the near future.

Materiality

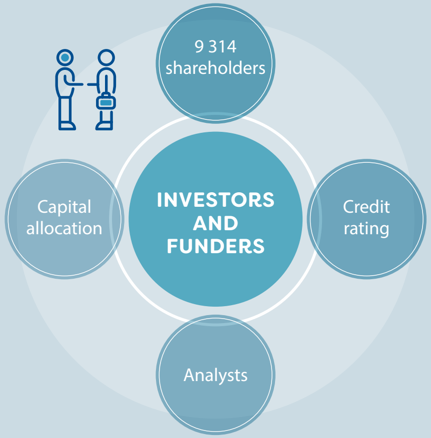
Through an annual consultation process with our stakeholders, both internal and external, we determine what is material with regard to the needs and expectations of both the group and its stakeholders. Recent events, including the Covid-19 pandemic, have resulted in changing stakeholder expectations placing an increasing focus on expectations around the social roles of corporates and a broader approach to shared value, which require addressing through our role as a responsible corporate citizen.

Responsibility for stakeholder engagement

Responsibility for stakeholder relations is delegated to group functions and our business units. The group ensures that appropriate stakeholder consultation policies, practices and reporting procedures are in place in order to:

- establish clear accountability for effective stakeholder engagement
- comply with relevant laws governing stakeholder relationships and the various standards and codes of practices to which Barloworld subscribes
- promote awareness in our operations and functions of the importance, value and methodologies for stakeholder consultation and relationship management, underpinned by adherence to the principles of inclusiveness, materiality and responsiveness.

The sustainable value we create for our key stakeholders through commitment to being a responsible corporate citizen is addressed in the Creating sustainable value section of this report.



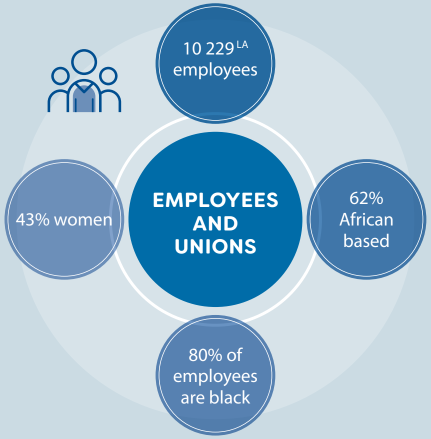
Material matters

- Sustainable financial returns
- Progress with optimisation of existing businesses
- Implementation of disposals
- Integration of new acquisitions
- Acquisitive growth strategy
- Dividend performance
- ESG performance

Value added

- Increase in NAV
- Strong balance sheet
- Dividend payments
- Reduced operating costs
- Acquisitive growth bringing positive contribution to group performance
- Share price performance

LA PwC Limited Assurance

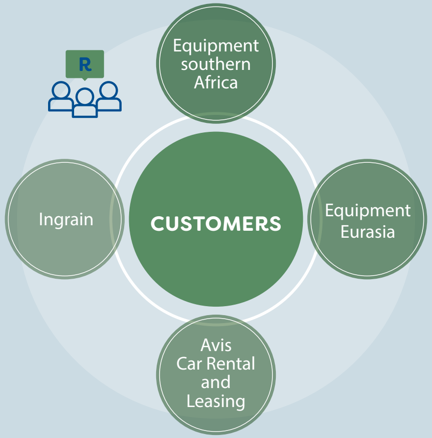


Material matters

- Safety, health and wellness
- Open and transparent leadership engagement
- Fair remuneration and effective performance management
- Diversity and inclusion
- Career development and opportunities

Value added

- Contributing to the overall wellness of our employees during the pandemic
- Improved employee engagement
- Recognising and rewarding winning behaviours
- Good progress with diversity and inclusion and recruiting to achieve diversity and inclusion
- Learning, coaching and developing to unleash employees' full potential

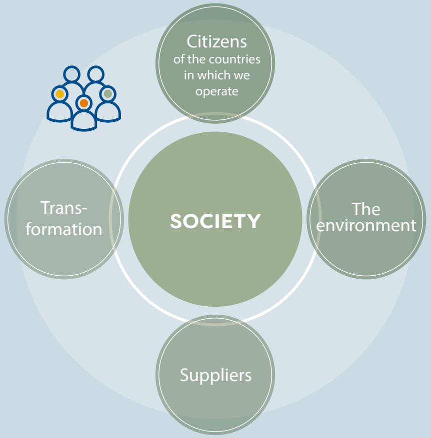


Material matters

- Impact of Covid-19 on product availability and our ability to operate
- After sales support
- Customer service that delights
- Pricing
- Availability of technology and digitisation for increased efficiencies and service delivery
- ESG performance

Value added

- Innovative solutions to protect Car Rental and Leasing from impact of Covid-19 and provide customers with value for money
- Innovative solutions to reduce our impact on the environment
- After sales support

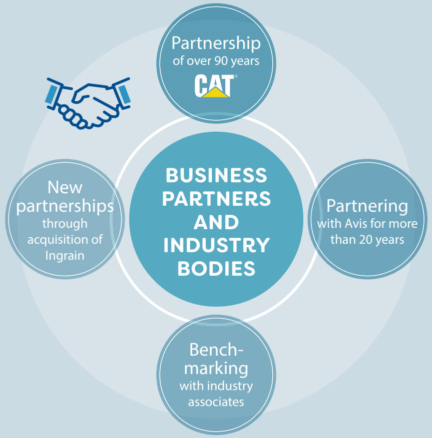


Material matters

- Efforts to limit Barloworld's environmental footprint
- Social investment
- Business transformation
- Preferential procurement opportunities
- Inclusion

Value added

- Transformation through the establishment of Khula Sizwe Property Holdings
- Investment in SMMEs through Barloworld Siyakhula enterprise and supplier development programme
- Preferential procurement spend with B-BBEE businesses
- Driving economic sustainability, transformation and growth of social enterprises through Mbewu
- Focus on addressing education needs and food security through Barloworld Trust



Material matters

- Ability of partners to provide products with a reduced impact on climate change
- Ability of partner delivery not to be impacted by supply challenges during Covid-19
- Payment and contractual terms
- Sustainability of relationships
- Value-added by partnerships
- Business resilience and sustainability
- Procurement opportunities
- Market and industry developments

Value added

- Opportunity for both partners to grow through beneficial partnerships
- Opportunity through partnerships to expand geographically
- Lengthy enduring partnerships provide ongoing value to both parties
- Extensive knowledge of markets

Material matters

- Compliance with all relevant legislation and regulations in the countries in which we operate
- Responsible taxpayer
- Governance demands
- Role as responsible corporate citizen

Value added

- Contribution to the economies of the countries in which we operate through the taxes and wages we pay
- Provision of employment opportunities
- Investment in communities
- Preferential procurement
- Investment in skills development

Leadership and governance

The group's resilience is reflected in our exceptional set of results.

NOLULAMO GWAGWA
Chair

Chair's review

The year under review was one of resilience for the Barloworld Group and South Africans as a whole as the Covid-19 pandemic continued to dominate the economy, both locally and globally.

As expected, the effects of the Covid-19 pandemic have not been short-lived and uncertainty regarding its future impact and the length of its impact will no doubt be with us for some time to come. My heart goes out to all those who have lost those dear to them to Covid-19. On behalf of the board, we honour the lives and memories of our colleagues, their family members and friends who lost their lives to Covid-19.

By year end over 40% of our employees had been vaccinated against the virus. Hopefully, this percentage will continue to grow and increase the protection our employees have against the virus. Protecting our employees and our customers during the pandemic remains a key focus for Barloworld. To keep our employees and customers safe we maintained the adjustments we had made to our operating model during 2020, which included remote or hybrid work and digital enablement.

The group's resilience is reflected in our exceptional set of results. On behalf of the board, I would like to recognise the excellent work of the Barloworld management team in implementing the board-approved strategy, protecting the sustainability of our business and creating enterprise value.

ESG

Barloworld takes ESG seriously and climate change in particular. In this regard, we have appointed an ESG executive to drive group sustainability and governance, with a particular focus on addressing the impact of climate change on our business and the potential impact of our business on climate change.

I was pleased to see that our continuing operations have done well with regard to reducing their carbon emissions, improving their energy efficiency and reducing their water withdrawals. While the acquisition of Ingrain has introduced an energy and water-intensive business to the group, Ingrain is focused on using these resources as efficiently as possible and in line with the rest of our operation's identified efficiency performance metrics that continue to be refined in order to facilitate efficiency improvements and reduce our environmental footprint.

Our role in society

I am proud of the role Barloworld plays in society and, in particular, the role it has played in assisting those impacted by the Covid-19 pandemic by directing 50% of its CSI spend to health and welfare initiatives, which include addressing food security. Our Siyakhula ESD programme is playing a meaningful role in the development of black-owned and black women-owned businesses; and our social impact enabler, Mbewu, maximises social value creation by providing financial and non-financial support to social enterprises that have demonstrated scalability.

Khula Sizwe Property Holdings, a broad-based black economic empowerment scheme established in 2019, in which Barloworld employees have a 32% shareholding and black public shareholders have a 30% shareholding, is an excellent example of building wealth through economic transformation.

The group is also doing well with its diversity and inclusion efforts in the business. Not only are 60% of our board members women, our Group Finance Director and the CEOs of two of our business units are also women and African; and 71% of our executive committee members are Africans, 43% of whom are women.

Governance

Governance has always been one of Barloworld's strengths and I have no doubt it will continue to be so. The changes we made to the board subcommittees during FY2021 streamlined the committees, with the risk and sustainability committee being disbanded and the audit committee becoming the audit and risk committee, and the social, ethics and transformation committee being responsible for sustainability.

My thanks to the board and management for the warm welcome. I join the board at an exciting time for Barloworld as it moves from fixing to optimising and strengthening its position in its chosen verticals of Industrial Equipment and Services and Consumer Industries.

I look forward to gaining an in-depth understanding of the business in the next few months and being able to lead the board as it steers and sets the strategic direction of the group and governs risk with the aim of supporting Barloworld's achievement of its strategic objectives.

I would like to assure our stakeholders that, in line with the commitment to good corporate governance that has long been part of Barloworld's approach to doing business, we will continue to do our best to provide you with fair, responsible and transparent communication.

Nolulamo Gwagwa
Chair
3 December 2021

As I retire as Chair of the Barloworld board after serving as member of the board for over nine years, I would like to welcome my successor, Nolulamo Gwagwa, who joins the board on 1 October 2021.

I would also like to thank my fellow board members for their contribution to our deliberations. It is rewarding to be completing my time on the board with Barloworld in a year when the decisions we made previously have proved value-accretive to our shareholders and have positioned the group well to remain resilient and agile in a constantly changing operating environment.

NEO DONGWANA
Chair
30 September 2021

Our board

Independent non-executive directors

Lulu Gwagwa
(Chair)

Neo Mokhesi
(Lead independent director)

Ngozi Edozien

Hester Hickey

Michael Lynch-Bell

Hugh Molotsi

Nomavuso Mnxasana

Peter Schmid

Executive directors

Dominic Sewela
Group Chief Executive Officer

Nopasika Lila
Group Finance Director

Effective leadership

Our board's composition, diversity and tenure as at 30 September 2021

The independence of our board protects shareholder interests:

Executive directors 20%

Independent non-executive directors 80%

Performance against board diversity targets

Gender — Men 40% — Women 60% (Target of 50% exceeded)

Race and nationality — Black South Africans 60% (Target of 50% exceeded) — Africans 70% — Whites 30%

Board and committee meetings

In the year under review our board and committee meetings were attended both in person and virtually.

Average board attendance: 100%

Average committee attendance: 100%

Tenure of our non-executive directors

0 – 3 years	●	●	●	
3 – 4.5 years	●	●	●	●
5 – 7 years	●	●	●	
7 – 9 years	●			

The average age of our board members 59

Directors to be elected or re-elected

In accordance with the company's memorandum of incorporation (MOI) and the JSE Listings Requirements, one-third of our non-executive directors (being those longest in office at the date of the annual general meeting (AGM)) must retire by rotation and can choose to offer themselves for re-election, being Michael Lynch-Bell, Hugh Molotsi and Neo Mokhesi.

Board skills and experience:

Asset management	●	●	●	●	●	●	●			
Business development	●	●	●	●	●	●	●			
Finance and auditing	●	●	●	●	●	●	●			
Governance, risk and compliance	●	●	●	●	●	●	●			
Leadership	●	●	●	●	●	●	●	●	●	●
Mergers and acquisitions	●	●	●	●	●	●				
Social development	●	●	●	●						
Stakeholder relations	●	●	●	●	●	●	●	●		
Strategy	●	●	●	●	●	●	●	●	●	
Technology	●	●	●							

A board requires a broad and changing range of skills and experience to ensure it is well equipped to lead and guide an organisation and ensure its long-term sustainability.

To ensure our directors are kept up to date with trends and changes in our statutory and regulatory obligations, they regularly receive training.

Leadership
Our board

Independent non-executive directors





Lulu Gwagwa	Neo Mokhesi	Ngozi Edozien (Nigerian)	Hester Hickey	Michael Lynch-Bell (British)
62	60	56	67	68
Chair: Board, Nomination and Strategy and Investment committees **Committee memberships:** Remuneration, Social, Ethics and Transformation	**Lead independent director** **Committee memberships:** Nomination, Remuneration, Social, Ethics and Transformation	**Committee memberships:** Social, Ethics and Transformation, and Strategy and Investment	**Chair:** Audit and Risk Committee **Committee memberships:** Strategy and Investment, Risk and Sustainability	**Chair:** Remuneration Committee **Committee memberships:** Audit and Risk, Risk and Sustainability
Qualifications: BA (University of Fort Hare), MSc Social Policy and Planning (London School of Economics and Political Science), MPhil (St Augustine College), PhD in Development Planning (University College, London)	**Qualifications:** BCom, AMP	**Qualifications:** BSocSci, MBA	**Qualifications:** BCompt (Hons), CA(SA)	**Qualifications:** BA (Hons) Fellow of the Institute of Chartered Accountants in England and Wales (FCA ICAEW)
Date of appointment: 1 October 2021	**Date of appointment:** 1 February 2019	**Date of appointment:** 19 March 2014	**Date of appointment:** 1 April 2017	**Date of appointment:** 1 April 2017
Skills and experience: Lulu is a development planner with extensive experience in the public and private sectors, and academia. She was appointed as Chair of the Barloworld board in October 2021. She previously served as an independent non-executive director of FirstRand, Massmart, Sun International and Afrox Limited. She is the CEO of Lereko Investment.	**Skills and experience:** Neo has over 25 years' experience in marketing, corporate affairs, development finance, strategy and corporate governance. She was a senior executive at the Industrial Development Corporation, serving as the executive responsible for market development into the rest of Africa. She currently serves on the boards of WDB Investments Holdings, a women-founded and women-led business, Mozal Aluminium SA, a subsidiary of South32; and CAST Products SA, which originates from Scaw Metals.	**Skills and experience:** Ngozi is the Chief Executive Officer and Managing Director of InVivo Partners Limited. Previously CEO of Actis West Africa and founding CEO of Equity Vehicle for Health in Africa (EVHA), she was vice president strategic planning and business development and regional director of Anglophone East, West and Central Africa at Pfizer Inc., and an associate partner at McKinsey & Company. She also gained investment banking experience at JP Morgan Inc, New York.	**Skills and experience:** Hester has held a number of positions, including that of lecturer at the University of the Witwatersrand and partner at Ernst & Young. She previously served as the Chair of SAICA and has worked for a number of listed companies, including AngloGold Ashanti Limited where she held the position of internal audit manager and finally head of risk.	**Skills and experience:** At Ernst & Young, Michael focused on auditing clients within the oil, gas and mining sectors before leading its UK IPO and Global Natural Resources transaction teams in the Transaction Advisory practice. He has been involved with the CIS since 1991 and has advised many CIS companies on fundraising, reorganisation, transactions, corporate governance and IPOs. Michael is a current member of the United Nations Economic Commission for Europe's (UNECE's) Expert Group on Resource Management.
Meeting attendance Board: n/a **Committees:** n/a	**Meeting attendance** Board: 8/8 **Committees:** Nomination: 11/11, Remuneration: 5/5, Social, ethics and transformation: 4/4	**Meeting attendance** Board: 8/8 **Committees:** Social, ethics and transformation: 4/4, Strategy and investment: 6/6	**Meeting attendance** Board: 8/8 **Committees:** Audit: 2/2, Audit and risk: 3/3, Risk and sustainability: 2/2, Strategy and investment: 2/6 (appointed to the committee in July 2021)	**Meeting attendance** Board: 8/8 **Committees:** Audit: 2/2, Audit and risk: 3/3, Nomination: 8/8, Remuneration: 5/5, Risk and sustainability: 2/2, Invitee of nomination committee
Directorships in other listed entities None	**Directorships in other listed entities** None	**Directorships in other listed entities** Stanbic IBTC Plc Guinness Nigeria Plc	**Directorships in other listed entities** Cashbuild Limited Pan African Resources Plc Northam Platinum Limited	**Directorships in other listed entities** Lenta Limited Gem Diamonds Limited Little Green Pharma Limited

Leadership
Our board

Independent non-executive directors

Hugh Molotsi

55

Committee memberships: Audit and Risk, Strategy and Investment, Risk and Sustainability

Qualifications: BSc Comp, MSc Comp

Date of appointment: 1 February 2019

Skills and experience: Hugh was appointed to the Barloworld board on 1 February 2019. Hugh began his early career at Hewlett Packard in the US as a software engineer and then moved on to spend 22 years at Intuit, a financial software and services firm based in the US where he remained until 2015. During his tenure at Intuit, he became an engineering fellow and vice president leading the Intuit Labs Incubator. Hugh is the CEO and founder of Ujama, a community messaging platform. He also serves on the boards of Mozilla Corporation and Echoing Green.

Meeting attendance
Board: 8/8
Committees:
Audit and Risk: 3/3,
Risk and sustainability: 2/2,
Strategy and Investment: 6/6

Directorships in other listed entities
None

Nomavuso Mnxasana

65

Chair: Social, Ethics and Transformation
Committee memberships: Audit and Risk, Nomination

Qualifications: BCompt (Hons), CA(SA)

Date of appointment: 1 October 2017

Skills and experience: Nomavuso was a senior partner and member of the executive committee of SizweNtsaluba VSP before serving as group audit and risk executive at Imperial Holdings Limited. She is a former director of Nedbank Group and the JSE.

Meeting attendance
Board: 7/8
Committees:
Audit: 2/2, Audit and Risk: 3/3,
Nomination: 11/11, Social, Ethics and Transformation: 4/4

Directorships in other listed entities
Wescoal Holdings, Blue Label Telecoms
Arcelor Mittal South Africa

Peter Schmid

59

Committee memberships: Remuneration, Strategy and Investment

Qualifications: BCom (Hons), CA(SA)

Date of appointment: 1 April 2017

Skills and experience: Until recently, Peter was global head of private equity at ACTIS and he was responsible for the Global PE business. He spent 11 years in Ethos Private Equity as a partner where he led and originated many buyouts across southern Africa. Peter has served on numerous boards across emerging markets, including Alexander Forbes. Peter joined Investec Asset Management as head of alternatives in October 2018.

Meeting attendance
Board: 8/8
Committees:
Remuneration: 5/5, Strategy and Investment: 6/6

-

Executive directors

Dominic Sewela

56

Group Chief Executive Officer
Committee memberships: Social, Ethics and Transformation, Strategy and Investment, Risk and Sustainability

Qualifications: BSc Eng

Date of appointment: 19 March 2014

Skills and experience: Dominic rejoined Barloworld in 2007 as Chief Executive Officer of the Equipment division South Africa from Afgri Limited, where he was deputy managing director. He was promoted to Chief Operating Officer of Barloworld Equipment southern Africa in 2014 and appointed Chief Executive Officer of Barloworld Equipment southern Africa in the same year. He also joined the board of Barloworld on 19 March 2014 and was subsequently appointed Deputy Chief Executive, effective 1 March 2016. On 1 October 2016, Dominic became the Chief Executive Designate of Barloworld and was appointed Group Chief Executive Officer of Barloworld on 8 February 2017.

Meeting attendance
Board: 8/8
Committees:
Risk and sustainability: 2/2, Social, Ethics and Transformation: 4/4, Strategy and Investment: 6/6

-

Nopasika Lila

52

Group Finance Director
Committee memberships: Risk and Sustainability

Qualifications: BCom Accounting Science, BCom (Hons) CA(SA)

Date of appointment: 1 August 2019

Skills and experience: Nopasika previously served as CFO of the Eskom Pension and Provident Fund, before being appointed CEO and principal officer. She has more than 20 years of experience in finance, corporate governance and the financial industry. She possesses advanced proficiencies in funds administration, corporate governance and compliance management, with demonstrated skills in leading major funds sustainably with astute control over risk management, reputation and stakeholder relations. She previously served on various boards both listed and unlisted, namely enX Group Limited, Nampak Limited and Basil Read, and chaired some of the audit committees.

Meeting attendance
Board: 8/8
Committees:
Risk and sustainability: 2/2

-

Leadership
Executive committee as at 30 September 2021

Dominic Sewela 56

Group Chief Executive Officer

Qualifications:
BSc Eng – Chemical Engineering

Areas of responsibility:
Chief Executive Officer

Nopasika Lila 52

Group Finance Director

Qualifications:
BCom (Hons), CA(SA)

Areas of responsibility:
Group Finance; Strategic Finance, including Treasury; Governance; Tax; Group Risk; Medical Aid and Retirement Fund; Sustainability; Ethics and Compliance; Investor Relations; Information Technology

Tantaswa Fubu 49

Group Executive: Human Capital and Transformation

Qualifications:
BAdmin (Hons), CA(SA), Advanced Diploma in Banking

Areas of responsibility:
Human Capital and Transformation

Emmy Leeka 52

Chief Executive Officer: Barloworld Equipment southern Africa

Qualifications:
BSc Eng – Metallurgy and Materials (Wits)

Areas of responsibility:
Equipment southern Africa

Quinton McGeer 57

Chief Executive Officer: Barloworld Equipment Eurasia

Qualifications:
BCom (Hons), CA(SA)

Areas of responsibility:
Equipment Eurasia: Vostochnaya Technica and Barloworld Mongolia; the UK office

Gugu Sepamla 50

Group Executive: Corporate Affairs and Public Policy

Qualifications:
Double Masters in Positive Leadership and Strategy (IE School of Human Sciences and Technology), Leadership and Public Policy (LKY School of Public Policy, Singapore and Yale University), Postgraduate Diploma in Public Policy (Harvard), MAP (Wits Business School), Certificate in Policy Mapping, Degree in Leadership

Areas of responsibility:
Group Corporate Affairs; Public Policy and Media Management; Marketing and Communication; Social Impact (Shared Growth); Commercial and Empowerment; Branding; Mbewu; Advisory

Chris Wierenga 46

Group Executive: Strategy, Mergers and Acquisitions

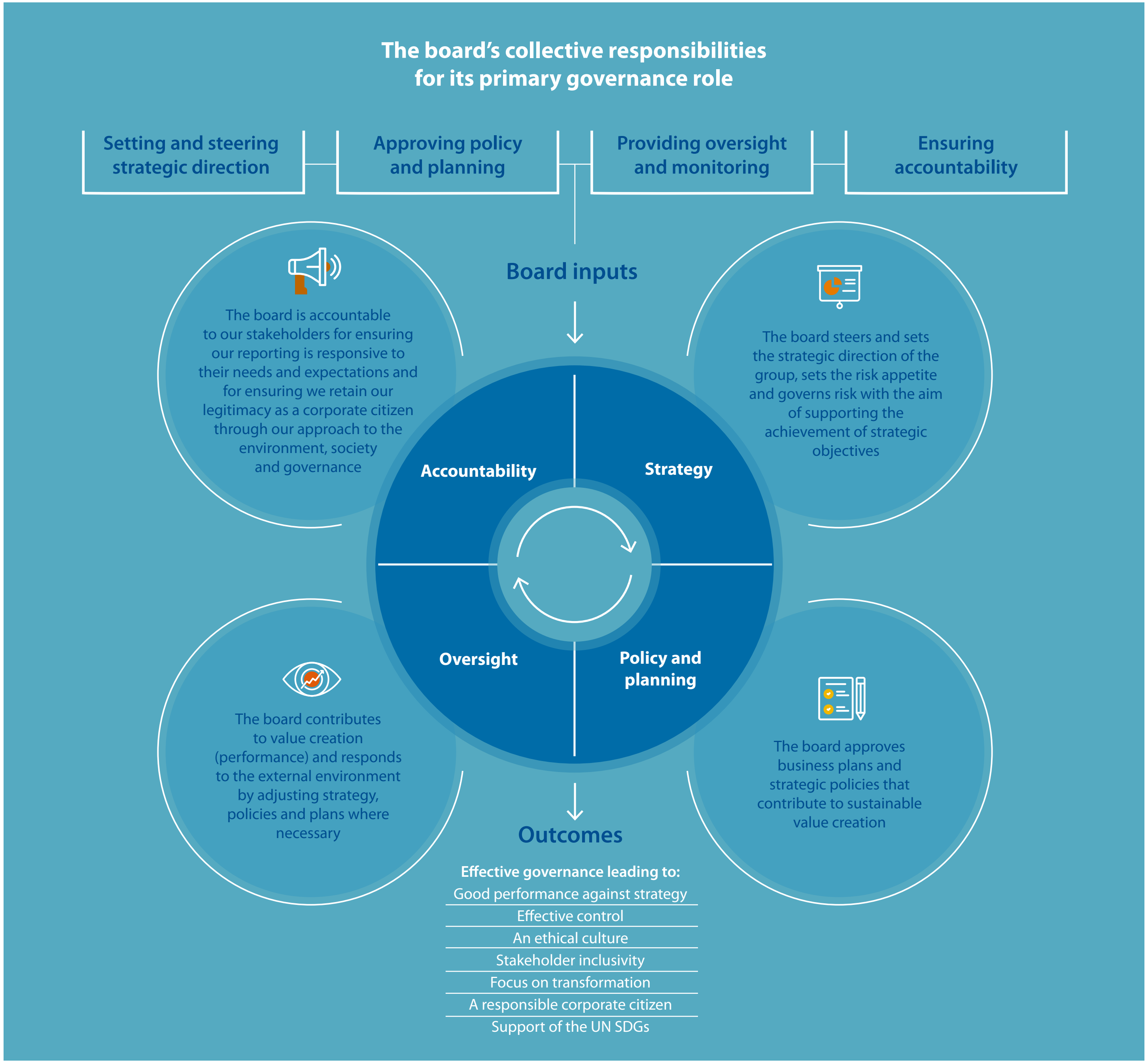
Qualifications:
BCompt Accounting Sciences

Areas of responsibility:
Group Strategy; Mergers and Acquisitions; Barloworld Business System; Group Property; Overall responsibility for SMD and Logistics

Full biographies are available on the group's website:
www.barloworld.com

Our approach to governance

The good governance that we aim to achieve by applying the King IV Code protects and creates sustainable value and ensures effective control, an ethical culture and legitimacy through our stakeholder relations. It also contributes to effective and responsible leadership at board and executive levels and throughout the group. It promotes strategic decision-making that balances short, medium and long-term outcomes, integrity and robust risk and performance management. Effective governance supports the embedding of an ethical culture and a response to our role as a responsible corporate citizen that goes well beyond compliance. During the year under review the board approved a corporate governance framework, which consolidates all our corporate governance practices and provides an end-to-end view of the company's corporate governance. The board also approved a group diversity policy.

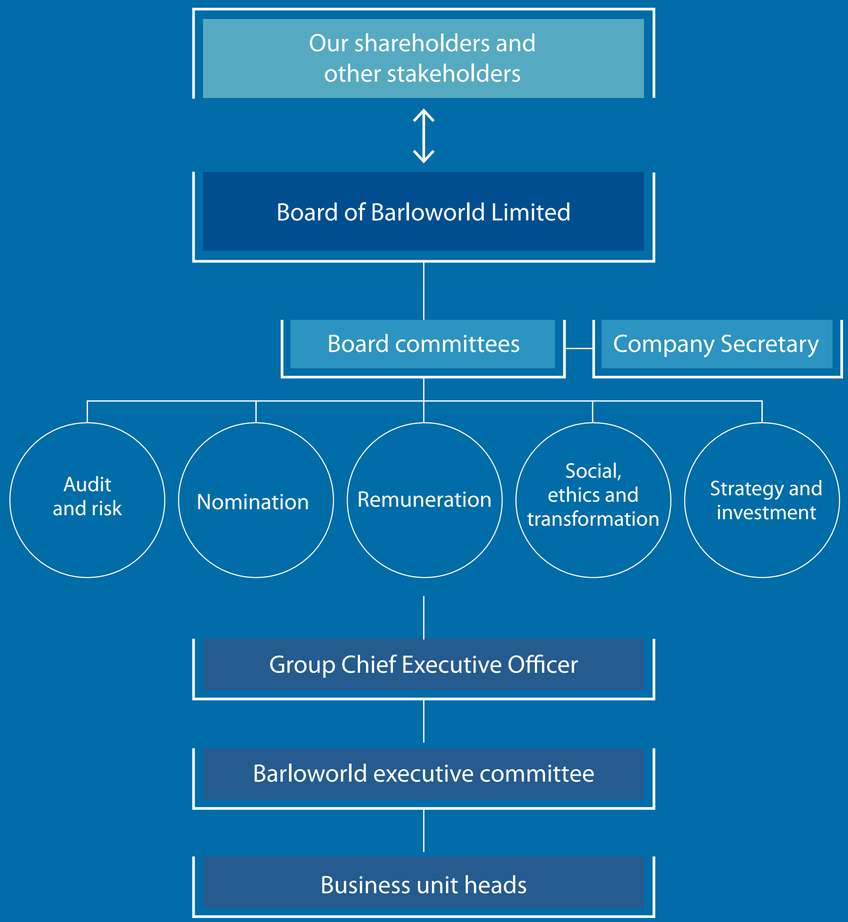


The diagram that follows sets out our governance structures at board, executive management and operational levels. During the year under review the previously separate audit committee and risk and sustainability committee were combined into one committee – the audit and risk committee.

ALL MEMBERS OF THE AUDIT AND RISK COMMITTEE ARE INDEPENDENT NON-EXECUTIVE DIRECTORS

The board's delegation to its committees promotes independent judgement

Our board governance structure
as at 30 September 2021



K6 Our board, which is a unitary board, serves as the focal point and custodian of corporate governance in Barloworld.

Our governance framework provides the board with effective control of the business. By effectively governing the group and taking into consideration our stakeholders' interests, our board and executive management contribute value to both the business and our stakeholders. The board uses its quarterly meetings to discharge its duties in terms of the Companies Act, the JSE Listings Requirements, King IV, and any legislation regulating the industries in which we operate. We consider quarterly reports on operating and non-financial performance, risks, opportunities and compliance; the results of efforts to embed an ethical culture in Barloworld and combat fraud and corruption; safety, health and environmental performance, including our climate change mitigation; and our social performance. We also monitor the macro environment and its potential impact on our business.

K1, K2, K3, K4, K11, K16

Leadership and governance - management of the legal and regulatory framework

Evaluating performance

Evaluating its performance in terms of applying the King IV principles and outcomes provides...

READ MORE

K9

Oversight rooted in King IV principles

Our board's governance oversight, which is guided by its commitment to its responsibilities and...

READ MORE

Steering strategy, monitoring performance and reporting

The board is accountable for the performance of Barloworld. It considers all the elements...

READ MORE

K4, K5

Board delegation and independence

The board ensures that its arrangements for delegation...

READ MORE

K8, K10

JSE 3.84 (a and b)
JSE 3.84(h)

Governance that establishes an ethical culture

The board and the executive committee are committed to doing business...

READ MORE

K2, K16

Ethics governance

READ MORE

Compliance governance

As a multifunctional group, Barloworld needs to adhere to a wide range of legislative...

READ MORE

K3, K13

Remuneration that is fair and promotes the achievement of our strategic objectives

READ MORE

K14

Technology and information governance that support the achievement of our strategic objectives

READ MORE

K12

Stakeholder inclusivity

By identifying our stakeholders through engagement and...

READ MORE

K16

Enabling an effective control environment

Evaluating its performance in terms of applying...

READ MORE

K15

JSE 3.84(g)

External audit quality and independence

In accordance with paragraph 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements...

READ MORE

JSE 3.84(g)
JSE 3.84(g)(iii)

Internal audit

An effective, risk-based internal audit function has been established.

READ MORE

For details on the responsibilities, powers, policies, practices and processes of the board, directors and committees, refer to the board charter and committees' terms of reference, as well as the company's MOI on our website, www.barloworld.com.

Evaluating performance

K9

Evaluating its performance in terms of applying the King IV principles and outcomes provides the board with a mechanism to assess its governance performance and make improvements where necessary. The board oversees the board evaluation process through the remuneration and nomination committees.

External and internal evaluations are conducted every two years to assess the effectiveness of the board, its committees and individual members and support the continued improvement in the board's performance and effectiveness. An independent external party facilitated an external evaluation during 2021. During the year under review, an external service provider conducted the evaluation. Overall the evaluation concluded that governance is sound, ESG is taken seriously and there is enough transparency and deep dives in the operations. The external evaluation conducted in 2021 identified the need to focus more on regulatory compliance and digital transformation. Board members are continually briefed on legal developments and changes to risks and the business environment, and training is always available to directors at the company's expense. Directors are also able to seek independent professional advice on the company's affairs should they wish to.

Oversight rooted in King IV principles

Our board's governance oversight, which is guided by its commitment to its responsibilities and governance objectives, supports good governance practices.

Our application of the 16 King IV principles relevant to our business is explained in the section that follows:

Leading ethically, effectively and responsibly

K1, K2, K3, K6, K7, and JSE 3.84(i)

The board sets the tone and leads the group ethically, effectively and responsibly. When making decisions, individual board members ensure they are well informed and act independently, with courage, awareness and insight. The board ensures that the group plays a key role in society as a major employer, taxpayer, contributor to transformation and economic growth, and as a responsible corporate citizen. Information on the progress we have made in embedding an ethical culture in the group is provided in the section Governance that establishes an ethical culture.

Conflicts of interest are monitored throughout the company. Declarations of interest are made prior to commencement of all meetings. For the year under review, there were no conflicts of interest declared in meetings.

During the year under review, the board actively engaged with key stakeholders on the impact of Covid-19 on health and safety, society and the economy, and provided responsible stewardship. Adjustments were made to allow Barloworld to be more agile, take swift decisions and adhere to government regulations. The decision to transition to virtual meetings, digital signatures and remote working was taken to protect our stakeholders.

The balance of knowledge, skills, experience, diversity and independence that the board requires in order to discharge its governance role and responsibilities objectively and effectively are set out in the Leadership section of this report. Our nomination committee monitors and provides oversight of our board diversity policy, which includes gender and racial targets. The board's diversity policy also takes into account diversity attributes of culture, age, field of knowledge, skills and experience, in line with the JSE Listings Requirements.

Steering strategy, monitoring performance and reporting

K4, K5

The board is accountable for the performance of Barloworld. It considers all the elements of the value creation process when steering and setting Barloworld's strategic direction. It approves short, medium and long-term strategies and business plans.

The board also assumes responsibility for Barloworld's integrated report and annual financial statements, and also makes every effort to ensure that our reporting meets the needs of our stakeholders and complies with all appropriate legal requirements.

The directors confirm that Barloworld is in compliance with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation and is operating in conformity with its Memorandum of Incorporation and/or relevant constitutional documents.

Information on required disclosures can be found in this report, our annual financial statements and in the summary of our financial performance.

Board delegation and independence

K8, K10

JSE 3.84 (a and b) JSE 3.84 (h)

The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.

Through the appointment of strong independent directors and the separation and clear definition of the roles and responsibilities of the non-executive Chair and Group Chief Executive Officer (GCEO), Barloworld has established a clear balance of power and authority at board level. The (GCEO) in turn delegates responsibilities in accordance with the company's delegation of authority framework. The board has delegated certain functions to its committees, which allows it to allocate sufficient time and attention to decision making on material matters. This also allows for the delegated matters to receive in-depth focus at committee level. Through the committees, the board provides guidance and monitors our corporate functions to ensure that Barloworlds' governance policies and processes are being applied.

The board performs its duties within a board-approved governance framework of policies and controls that provides for effective risk assessment and management of our economic, environmental and social performance. Our board charter, which is closely aligned with the recommendations of King IV, details the responsibilities of the board, while the MOI also addresses certain of the directors' responsibilities and powers.

In accordance with the JSE Listings Requirements, the board has considered and satisfied itself that our Finance Director, Nopasika Lila, has appropriate expertise and experience to meet the responsibilities of her appointed position. The board has also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function.

Relebohile Malahleha, in her capacity as Executive Strategic Finance and Treasury of the company, was appointed as debt officer of Barloworld during the period. The board is satisfied with the competence, qualifications and experience of the debt officer.

During the year under review, the nomination committee, on behalf of the board, appointed Vasta Mhlongo as Group Company Secretary. The committee found that she demonstrates the requisite level of knowledge, experience and independence to fulfil her role. She is neither a director nor a prescribed officer of the company or any related businesses.

Governance that establishes an ethical culture

K2, K16

The board and the executive committee are committed to doing business ethically, while also building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and the environment.

The board is ultimately responsible for the company's ethics performance. The social, ethics and transformation committee supported by the executive committee ensures that the relevant policies are embedded and that governance around policies is measured. In turn, executive management is responsible for embedding an ethical culture that protects the interests of the group and its stakeholders. A well-designed and properly implemented ethics management process has been introduced to achieve this.

The group is governed by the Barloworld Worldwide Code of Conduct and Code of Ethics. The Code of Ethics requires Barloworld directors, management and employees to obey the law, respect others, be fair and honest, and to protect the environment.

These documents are well-publicised both internally and externally and are shared with our suppliers and service providers.

Our ethics and compliance programme is designed to further entrench and integrate good corporate governance throughout the group. We continue to perform assessments of ethical risks and opportunities and integrate these into the risk management processes.

As our internal auditors, KPMG conducts a formal review of the group's governance of ethics and risk.

Board members declare their interests before every board or committee meeting. Should a conflict of interest be identified, the director is recused from the meeting and does not participate in the decision-making process regarding the matter. As an additional safeguard, all non-executive directors are assessed for potential conflicts of interest and independence annually.

Ethics governance

Compliance governance

K3, K13

As a multifunctional group, Barloworld needs to adhere to a wide range of legislative requirements. The board has confirmed that sufficient management capacity and controls are in place to ensure compliance with all relevant laws and industry practices.

Legal compliance at business unit level is regularly reported on to management and the audit and risk committee, and is also reported on every quarter to the group audit and risk committee. The administration of our legal compliance system is vested in a member of senior management who has the appropriate legal qualifications. Members of senior management are informed on a regular basis of all relevant new legislation and amendments.

Our board is committed to full compliance with all applicable laws and regulations and it supports the application of certain non-binding codes and standards. Our Combined Assurance Framework and our regulatory risk management ensure that the effectiveness of the key internal controls to mitigate our compliance risks are continually monitored and that risk management plans are in place to ensure compliance with new legislation or amendments to current legislation.

Barloworld is subject to, and remains compliant with its Memorandum of Incorporation, the Listings Requirements of the JSE as amended, and has complied with the Companies Act, 2008 as amended during the year under review.

The social, ethics and transformation committee advises and provides guidance to the board on the effectiveness of management's efforts in respect of social, ethics and sustainable development-related matters and transformation. It also carries out its duties in terms of the Companies Act and reports on its fulfilment of its mandate in this regard to the board and stakeholders. The committee has confirmed that there were no instances of material non-compliance requiring disclosure in FY2021.

Remuneration that is fair and promotes the achievement of our strategic objectives

K14

Barloworld understands that it is essential that our strategy, risks, performance and rewards are aligned if we are to create shareholder value. The remuneration committee is charged with ensuring that:

- executive directors and senior management are fairly rewarded for their individual contributions to the company's overall performance
- our remuneration policies and practices are designed to align performance with reward and to attract and retain the right talent
- our remuneration policies and practices take into account the interests of stakeholders and the financial position of Barloworld.

Technology and information governance that support the achievement of our strategic objectives

K12

The audit and risk committee's mandate includes the monitoring of IT governance, information security, cyber risk and risks facing the business with regard to technology renewal and remote working. It regularly considers the technology and information risk register and promotes the awareness of an ethical IT governance and management culture and provides transparency through regular reporting to the board of directors. The board and executive management are well informed regarding the role of technology and information and its impact on the business. It is the role of all the committees to ensure that a focus is placed on both technology and information, elevating the importance of its governance and ensuring that it forms an integral part of our overall corporate governance and group strategy. The audit function provides independent assurance on implemented IT-related frameworks, strategy, policy, procedures and standards. Our IT governance warrants that it adds value by enabling the improvement of the company's performance and sustainability through utilising the efficient and effective use of IT resources.

Stakeholder inclusivity

K16

By identifying our stakeholders through engagement and taking into consideration their interests, needs and expectations, our board and management achieve stakeholder inclusivity and contribute value to both the business and its stakeholders. Our board and management contribute value to both Barloworld and our stakeholders by effectively governing our performance and taking into consideration our stakeholders' interests

Enabling an effective control environment

K15 JSE 3.84 (g)

To ensure Barloworld has adequate structures in place to provide assurance across the group and to prevent gaps or duplication in assurance efforts, we have adopted a combined assurance approach.

The audit and risk committee obtained assurance on the financial statements and internal financial controls and carried out its statutory duties set out in section 94 of the Companies Act. It satisfied itself as to the expertise and experience of the Group Finance Director and the finance function and assessed the independence and performance of the internal and external audit functions (see the Audit and risk committee report on pages 16 to 19 of the annual financial statements for 2021).

The social, ethics and transformation committee advises and provides guidance to the board on the effectiveness of management's efforts in respect of social, ethics, sustainable development-related matters and transformation. It also carries out its duties in terms of the Companies Act and reports on the fulfilment of its mandate in this regard to the board and stakeholders (see its report page 82). The committee has confirmed that there were no instances of material non-compliance requiring disclosure in FY2021.

External audit quality and independence

JSE 3.84(g) JSE 3.84(g)(iii)

In accordance with paragraph 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements, the audit and risk committee requested and received information from EY and SNG Grant Thornton (joint auditors) that allowed it to assess their internal governance processes. The information also supported and demonstrated its claim of independence; the findings by the Independent Regulatory Board for Auditors with regard to its monitoring of the firms in respect of their independence, quality control and any corrective action by the firm; and any legal claims against the firms. Similarly, information was obtained and discussed in respect of the designated auditors. The committee concluded that it was satisfied with the independence and audit quality of joint auditors EY and SNG-GT and the designated auditors, S Sithebe and C Mashishi.

External audit fees are disclosed on page 55 within note 3 to the annual financial statements. All the non-audit services (disclosed on page 55, note 3 of our annual financial statements) provided by the auditors were approved by the committee in accordance with the policy for the provision of non-audit services. **JSE 7.F.5**

The board, with the support of the audit and risk committee, is ultimately responsible for Barloworld's system of internal control, which is designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. We apply a combined assurance model, which seeks to optimise the assurance obtained from management as well as internal and external assurance providers while fostering a strong ethical climate and mechanisms to ensure compliance. The process is monitored and evaluated under the direction of internal audit, while external audit teams cover key controls and accounting matters in the course of their audits. Other levels of external assurance are obtained as and when required. The board and the audit and risk committee assessed the effectiveness of controls for the year ended 30 September 2021 as satisfactory, primarily through a process of management self-assessment, including formal confirmation from executive management and also considered reports from internal audit, external audit and other assurance providers. **JSE 3.84(g)**

Internal audit

An effective risk-based internal audit function has been established. The purpose, authority and responsibilities of the internal audit function are defined in the board-approved internal audit charter, which is consistent with the Institute of Internal Auditors' definition of internal auditing and the principles of King IV. The head of the internal audit function has unrestricted access to members of the audit committee and executives of the organisation and attends the audit and risk committee meetings. KPMG report directly to the Chair of the audit and risk committee.

What our board focused on this year

FY2020

September

The board approved the group's new strategy in September 2020

FY2021

- Agreed a process to appoint a new Chair. Approved the non-executive directors' fee policy
- Appointed Neo Mokhesi as lead independent director and Dr Lulu Gwagwa as Chair of the board
- Oversaw strategy implementation. In particular, the integration and rebranding of our new acquisition, Ingrain, and its performance against the business case for its acquisition
- Closely monitored the impact of the Covid-19 pandemic on business performance and our subsequent response
- Convened an ESG workshop to gain insight into new trends

April

Elected to resume payment of dividends for half year

June

Approved the delisting from the London Stock Exchange, effective 1 October 2021

July

Following the riots that erupted in KwaZulu-Natal and Johannesburg, the board revisited the strategy to address concentration risk

What our board will focus on in FY2022

- Oversee the diversification strategy to mitigate concentration risk
- Engage with shareholders through a roadshow
- Oversee the ongoing disposal of identified businesses
- Oversee board evaluation recommendations
- Oversee the delisting from the Namibian Stock Exchange (NSX)

AUDIT AND RISK COMMITTEE

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2021
=	Assisted the board in its responsibilities covering the internal and external audit process for the group; considered the significant risks, the adequacy and functioning of the group's internal controls and integrity of financial reporting
=	Oversaw the smooth integration of the audit committee and the risk and sustainability committee into the audit and risk committee
=	Ensured alignment of the combined assurance process, internal audit plan and external audit plan in terms of the risk-based approach
=	Recommended to the board resumption of payment of dividend
=	Reviewed the dividend policy
=	Satisfied itself as to the independence, JSE accreditation and performance of the external auditors
=	Approved insurance cover against hardened market and with reduced capacity
=	Periodically reviewed the group and divisional top risks
=	Reviewed and considered change in technology risk posture on Covid-19 impact and mitigation plans
=	Approved revised risk management philosophy
=	Monitored the quality control environment for business adherence to the risk-bearing capacity

Governance roles and responsibilities and outcomes	What the committee will focus on in FY2022
=	Continue to monitor cybersecurity and increases in cyberattacks
=	Continue to monitor balance sheet strength
=	Continue to monitor group IT governance structure to ensure it addresses critical IT risks, and monitor significant IT projects and return on investment

KEY

Governance roles and responsibilities

- Steers and sets strategic direction
- Approves policy and planning
- Oversees and monitors
- Ensures accountability

Outcomes

- Ethical culture
- Good performance
- Legitimacy
- Effective control

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2021
=	Approved 2020 diversity and inclusion scores and targets for 2021
=	Monitored group's employment equity and diversity performance
=	Oversaw wellness of employees and received reports on initiatives to improve wellness of employees
=	Considered results of the employee engagement pulse survey
=	Oversaw compliance with key elements of the ethics and compliance programme as well as compliance with the UK Bribery Act
=	Monitored ESG performance and improvement plans

Governance roles and responsibilities and outcomes	What the committee will focus on in FY2022
=	Continue to monitor the group's social, transformation, economic and environmental performance and achievement of ESG targets
=	Consider the results of the employee engagement survey conducted after financial year end
=	Continue to monitor ESG performance

KEY

Governance roles and responsibilities

- Steers and sets strategic direction
- Approves policy and planning
- Oversees and monitors
- Ensures accountability

Outcomes

- Ethical culture
- Good performance
- Legitimacy
- Effective control

STRATEGY AND INVESTMENT COMMITTEE

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2021
=	Monitored the sale of the Barloworld Motor Retail business to NMI-DSM
=	Monitored the Logistics business disposal process
=	Oversaw management's engagement with the B-BBEE commissioner on the Khula Sizwe transaction

Governance roles and responsibilities and outcomes	What the committee will focus on in FY2022
=	Continue to monitor the implementation of the strategy
=	Continue to monitor management's engagement with the B-BBEE commissioner on the Khula Sizwe transactions

NOMINATION COMMITTEE

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2021
	Recommended the appointment of a supervisory board for the Ingrain business to support activities of the statutory board and operational management
	Conducted process for appointment of the Chair on behalf of the board, with Chair of the remuneration committee co-opted to the committee
	Discussed and recommended the approval of the Corporate Governance Framework and targets for board capacity
	Reviewed committee membership and recommended the appointment of Hester Hickey, Chair of the audit and risk committee to the strategy and investment committee
	Oversaw ongoing succession planning for the board, the board committees and senior management
	Provided guidance to the board evaluation process
	Oversaw the classification of non-executive directors as independent and non-executive according to the Nominations policy.
	Considered ISS Africa voting guidelines for 2021

Governance roles and responsibilities and outcomes	What the committee will focus on in FY2022
	Oversee implementation of the board evaluation recommendations
	Ongoing review of the board's composition with due regard to the challenges and opportunities facing the group to ensure that the board's collective skills contribute to future value creation

KEY

Governance roles and responsibilities

- Steers and sets strategic direction
- Approves policy and planning
- Oversees and monitors
- Ensures accountability

Outcomes

- Ethical culture
- Good performance
- Legitimacy
- Effective control

REMUNERATION COMMITTEE

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2021
	Advised and provided guidance to the board of directors on remuneration; setting, amending and implementing the remuneration policy; and approval of the general composition of remuneration packages
	Approved short- and long-term incentive scheme targets for 2021
	Recommended to the board approval of the non-executive director policy
	Agreed to engage with the shareholders on the AGM outcomes after the appointment of the new board Chair

Governance roles and responsibilities and outcomes	What the committee will focus on in FY2022
	Continue to refine the remuneration policy to ensure alignment with the group's strategic direction
	Continue to improve annual disclosure in relation to remuneration policies
	Continue dialogue with shareholders around devolving remuneration practices and policies

Remuneration review

The remuneration committee regularly reviews the group's remuneration policies to ensure that the design and management of remuneration practices enable us to attract top talent, motivate sustained high performance, promote appropriate risk-taking behaviour, and are linked to both business and individual performance.

MICHAEL LYNCH-BELL
Chair of the remuneration committee

Introduction

The purpose of the Barloworld remuneration committee (Remco) is to support the board in executing its duties. Through the remuneration committee, the board ensures that the group adopts remuneration policies and practices that enable the sustainable execution of the group strategy and encourage discretionary effort in line with the group's values and Code of Ethics.

The committee regularly reviews the group's remuneration policies to ensure that the design and management of remuneration practices enable us to attract top talent, motivate sustained high performance, promote appropriate risk-taking behaviour, and are linked to both individual and corporate performance. The committee also ensures transparency and disclosure to enable our stakeholders to reasonably assess the effectiveness of the group's reward practices and governance processes. This report provides more detail on the group's remuneration practices including its remuneration policy.

The committee confirms that it has complied with its obligations as reflected in its terms of reference, a copy of which is available on our website at www.barloworld.com. The committee also complied with the provisions of the King IV™ guidance on remuneration governance and the JSE Listings Requirements.

The committee is pleased to provide its report for the year ended 30 September 2021, structured as follows:

Section 1: Chair's background statement.
Section 2: Remuneration policy.
Section 3: Implementation report.

Section 1: Chair's background statement

Dear shareholders

First of all, I would like to thank my fellow members of the remuneration committee, Neo Dongwana, Neo Mokhesi and Peter Schmid whose insightful contributions made it possible for the committee to perform its duties effectively during the year under review. Neo Dongwana served on the committee until the end of the year under review, and I would particularly like to express my sincere gratitude to her for the exceptional support she provided me as I took on the role of Chair of the remuneration committee. I wish her success in her future endeavours.

I am also pleased to welcome our new board Chair, Dr Lulu Gwagwa, who joined the committee from 01 October 2021.

Performance and factors influencing remuneration decisions and outcomes

Barloworld delivered an exceptional set of results despite the economic challenges that prevailed in both our macro and micro environments. Our results reflect the benefits realised from the disposal of the Motor Retail business, acquisitive growth provided by Equipment Mongolia and Ingrain, the exceptional performance from the southern African and Russian Equipment businesses as well as the impressive turnaround of the Car Rental business.

Capital allocation is central to the group's overall strategy. In FY2021 Barloworld bought back 775 740 shares, returning R79 million to shareholders. The group also declared ordinary and special dividends to the value of R3.6 billion. The total dividend declared for the year equates to 1 787 cents per share, consisting of an ordinary dividend of 437 cent (interim of 137 cents and final of 300 cents per share) and a special dividend of 1 350 cents (interim of 200 cents and final of 1 150 cents per share). This is in addition to the R1.6 billion share buyback in FY2020, the R500 million special and R1 billion ordinary dividends paid in FY2019, and the R1 billion ordinary dividend paid in FY2018. All in all Barloworld has returned R7.8 billion to its shareholders over the past four years.

Going forward the group will continue to assess its overall capital allocation, focusing on programmatic acquisitive growth in its identified growth segments and returning capital to shareholders.

While we focused on driving strategy execution to simplify the portfolio and ensure sustainable recovery, we also continued with efforts to ensure the health and safety of our employees in light of the persistent impact of the Covid-19 pandemic. These efforts included encouraging employee vaccination, in line with the vaccination programmes of the countries we operate in. As a result, the percentage of employees who have partially or fully vaccinated is steadily increasing and we are confident that vaccination rates will soon reach the desired levels in all our operating regions.

The solid performance we achieved is also testament to our continued cost consciousness which we balanced with the need to ensure the group's ability to attract, motivate and retain the skills required to sustainably deliver its strategy. We are therefore pleased to report that we were able to manage the impact on our talent of the austerity measures implemented in the last financial year through:

- lifting the salary sacrifice plan and reinstating contributions to the company's various retirement funds with effect from December 2020 instead of May 2021, as originally planned
- resuming retention scheme payments for current participants from December 2020 instead of May 2021
- lifting the moratorium on external appointments for critical and strategic roles that could not be filled internally. This made it possible for us to rehire suitable employees that were impacted by the unavoidable restructuring processes effected during FY2020.

Summary of key remuneration decisions taken and implemented

In light of the stellar performance, we are also pleased to report that the company was able to implement the following remuneration decisions during the year under review (details are included in section 3 of the report):

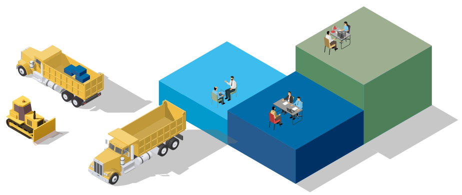
- Annual salary review processes were reinstated and implemented for all employee levels in line with the remuneration policy and/or recognition agreements with our organised labour partners in the respective regions.
- Budgets for non-unionised employees were optimised using the company's pay for performance and equitable pay principles to make differentiated adjustments that enabled us to address critical and strategic talent that was lagging the market and/or reflected undue internal equity misalignments.
- The short term incentive (STI) scheme processes were implemented in line with the STI policy principles resulting in the payment of STIs to employees, in line with both company and individual performance.
- Annual long term incentive (LTI) awards were made to group executives and senior management employees whose roles drive long-term value creation, in line with the provisions of the respective scheme rules and the policy changes focused on improving alignment with shareholders. These changes are outlined below.
- If approved by shareholders at the upcoming AGM, non–executive directors' fees will be adjusted in line with the proposals which were based on the benchmarks conducted.

Voting and shareholder engagement

The table below reflects the non-binding advisory supportive votes received for our remuneration report over the past two years.

Table 1: AGM voting outcomes	FY2020	FY2019
Non-binding advisory vote on **remuneration policy**	75.17%	76.34%
Non-binding advisory vote on remuneration **implementation report**	75.16%	56.03%

While there was an evident improvement in the outcome of the shareholder non-binding advisory vote on our FY2020 implementation report from the FY2019 outcome, which we believe is due to the extensive engagements we conducted with shareholders, we were not satisfied with the relatively low levels of support. We reviewed the detailed voting outcomes for FY2020 to gain an understanding of the issues that may have impacted the voting patterns of shareholders, or their proxy advisers. Our new board Chair, Dr Gwagwa, also engaged shareholders following her appointment.



The remuneration committee noted the feedback from the detailed analysis of the voting and our shareholder engagements and considered the ideas and suggestions from our shareholders. The table below captures the main themes of this feedback together with our responses, some of which are discussed further below.

Shareholder concerns	Our responses
Remuneration policy	
Lack of performance-related pay	• The company's remuneration policy is performance based and all elements of executive remuneration are linked to strategy-aligned performance conditions which are defined, assessed and disclosed accordingly. • As detailed below, our commitment towards ensuring that **variable pay** is fully performance-based is reflected in the change made to our LTI policy, effective from FY2022, where the retention component of forfeitable share plan (FSP) awards granted to Group Executives has been removed so that all LTI awards (100%) are subject to performance conditions. • We have also simplified the STI scheme applicable to Group Executives to place greater emphasis on sustainability through Environmental, Social and Governance (ESG) measures.
The grants under the LTI plan are not sufficiently performance based. The awards include discretionary retention awards. The LTI scheme should be assessed against performance conditions that are aligned with company performance.	• Based on shareholder feedback the small portion of the company's FSP award which was previously linked to retention conditions has **been removed** and the scheme is now **100% linked to performance conditions**. • Performance conditions are annually approved by the remuneration committee, tested and disclosed accordingly.
STI and LTI performance conditions reflected in the balanced scorecards of executive directors and prescribed officers should include ESG measures	• The performance conditions for the STI scheme currently include elements of social, governance and compliance in the form of metrics related to Employee Safety and Wellbeing, Diversity and Inclusion (D&I), Internal Audit & Compliance, Leadership, Employee Engagement, etc. • However, with effect from FY2022 an ESG aligned scorecard that will be used to modify the STI downwards in the event of non-compliance/non-achievement of ESG targets will be introduced for Group Executives. We believe that this will re-enforce the importance of ESG measures and drive accountability for sustainable performance from the top.
The company has not disclosed sufficient information on the multiple to be applied on severance payments to be granted to its CEO and executives	• We noted this feedback and confirmed that the company's severance pay calculations for its Group Chief Executive Officer and other Group Executives are generally aligned to each operating region's labour regulations. • In South Africa, the calculation is two weeks' pay for every completed year of service, in line with the company's severance pay policy. We have disclosed this in section 2 of the report.

Summary of variable pay policy changes

In response to shareholder feedback, and to ensure that we continually improve our policy and that it is fit-for-purpose while addressing the business needs in line with our strategy, we have refined our policy and made changes to our variable pay structures for FY2022. The changes are also based on data gained from operating the schemes over the past few years. These changes are summarised below and detailed in section 2 of the report.

LTI scheme changes

Removal of retention awards

- The retention component in the FSP for Group Executives (amounting to approximately 6% of the overall award) has been removed. As a result, all long-term incentives awarded to Group Executives are now fully (100%) performance-based.
- The removal of the retention element of the FSP necessitated an adjustment to allocation levels which are detailed in section 2 of the report.

Revised metric weightings and targets in line with our strategy

- To ensure better alignment between management and shareholders, we have also reviewed the targets and weightings for the FY2022 awards and made the adjustments detailed in section 2 of the report.

STI scheme changes

Simplified formula and emphasis on sustainability through Environmental, Social and Governance (ESG) measures

- To simplify the STI and place greater emphasis on sustainability through ESG measures, and drive the accountability for these from the top, the STI formula for Group Executives will change.
- Essentially, the STI scheme will be fully (100%) weighted towards the achievement of financial performance targets. These will, however, be modified downwards by a non-financial modifier (up to a weighting of 40%) made up of ESG measures as well as other role specific metrics if these targets are not met.

Revised metric weightings and targets in line with our strategy

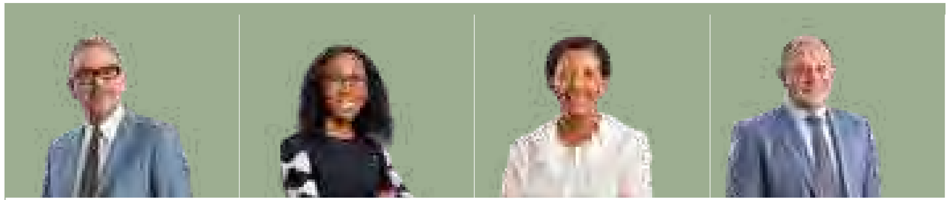
- We also reviewed the financial targets and metric weightings for the FY2022 STI to improve focus and alignment with shareholders.

Details of the simplified STI formula and its operation are disclosed in section 2.

Remuneration governance and planned future actions

Activities of the remuneration committee

The composition of the committee and the attendance by its members at the five meetings held during the year under review are set out below:



Michael Lynch-Bell Chair	Lulu Gwagwa	Neo Mokhesi	Peter Schmid
Meeting attendance 5/5	Meeting attendance n/a	Meeting attendance 5/5	Meeting attendance 5/5

Sango Ntsaluba was a member of the committee until 10 February 2021 when he retired. He had attended 2/2 meetings.

Neo Dongwana was a member of the committee until she retired on 30 September 2021. She had attended 5/5 meetings.

A summary of the key considerations and decisions taken by the committee for the year under review, is as follows:

Annual policy review

The outcome of the annual review of the remuneration policy and system was considered and the updated policy was approved. The main policy changes related to:

- enhancements of the provisions on fair and responsible pay to illustrate the extent to which the company implements measures to address pay equity, including the measurement and tracking of actions to address any potential income disparity issues
- variable pay changes to enhance the link between strategy and performance and simplify disclosures as outlined above.

Benchmarking

Executive director remuneration benchmarks conducted by PwC against the approved comparator group as well as benchmarks conducted by management with reference to the company's Willis Towers Watson grading system were noted. The benchmarks were referenced for the Group Executive's remuneration reviews, the outcomes of which are outlined in more detail in section 3.

Non-executive director fee benchmarks conducted by PwC against the approved comparator group were also noted and used as reference for the proposed non-executive director fee adjustments.

Salary reviews

The annual salary review outcomes for all employees, including Group Executives, which were conducted in line with the remuneration policy and benchmark outcomes, were approved.

Short-term incentives

The performance against targets set for FY2021 were assessed and STI payments for Group Executives, calculated in line with the STI policy, were approved.

STI payments for other eligible employee levels were noted.

The STI targets for FY2022 were approved.

Long-term incentives

The assessment outcomes of the performance conditions for the FY2019 FSP and historic share appreciation rights (SAR) awards were reviewed. The resultant vesting percentages of 100% for the SAR and 53% for the FSP with performance conditions were approved.

The proposal to remove the FSP retention awards, which previously formed part of the awards granted to Group Executives, was approved. This resulted in 100% of the awards made to Group Executives being performance-based.

Performance conditions for the CSP and FSP awards for FY2022 were approved.

Non-executive director fees

A non-executive directors' fee policy was approved.

Proposed fees for non-executive directors were supported for approval by shareholders at the company's upcoming AGM.

Executive changes and succession planning

Executive director and prescribed officer changes that followed the divestiture of the Motor Retail business and the acquisition of Mongolia were noted. This included the departure of Mr Kamogelo Mmutlana, CEO: Automotive and Logistics and the appointment of Mr Quinton McGeer, CEO: Equipment Eurasia as a prescribed officer.

The resignation of Ms Andiswa Ndoni as the Company Secretary effective 31 October 2021 and the appointment of Ms Vasta Mhlongo as the new Company Secretary was noted.

The Group Executive succession plan was also noted.

Reporting to shareholders

The shareholder voting analysis, engagements, feedback and actions taken to address concerns were noted and addressed.

The remuneration report which forms part of the company's integrated report was approved.

Additional matters

The policy-aligned vesting of LTI awards for the employees impacted by the Motor Retail divestiture, including Mr Mmutlana who was the CEO for Automotive and Logistics, were noted. The vesting was appropriately managed in line with the no-fault termination provisions of the respective scheme rules.

The committee reviewed a report on the company's pay gap analysis and took note of management's ongoing initiatives to address disparities, including the high level of preparedness for any regulatory disclosure requirements. The committee will continue to monitor the effectiveness of the corrective actions presented.

Progress on the review of the company's benefits offering, including the enhancement of the funeral benefit in some operating regions, e.g. South Africa, was noted.

The committee noted that **no** new awards were made to Group Executive employees under the company's replacement and retention scheme.

Future focus areas

We will continue to monitor the effectiveness of the remuneration policy and system with particular focus on:

- ensuring that there is an appropriate balance between strategy and stretch performance-aligned short and long-term variable pay
- monitoring progress against the LTI scheme's performance conditions to ensure that any potential concerns due to targets designed in light of Covid-19 are managed
- reviewing executive succession plans to mitigate talent risks.

Remuneration committee advisers

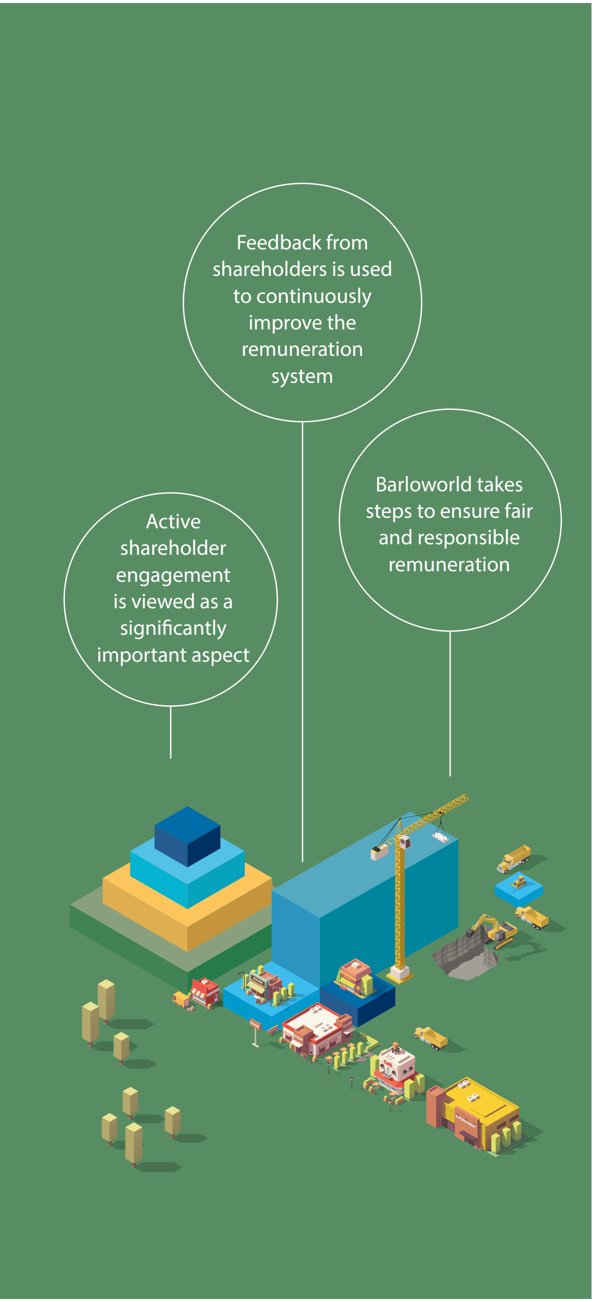
PwC are the independent advisers to the remuneration committee and attend meetings in an advisory capacity.

Willis Towers Watson also assisted management and the committee with remuneration benchmarking matters.

The committee is satisfied that the advisers were at all times independent and objective. The advisers attended relevant committee meetings during the year under review.

I would like to thank the board, the remuneration committee members, its advisers and management for their support and efforts during the year and we look forward to your support at the upcoming AGM.

Michael D Lynch-Bell
Chair of the remuneration committee
3 December 2021



Section 2: Remuneration policy

Regulatory background

This policy should be read with reference to the applicable regulatory and governance frameworks.

Role of the remuneration committee

Terms of reference

The remuneration committee assists the board in discharging its remuneration-related oversight responsibilities and operates in line with its terms of reference, which should be read in conjunction with this policy.

Shareholder engagement

Active shareholder engagement is viewed as a significantly important aspect of managing the company's remuneration framework.
As a result, the committee engages regularly with shareholders to obtain feedback and their views on the company's remuneration policy and practices as part of its efforts to ensure transparent, fair and responsible remuneration.

The committee is responsible for the annual review and approval of the remuneration policy and the implementation report which form part of the company's integrated report. The remuneration policy and implementation report are put to separate non-binding advisory votes at the company's AGM. In the event that either the policy and/or implementation report are voted against by 25% or more of the voting rights exercised, the remuneration committee will actively engage with shareholders and report back on the outcomes of the engagement and on any corrective measures taken.

Fair and responsible remuneration

Barloworld strives to create a fair, safe, and ethical work environment for all its employees. We are proactive in this regard and therefore take steps to realise the principle of fair, equitable and responsible remuneration. A key objective of the company's remuneration policy is to ensure that all employees receive remuneration that enables them to effectively participate in the economy.

The company has put in place various measures to ensure that its remuneration practices enable it to comply with legislation governing equal pay for work of equal value. In South Africa, annual pay audits are conducted in terms of the Code of Good Practice on Equal Pay for Work of Equal Value under the Employment Equity Act, 1998 and Barloworld ensures that the outcomes of the audits are used as a reference for implementing required corrective actions.

Through its remuneration policy the company continues its efforts to build a diverse and inclusive workforce that is motivated to achieve sustainable business outcomes.
As a responsible corporate citizen, proud of its history and commitment to transformation, the company devotes the necessary focus to ensuring racial and gender equity.
In this regard our balanced scorecard framework applicable to senior management, which includes stretch diversity and inclusion targets, is used to drive desired and sustainable progress in both representation and in closing any historic inequities.

Pay gaps are tracked and managed through relevant measures of income dispersion. Such measures are interpreted in context by considering factors such as the group or each division's industry, business models, organisational maturity, etc. When considering the principle of fair and responsible remuneration, the remuneration committee will consider that:

- remuneration requirements for each skill level and employment type may differ and thus ensure that the differentiation factors are non-discriminatory, fair and responsible
- unified and updated job structures are required to effectively determine the existence of and reasons for differentiation in remuneration
- certain ethical and moral considerations stemming from a societal imbalance may weigh in on the necessity to adjust remuneration levels.

The remuneration committee ensures that executive remuneration is justifiable in the context of overall employee remuneration. The board and/or the committee and/or executive management may take any appropriate action in ensuring fair and responsible remuneration, including:

- investigating and assessing internal pay disparities within Barloworld
- calculating various ratios to assess the level of income disparity within the company. These may include, but are not limited to:
  - the internal Gini coefficient as compared to the national and/or applicable industry Gini coefficient measures
  - the wage gap, where the Group and/or Divisional Chief Executive Officers' pay is compared to the median pay of unskilled, semi-skilled and skilled employees. This ratio provides the company with a ratio of how many times higher the Chief Executive Officers' pay is than the median pay of unskilled, semi-skilled and skilled employees
  - the 10:10 ratio, which provides an analysis of how many times higher the sum of the highest 10% of employees is paid relative to the lowest 10% of employees
  - the Palma ratio which indicates the ratio between the top 10% earners and bottom 40% earners in the company
- examining the underlying reasons for pay disparities, if any
- assessing pay differentiation between employees at the same level/same grade
- tracking year-on-year progress made with any initiatives in support of implementing the principle of fair and responsible remuneration.

Policy compliance

The company fully complied with the provisions of its remuneration policy and variable pay scheme rules and there were no deviations from either.

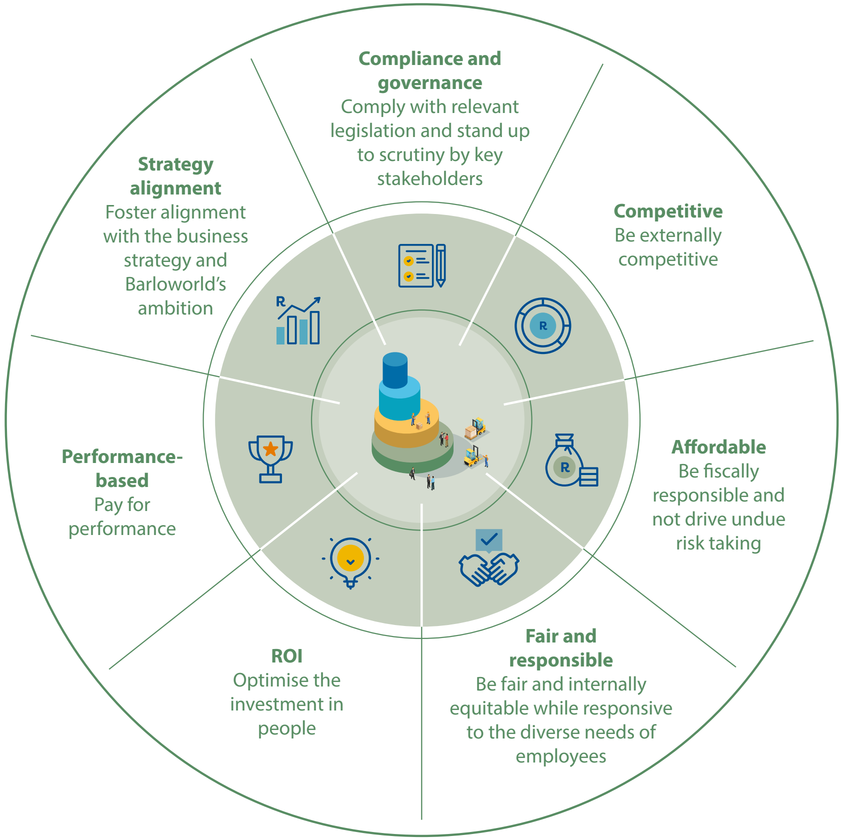
Authority levels

The remuneration committee acts under the delegated authority of the board to determine and set remuneration levels, except for the fees payable to non-executive directors, which are subject to the approval of shareholders at the AGM. The authority levels are set out below:

	GCEO	Remuneration committee	Board	Shareholders
Remuneration policy including incentive plans and provisions applicable to group-wide employees	Proposal	Approval		
Executive director remuneration (excluding GCEO)	Proposal	Recommendation	Approval	
GCEO		Proposal	Approval	
Prescribed officer remuneration	Proposal	Approval	Noting	
Other Group Executives' remuneration (excluding GCEO)	Proposal	Approval	Noting	
Performance target setting and assessment	Proposal	Approval	Noting	
Remuneration report	Proposal	Approval	Recommendation	Endorsement
Non-executive director remuneration	Proposal		Recommendation	Approval

Remuneration philosophy, approach and link to strategy

Barloworld's remuneration philosophy is informed by its belief that people perform at their best within an environment that encourages continuous improvement, and acknowledges winning behaviours and great results. The company is therefore committed to creating a safe and enabling environment that empowers employees to delight customers and inspire a world of difference as they develop and grow their careers. The company's holistic approach to remuneration reflects its commitment to various stakeholders, as shown in the figure below:



In line with the above, pay for performance principles apply per the company's performance management processes to encourage the high performance necessary for the achievement of our ambition of sustainably doubling the intrinsic value created every four years. This ambition is underpinned by the following strategic objectives:

- Deliver top quartile shareholder returns
- Drive profitable growth
- Instil an ESG aligned high-performance culture driven by Group Executives

These strategic objectives are driven through carefully selected metrics that are used in our STI and LTI schemes as illustrated in the table below:

	Short Term Incentive (STI)	Long Term Incentive (LTI) – FSP and CSP
Deliver top quartile shareholder returns		
Return on equity (ROE)	✓	
Return on invested capital (ROIC)	✓	✓
Headline earnings per share (HEPS)	✓	✓
Drive profitable growth		
Economic profit (EP)	✓	
Free cash flow (FCF)	✓	✓
Instil an ESG aligned high-performance culture driven by Group Executives		
Environmental metrics focused on achieving 100% of sustainability targets that enable us to responsibly reduce our environmental footprint	✓	
Safety metrics focused on creating a zero harm culture, ensuring zero fatalities and achieving 100% of lost time injury frequency rate (LTIFR) targets	✓	
Governance and compliance metrics focused on achieving 100% internal audit targets/outcomes	✓	
Other role based non-financial elements in the individual scorecard which may include embedding the BBS operational excellence culture, improving customer service, growing market share, creating a diverse and inclusive workforce, improving employee engagement etc.	✓	

While it may appear that the metrics used for the LTI and STI scheme are duplicated, there is a difference in the manner in which the objectives are set and the levels at which the threshold, target and outperformance/stretch are set, as summarised below and described in more detail later in this section.

- For STI purposes the threshold, target and outperform levels against each metric are set with reference to prior year actuals, the budget for the forthcoming year and a 25% growth in earnings.
- For the LTI scheme, the threshold, target and stretch levels against each metric are set with reference to nominal growth rates (HEPS linked to CPI), and through the cycle FCF conversion and ROIC hurdles and stretch objectives.

Objectives

The remuneration policy contributes to the achievement of Barloworld's ambition through:

- defining competitive remuneration parameters for attracting, motivating and retaining top talent in line with the company's performance imperatives, affordability and long-term strategy
- rewarding for value created in a way that ensures alignment of the interests of all stakeholders
- ensuring adherence to all applicable regulatory requirements and corporate governance guidelines
- enabling the remuneration committee to execute its mandate.

Key remuneration elements

Policy applicability guide

The company's key remuneration elements and their applicability are reflected below.

Policy element	Employee grades applicable to (subject to divisional variations per divisional policies)			
	Group Executives, including executive directors and prescribed officers (Willis Towers Watson Global Grade 19 and above)	Senior management/ specialists' employees (Willis Towers Watson Global Grade 15 to 18)	Middle management/ specialists employees (Willis Towers Watson Global Grade 10 to 14)	Other employees, including unionised (Willis Towers Watson Global Grade 09 and below)
Guaranteed pay	✓	✓	✓	✓
Benefits	✓	✓	✓	✓
Short term incentive schemes (STI)	✓	✓	✓	✓ (13th cheques may apply in some divisions)
Sales incentive schemes (only for sales roles)	n/a	n/a	✓ (only for sales roles)	✓ (only for sales roles)
Long term incentive schemes (LTI)	✓	✓	n/a	n/a
Replacement and Retention Scheme with performance conditions	✓	✓	✓	✓
Performance management	✓	✓	✓	✓

Guaranteed pay

Element	Policy principles
Policy changes for FY2022	**The fair and responsible pay section expanded to include all the measures of income disparity that the company uses and the actions taken to address potential issues.**
Total guaranteed pay (TGP)	TGP comprises a basic salary and benefits, which may include all types of leave, retirement schemes, medical benefits, car allowances, risk benefits, etc. The company's defined market position for basic salary or TGP is at the 50th percentile or median of the South African national market or the regional markets in which it operates. Benchmarks are conducted annually as a reference for salary review budgets and adjustments which are performance and internal equity based for non-unionised employees, including Group Executives. The remuneration committee approves salary review outcomes for all Group Executive employees.

Benefits

Element	Policy principles
Policy changes for FY2022	**Funeral benefits were enhanced to align with market for some operating regions, e.g. South Africa**
Benefits	Subject to local competitive practice and legislation, the company provides additional elements of compensation that include retirement and medical aid benefits. The company also provides life assurance, accidental death and dismemberment cover as well as disability and income protection insurance. Employee benefits are subject to each local country of operation's tax and employment legislation. **Retirement schemes** The basic annual pensionable earnings (on which contributions to certain benefit funds are based) is calculated as a % of basic salary. This percentage is 14% for Group Executives and may differ for other employee levels depending on the retirement fund they are part of. The overall tax deductible limit that applies to all retirement schemes to which an employee contributes is as per the legislation of that country. Employee and employer contributions vary depending on the fund to which employees belong. Some of the retirement schemes also include risk benefits cover, such as death and disability. The funeral benefits were enhanced for some of the operating regions (e.g. South Africa) to align with market practice. **Medical benefits** The medical aid funds vary depending on jurisdiction, divisional company and legislation. **Other:** The multiples of salary vary for life assurance, accidental death, and disability and income protection insurance. **Relocation allowances:** Allowances are only paid if contractually agreed and in line with applicable divisional policies. **Post-retirement benefits:** It is not Barloworld's policy or practice to provide post-retirement benefits.

Variable pay

STI schemes
STI plan for Group Executives (grade 19 and above)

Element	Policy principles
Policy changes for FY2022	**The STI scheme applicable to Group Executives is simplified to place greater emphasis on sustainability through Environmental, Social and Governance (ESG) measures.**
Scheme objective and link to strategy	The STI is performance-based and measured against predetermined objectives to encourage the discretionary effort required to deliver the strategy in line with each participant's job grade and specific role deliverables. STIs are paid annually subject to performance, and after sign-off of the financial results of the company by external audit and the approval of the remuneration committee.
STI formula	To drive the appropriate behaviours and ensure participants drive and benefit appropriately from value created, the STI formula is as below: **STI payable = [A-B] x C x D, where:** A Financial performance with a 100% STI weighting, comprising group financial, or a combination of group and divisional financial performance for those Group Executives with divisional responsibility B Non-financial modifier acting as a penalty of up to a maximum of 40% of the STI. Measures for the financial modifier will be determined with reference to the ESG aligned categories (environmental, social (safety) and governance and compliance) as well as other role specific metrics. See details on the next page. C STI allocation % based on job grade. See more details on next page. D Basic cash salary

STI schemes
STI plan for Group Executives (grade 19 and above)

Element	Policy principles
Financial metrics and weightings	The group and divisional financial metrics and revised weightings are as follows:

Metric	Group	Division
Return on equity (ROE)	25%	n/a
Return on invested capital (ROIC)	n/a	32.5%
Free cash flow after interest (FCF)	30%	35%
Headline earnings per share (HEPS)	25%	n/a
Economic profit (EP)	20%	32.5%
Total	100%	100%

Element	Policy principles
Financial target setting principles (A)	To ensure stretch performance, threshold, target and outperform financial objectives are set for group and divisions as follows: **ROIC/EP/HEPS** • **Threshold:** Equals the lower of prior year actual performance (FY2021) and FY2022 budget approved by the board • **Target:** Equals the higher of prior year actual performance (FY2021) and FY2022 budget approved by the board • **Outperformance:** Minimum of 25% uplift on FY2021 actual performance **FCF targets** were **determined as follows:** • **Threshold:** Equals 40% of FY2022 Budget EBITDA • **Target:** Equals 50% of FY2022 Budget EBITDA • **Outperformance:** Equals 65% of FY2022 Budget EBITDA Full disclosure of targets and achievement vs targets will be made retrospectively in our next remuneration report.

STI schemes
STI plan for Group Executives (grade 19 and above) continued

Element	Policy principles			
Non-financial metrics and targets (B)	If the following ESG aligned non-financial measures are not met, a penalty up to a maximum of 40% can be deducted from the outcomes of the financial measures. A maximum of 20% would be referenced to the ESG metrics and weightings outlined on the table below, whilst a maximum of 20% would be with reference to any other agreed individual scorecard targets.			
	ESG aligned categories	Metrics	Maximum weighting	Target
	Environmental	Failure to achieve 100% of sustainability targets that enable responsible reduction of our environmental footprint	5%	100% targets achieved
	Safety	Failure to create a zero-harm culture and achieve zero fatalities	10%	Zero fatalities
		100% achievement of LTIFR targets		100% targets achieved
	Governance and compliance	Failure to achieve 100% internal audit outcomes/targets	5%	100% targets achieved
STI allocation percentage (C)	STI allocation % are based on job grade. The percentages applicable to each level of performance are as follows: • For the Group chief executive officer: 0% for threshold, 100% for on-target and 200% (also cap) for stretch performance. • For all other Group Executives: 0% for threshold, 87.5% for on-target and 175% (also cap) for stretch performance.			
Basic cash salary (D)	Basic cash salary which includes structured allowances such as the travel allowance where applicable.			
Malus and clawback	STIs are subject to the company's malus and clawback policy.			

STI schemes
STI plan for senior management

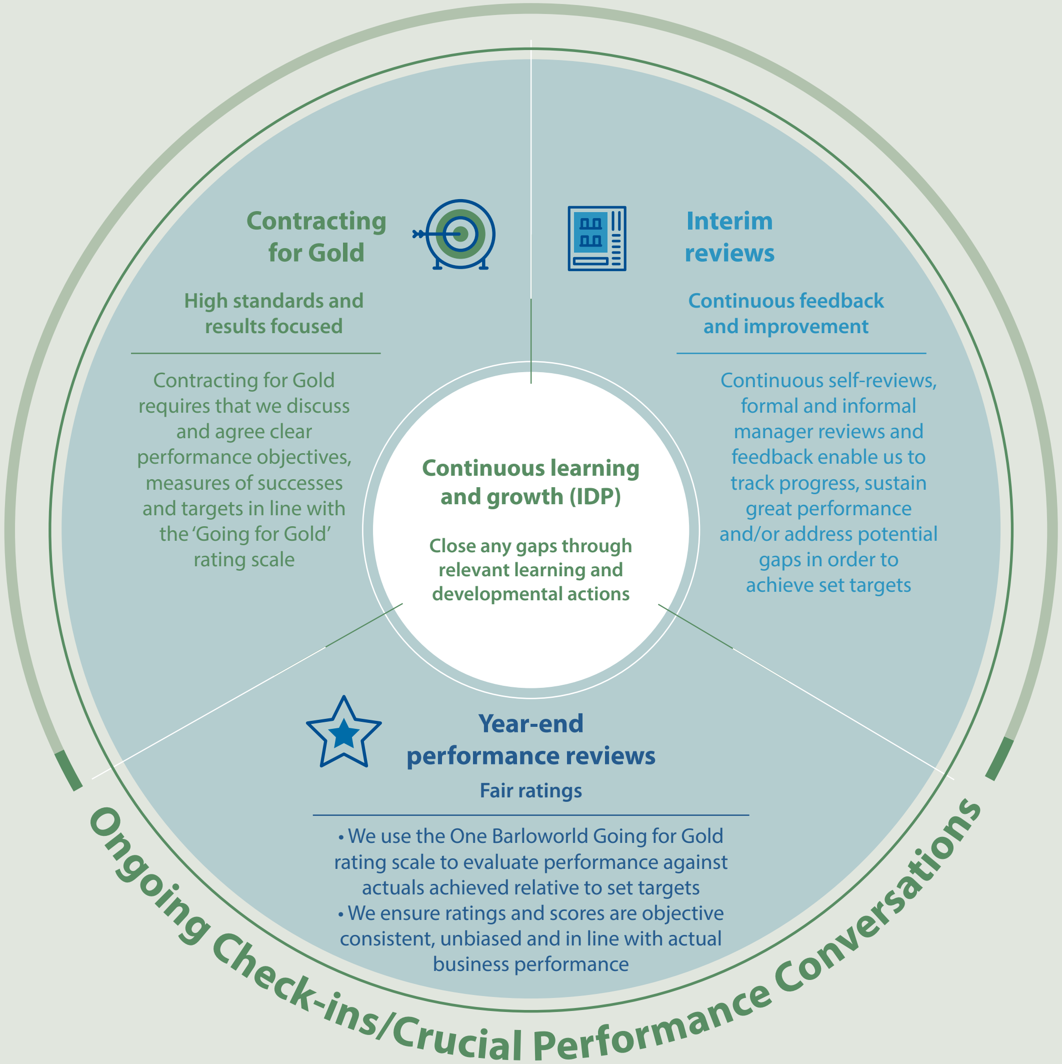
Element	Policy principles
Policy changes for FY2022	**With effect from FY2022 only senior management at job grade 15-18 (excluding Group Executives) will participate in the company's previous scheme.**
Short-term incentive plan for senior management	• The scheme is performance-based and operates on an additive basis using a balanced scorecard that drives sustainable value creation. • The balanced scorecards measure a combination of metrics and targets relating to group and/or divisional financial performance, internal audit and compliance, diversity and inclusion as well as individual performance. • To ensure participants benefit appropriately from the value created, the sum of the scores from the respective balanced scorecard elements is modified by a financial multiplier to ensure overall affordability. Each participant's earning potential is further determined through a job grade based STI allocation/capped percentage of their basic cash salary. • STIs are paid annually subject to performance and after sign-off by external audit of the financial results of the company as well as the remuneration committee's approval.

STI schemes
Short-term incentive plan for middle management and below

Element	Policy principles
Policy changes for FY2022	**No changes**
Short-term incentive plan for middle management and below	• Due to the diversified nature of the business, each of the divisions have their own bonus or 13th cheque scheme for employees at grade 14 and below (middle management and below in operational levels). These details are in the remuneration and reward policies of the respective divisions. • The payment of business unit bonus plans is subject to the same business financial performance conditions at all levels. • Participation in the divisional bonus or 13th cheque scheme for grade 14 and below employees is at the discretion of the relevant division's remuneration committees (or as per formal agreements with bargaining councils and/or unions for unionised staff).

STI schemes
Performance management

Element	Policy principles
Policy changes for FY2022	**The scorecards of Group Executives will be aligned to the simplified STI scheme formula outlined above**
Performance management	Robust performance management (internally referred to as performance optimisation) processes ensure focus and support the achievement of stretch targets per the following key principles: • Performance metrics and targets are set at the beginning of the year with reference to the high standards of performance required to achieve the strategy • Continuous improvement is encouraged throughout the year and feedback conversations are held at least once per month • Underperformance is proactively managed and addressed to ensure no surprises when final performance is evaluated at the end of the year. The graphic alongside represents these principles



Sales incentive schemes

Element	Policy principles
Policy changes for FY2022	No changes
Sales incentive schemes	Barloworld runs commission structure schemes for employees in sales roles. The details of each scheme are outlined in the respective business unit remuneration policies.

LTI schemes

Element	Policy principles
Policy changes for FY2022	• The FSP retention component is removed for Group Executives and replaced by performance FSPs, thus ensuring all awards are performance-based. Award levels have been recalibrated to take this change into consideration. • No changes have been made to the Grade 15–18 LTI instruments and these employees continue to receive a combination of performance and retention FSPs. • The detailed policy as it applies to Group Executives (including executive directors and prescribed officers) is further explained below.
Scheme objectives and link to strategy	• LTIs drive the alignment of executive management and shareholder interests through performance-based long-term plans. • LTI performance metrics and targets are approved annually by the remuneration committee. • In countries where local conditions do not support the granting of share-based awards, the LTI scheme is replaced with a deferred bonus scheme.

LTI schemes

Element	Conditional share plan (CSP)	Forfeitable share plan (FSP)
Instruments	• Conditional rights to shares, subject to continued employment and forward-looking performance conditions. • Dividend equivalents may be awarded on vested shares.	Performance forfeitable shares with all associated shareholder rights, subject to continued employment and forward-looking performance conditions
Mix between awards allocated	70%	30%
Vesting period	Three years	Three years
Post vesting holding period	Two-year post vesting holding period	n/a
Malus and clawback	• Malus applicable throughout five-year period (vesting and holding period) • Claw back applicable for three years after the holding period of the CSP (i.e. years 6–8)	• Malus applicable throughout the three-year vesting period • Claw back applicable for three years after the vesting date

LTI schemes continued

Element	Policy principles
Allocation levels	• The remuneration committee approves the quantum of awards to be made, the performance targets and the mix of instruments to be granted annually. • Award levels are based on the participant's job grade and on face value • The maximum award for any financial year is capped at a competitive percentage of total guaranteed pay, with maximums as follows:

Participant level	Job grade	Performance-based CSP allocation as a % of Total Guaranteed Pay (TGP)	Performance-based FSP allocation as a % of Total Guaranteed Pay (TGP)	Total
Group CEO	23	124%	53%	177%
Group FD and prescribed officers	20	99%	43%	142%
Other Group Executives	19	87%	37%	124%

- All (100%) awards are performance based as the previous retention element has been removed. This resulted in an increase in the award levels from the previous year.
- When determining the adjusted LTI allocation percentages, the committee took into consideration the total remuneration (comprising of TGP, STIs and LTIs) benchmarks conducted by PwC. Even after adjusting the LTI allocation percentages, the total remuneration of the executive directors and prescribed officers was within market benchmarks and aligned to the company's policy tolerance range. Please refer to the benchmark comparator group below.
- In line with the above, the remuneration committee considered the increased allocation levels appropriate relative to the policy and the targets set.

LTI schemes continued

Element	Policy principles
Performance targets, weighting, and vesting levels	• Each performance metric has a target that is tested separately (see targets below). This means that the awards only vest to the extent that the performance conditions have been met. • If the relevant target is not achieved, the awards do not vest on the vesting date and lapse. Where an award or a portion thereof lapses, the employee loses all entitlement and rights to those shares.

Element	Policy principles
Performance targets, weighting, and vesting levels	• Targets and weightings for the FY2022 awards were set in line with the strategy and evolving business context by making upward adjustment as follows: ◦ **HEPS:** Target is based on the average of the FY2020 and FY2021 scheme objectives, with Stretch increased slightly above the average to CPI + 8% to yield a CAGR of 13%. ◦ **ROIC:** Target is based on average of the FY2020 and FY2021 scheme objectives for Target. Threshold = hurdle rate of 13% and Stretch = 16% in line with prior year's stretch objective. ◦ **FCF:** Target remains the same for Threshold and Target with Stretch increased by 5%. ◦ To ensure better alignment between executives and shareholders, the HEPS weighting increased from 25% to 40% with the corresponding 10% decrease in weighting in ROIC and 5% in FCF. This improves the balance between profitability (HEPS), return (ROIC) and cash flow with a particular focus on growth. • In line with the above, the FY2022 performance targets, weightings and vesting are as follows for the respective instruments:

FSP Targets

- The targets and weightings for the performance based FSP are as follows:

	Metric	Weighting	Threshold	Target	Stretch
FSP	HEPS	40%	CPI	CPI + 4%	n/a
	EBITDA FCF conversion	30%	40%	50%	
	ROIC	30%	13%	14.5%	

LTI schemes continued

Element	Policy principles
Performance targets, weighting, and vesting levels continued	**FSP Vesting** Linear vesting levels apply for the FSP as per table below:

	Below threshold	At threshold	At or above target
HEPS (40%)	0%	12%	40%
FCF (30%)	0%	9%	30%
ROIC (30%)	0%	9%	30%
Total	0%	30%	100%

CSP Targets
The targets for the CSP are as follows:

	Metric	Weighting	Threshold	Target	Stretch
CSP	HEPS	40%	CPI	CPI + 4%	CPI + 8%
	EBITDA FCF conversion	30%	40%	50%	65%
	ROIC	30%	13%	14.5%	16%

CSP Vesting
At threshold performance, there will be no vesting of CSP awards. However, above this level of performance, value will accrue in a linear manner, up to the maximum potential vesting of 250% of the allocation quantum, for stretch performance.

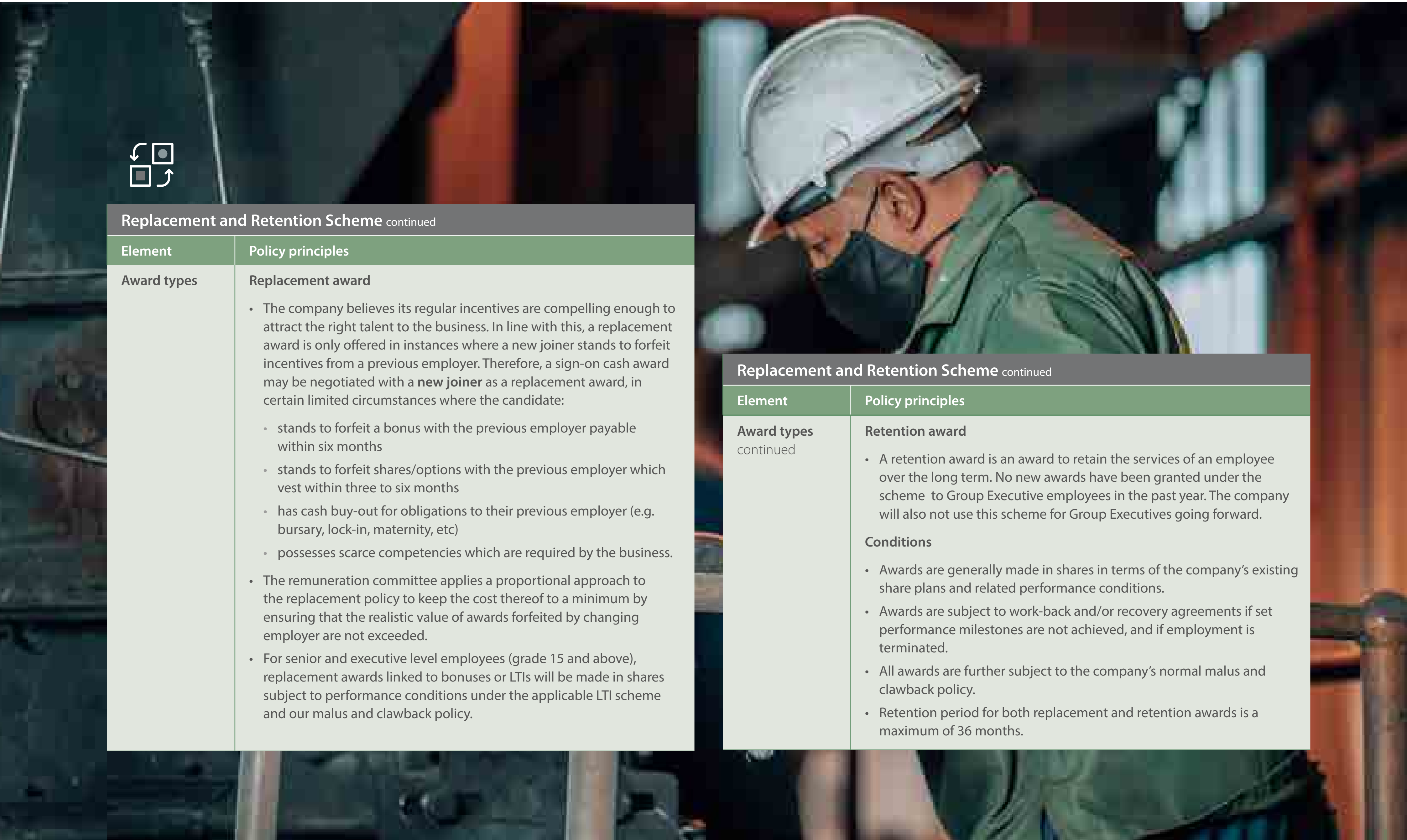
CSP	Below threshold	At threshold	At target	At stretch
HEPS (40%)	0%	0%	12%	100%
FCF (30%)	0%	0%	9%	75%
ROIC (30%)	0%	0%	9%	75%
Total	0%	0%	30%	250%

LTI schemes continued

Dilution and limits	• 5% of issued share capital between the CSP and FSP. • The individual limit is 1% of issued shares between the CSP and FSP.
Previously used LTI • **Share appreciation right scheme (SAR)**	• The introduction of the CSP resulted in the discontinuation of the SAR. The final tranche of the awards made under the SAR scheme in February 2019 will therefore vest in tranches, with the last tranche vesting in March 2024. • Full details of outstanding awards are disclosed in section 3.

Replacement and Retention Scheme

Element	Policy principles
Policy changes for FY2022	**This policy was updated in FY2021 in line with shareholder feedback and there will be no changes for FY2022**
Purpose of the policy	The policy sets out fair and consistent parameters for the limited use of the company's Replacement and Retention Scheme to attract and retain individuals with the strategic, critical and scarce skills required for the creation and maximisation of shareholder value.



Replacement and Retention Scheme continued

Element	Policy principles

Award types	**Replacement award**
	• The company believes its regular incentives are compelling enough to attract the right talent to the business. In line with this, a replacement award is only offered in instances where a new joiner stands to forfeit incentives from a previous employer. Therefore, a sign-on cash award may be negotiated with a **new joiner** as a replacement award, in certain limited circumstances where the candidate:
	  ◦ stands to forfeit a bonus with the previous employer payable within six months
	  ◦ stands to forfeit shares/options with the previous employer which vest within three to six months
	  ◦ has cash buy-out for obligations to their previous employer (e.g. bursary, lock-in, maternity, etc)
	  ◦ possesses scarce competencies which are required by the business.
	• The remuneration committee applies a proportional approach to the replacement policy to keep the cost thereof to a minimum by ensuring that the realistic value of awards forfeited by changing employer are not exceeded.
	• For senior and executive level employees (grade 15 and above), replacement awards linked to bonuses or LTIs will be made in shares subject to performance conditions under the applicable LTI scheme and our malus and clawback policy.

Replacement and Retention Scheme continued

Element	Policy principles
Award types continued	**Retention award** • A retention award is an award to retain the services of an employee over the long term. No new awards have been granted under the scheme to Group Executive employees in the past year. The company will also not use this scheme for Group Executives going forward. **Conditions** • Awards are generally made in shares in terms of the company's existing share plans and related performance conditions. • Awards are subject to work-back and/or recovery agreements if set performance milestones are not achieved, and if employment is terminated. • All awards are further subject to the company's normal malus and clawback policy. • Retention period for both replacement and retention awards is a maximum of 36 months.

Job grading

Barloworld uses the Willis Towers Watson Global Grading System's (GGS) methodology and structure to represent the level of compensation paid for similar positions, thus ensuring internal equity and external competitiveness. Using this method, the company or executive grade is determined with reference to the following key elements:

- Business size – sales turnover
- Organisational size – employment numbers
- Business and organisational complexity.

Benchmarking

Reputable surveys used provide industry differentials compared to the overall market. Macroeconomic factors are also taken into consideration when comparing to market, and survey information is always adjusted to take both the assumed movement in salaries and the time elapsed between the date of the survey and the date of analysis (i.e. the data is appropriately 'aged' in line with macroeconomic patterns).

Market reference for executive directors and prescribed officers

For Group Executives, including executive directors and prescribed officers, remuneration is benchmarked at the median of the market using the Willis Towers Watson GGS, where a global grade for the group and for each of its divisions is determined against companies in the national market (i.e. South Africa).

In addition, PwC also assists Barloworld with the determination of the comparator group that is used for the purposes of performing remuneration benchmarks for both Group Executives and non-executive directors. The comparator group is assessed for appropriateness every two to three years.

No changes were made to the comparator group, which was determined with reference to comparable factors such as company size, performance, nature of business and operating regions. The comparator group comprises the following JSE-listed and international companies:

Aggreko Plc
AVI Limited
Bidvest Limited
Finning International Inc.
Grafton Group Plc
Grindrod Limited
Impala Platinum Holdings Limited
Kap Industrial Holdings Limited
Northam Platinum Limited
Sibanye Stillwater Limited
Sime Darby Berhad
Super Group Limited
Textainer Group Holdings Limited
Tiger Brands Limited
Tongaat Hulett Limited
Trencor Limited

Remuneration mix and pay for performance link

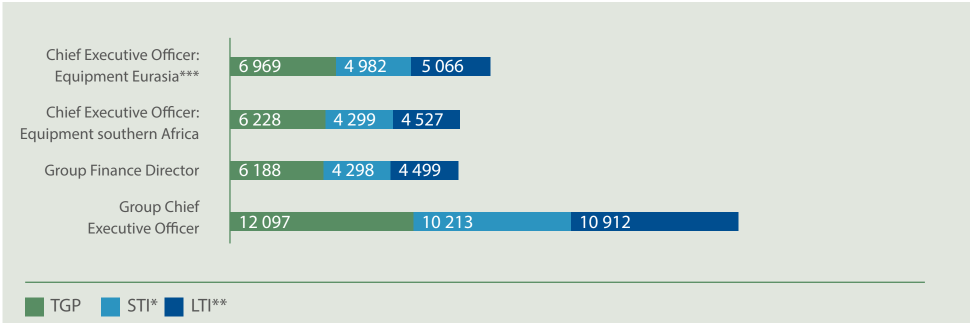
The remuneration mix is reviewed annually as part of the benchmarking at the median of the comparator group to ensure continued alignment with market practice.

The graphs that follow set out the executive directors and prescribed officers' potential pay mix with incentives at below threshold, at target and at stretch or outperformance.

Below threshold performance (R'000)

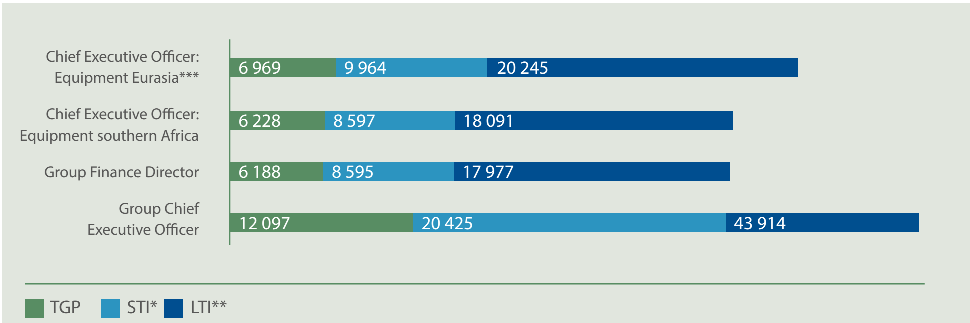
* The TGP of the Equipment Eurasia CEO is in Pounds and has been converted to ZAR using the spot exchange rate of R20.250 on 1 October 2021.

At targeted performance (R'000)



* STIs are calculated as a percentage of base salary.
** Indicative expected value on grant date of the FSP and CSP awards.
*** The TGP of the Equipment Eurasia CEO is in Pounds and has been converted to ZAR using the spot exchange rate of R20.250 on 1 October 2021.

At stretch or outperformance level (R'000)



* STIs are calculated as a percentage of base salary.
** Indicative expected value on grant date assuming full vesting for FSP and CSPs.
*** The TGP of the Equipment Eurasia CEO is in Pounds and has been converted to ZAR using the spot exchange rate of R20.250 on 1 October 2021.

Executive contracts

The main terms of the employment contracts applicable to Group Executives, including executive directors and prescribed officers are, summarised in the table that follows.

Section	Provision
Contract term	Indefinite or until normal retirement age in the relevant jurisdiction
Notice period	Nine months for the Group Chief Executive Officer Six months for other Group Executives
Change of control payments	Change of control provisions are covered by LTI rules and allow for proportionate vesting of awards, subject to applicable performance and retention conditions. Change of control clauses in employment contracts provide for redundancy terms, based on established guidelines, in the event of termination of employment within six months of change of control.
Termination of employment guidelines	**Voluntary resignation and dismissal** STIs are forfeited, any deferred bonuses/retention scheme payments lapse, and amounts paid are recovered. Vested, unvested and unexercised long-term incentives lapse. **Normal retirement** The remuneration committee has the discretion to pro rata STI for the period worked during the financial year. Pro rata deferred bonuses/retention payments are recovered based on date of allocation/employment duration. No recovery of amounts paid for retrenchment, permanently disabled and death. Pro rata unvested retention FSPs are based on the length of employment from date of award. Vesting is accelerated to date of termination of employment for normal retirement and on the normal vesting date for early retirement. Pro rata unvested performance LTIs (historic SAR, FSP and CSP) based on the length of employment from date of award. Performance conditions are tested over the full performance period and vest at normal vesting dates. (In case of death, performance conditions are tested to the latest company results and immediate vesting is applied.) **Mutual separation** All elements are subject to the remuneration committee's considered review and approval in line with the rules of the respective schemes.
Severance pay	The company's severance pay calculations are generally aligned to each operating region's labour regulations. In South Africa, the calculation is two weeks' pay for every completed year of service, in line with the company's severance pay policy.
Restraint of trade	Applicable to some executives per their employment contracts
Garden leave	During any period after notice of termination of employment has been given by either party, the company may place the executive on garden leave.
Other benefits	Certain executives may be employed in terms of expatriate contracts that include typical expatriate benefits in addition to the standard benefits.

Minimum shareholding requirements

In line with global best practice and shareholder expectations, the company adopted a minimum shareholding requirements (MSR) policy in FY2020. The aim of the policy is to encourage all Group Executives, including executive directors and prescribed officers to acquire and hold shares in the company and to reinforce the alignment between executive and shareholder interests. The executives are expected to build up and maintain a targeted qualifying interest in shares in the company, determined as a multiple of their TGP as follows:

- Group Chief Executive Officer: 200% of TGP
- Group Finance Director: 150% of TGP
- Other Group Executives and prescribed officers: 100% of TGP.

Group Executives must achieve the target minimum shareholding by the end of the five (5) year period from the date of adoption of the policy or date of their appointment to a Group Executive role if they are appointed after the adoption of the policy. Progress towards achieving the target minimum shareholding is evaluated annually as outlined in the policy.

In the event that the remuneration committee is not satisfied that the executive has met the MSR or is not on track to meet the MSR, the committee will invite the executive to provide an explanation to justify the lack of compliance with MSR policy and also consider methods that can be adopted by the executive to ensure compliance.

Malus and clawback

To further align the interests of executives with those of shareholders, all variable remuneration as well as replacement and retention awards, are subject to a malus and clawback policy applicable to all executives and senior management employees (grade 15 and above). The right to invoke clawback survives the cessation of an executive's employment in such capacity for a period of three years.

The malus and clawback policy gives the company, through its remuneration committee, the discretion to recoup settled and/or paid incentives (also referred to as 'clawback') and forfeit, reduce or cancel any unpaid, unvested, unexercised and unsettled incentives (also referred to as 'malus') when trigger event(s) occur. This applies to instances of gross misconduct, loss to the company due to a breach of the Barloworld anti–bribery and corruption policy and where misleading financial information has been used by the company and has influenced the incentive amount awarded and/or paid.

The company has the right to recover the incentive remuneration amount from the executive for a period of three years from the trigger event.

Non-executive directors' remuneration policy

None of the non-executive directors have a contract of employment with the company. Their appointments are made in terms of the company's memorandum of incorporation (MOI) and are confirmed initially at the first AGM of shareholders following their appointment, and thereafter retire by rotation in accordance with the company's MOI. Non-executive directors are appointed subject to the provisions set out in a letter covering the terms of appointment, duties and responsibilities, fees and other payments, and provisions related to termination of services.

Board and committee fees are benchmarked against a comparator group comprising of JSE-listed and international companies by PwC, using the same comparator group used for executive directors as disclosed on the previous page.

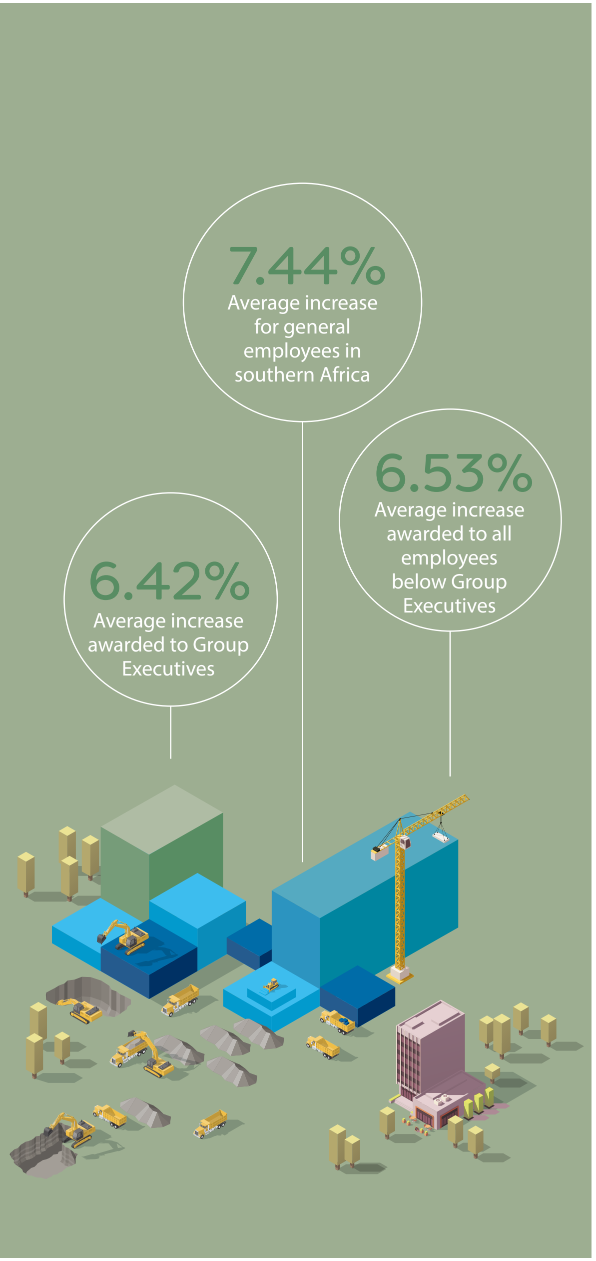
BOARD AND COMMITTEE FEES ARE BENCHMARKED AGAINST THE DISCLOSED COMPARATOR GROUP

The company's non-executive directors and board Chair are paid based on their roles and the policy is applied using the following principles:

- A board retainer fee is paid to board members for all board meetings held during the year.
- Committee retainer fees are paid to committee members for all committee meetings held during the year.
- No additional fees are payable for additional meetings (in excess of scheduled meetings).
- Each director's fee is paid in arrears.
- Fees are reviewed annually, and increases are implemented following approval by shareholders at the AGM. When fees are reviewed, the company considers:
  - level of effort required from the non-executive directors
  - affordability
  - results from the annual benchmark exercise.
- Non-executive directors are not eligible to receive any short or long-term incentives.
- Fees are exclusive of any value added tax (VAT) that might be applicable, depending on the individual/personal registration circumstances of a particular director.
- Non-executive directors are reimbursed for travel expenses on official business, where necessary, as well as other direct business-related expenses.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the remuneration policy section of this report.



Section 3: Implementation report

This section reflects the implementation of the remuneration policy and provides details of the remuneration paid to executive directors and prescribed officers and fees paid to non-executive directors for the period ended 30 September 2021. This section also sets out the detail surrounding the STI and LTI payment and vesting outcomes and includes a summary overview of each executive director and prescribed officers' performance, including their single figure of remuneration.

Annual salary adjustments

Over and above the salary sacrifice plan implemented in the last financial year and outlined in our previous report, the company did not award annual salary increases to all its employees in the previous financial year. We are therefore pleased to report that annual increases for the year under review were awarded as follows:

Group Executives

- The average increase awarded to all Group Executives was **6.42%**, excluding adjustments made as a result of role changes. The benchmark informed and policy alignment focused increases awarded to executive directors and prescribed officers are reflected in the table below. These include a 14% performance-based, as well as gender equity-focused adjustment for the Group Finance Director whose pay was below the median of the job grade payline and comparator group based benchmarks per our policy.
- As indicated above, due consideration was taken to ensure that increases awarded remain aligned to the policy as illustrated in the performance based remuneration mix graphs in section 2.

Job Title	Performance Score***	Before increase position**	% Increase	Post increase position**
Group Chief Executive Officer	89.5%	94%	8%	101%
Group Finance Director	89.0%	92%	14%	105%
Chief Executive Officer: Equipment Southern Africa	87.2%	101%	5%	106%
Chief Executive Officer: Equipment: Eurasia	90.0%	115%	3%*	118%

* Pay currency is Pounds (GBP).
** Policy tolerance position/compa-a ratio with reference to benchmarks: 80% - minimum, 100% - median, 120% - maximum.
*** Performance scoring criteria referenced for setting and evaluating objective targets: 70.1%-80%-expected performance; 80.1%-90%-above expected performance; 90.1%-100%-exceptional performance.

All other employees

- The average increase for the remainder of the employees was **6.53%**, inclusive of an average of **7.44%** for general employees, which include unionised employees in the rest of Africa, where inflation rates were higher than South Africa.

Short term incentive outcomes

- The outcomes of the FY2021 STI against targets set for the year are provided in the tables that follow with reference to the FY2021 STI formula, which was as follows:

STI payable =
[A + B + C + D + E] x F x G x H, where:

A	Individual Scorecard
B	Internal Audit & Compliance
C	Diversity and Inclusion (D&I)
D	Group financial performance
E	Divisional financial performance
F	Financial Multiplier
G	STI Cap %
H	Basic Cash salary

- Summaries and details of the outcomes and overall performance of each executive director and prescribed officer are provided in the section that follows.

STI measures and weightings

In line with the company's performance management principles, which enable the company to drive the achievement of key business imperatives, the performance of executive directors and prescribed officers was managed through a balanced scorecard designed to ensure achievement of measurable metrics. Their STI weightings on the balanced scorecard are included in the table below.

		STI weightings per FY2021 STI Formula						STI Cap %
Role	Name	Individual Scorecard	Internal Audit	D & I	Group Financials	Division Financials	Total	
		A	B	C	D	E		G
Group Chief Executive Officer	**Dominic Sewela**	35%	n/a	10%	55%	n/a	100%	200%
Group Finance Director	**Nopasika Lila**	35%	n/a	10%	55%	n/a	100%	175%
Chief Executive Officer – Equipment southern Africa	**Emmy Leeka**	20%	10%	20%	30%	20%	100%	175%
Chief Executive Officer – Equipment Eurasia (75% Russia operations)	**Quinton McGeer**	20%	10%	20%	30%	20%	100%	175%
Chief Executive Officer – Equipment Eurasia (25% Mongolia operations)	**Quinton McGeer**	20%	10%	20%	30%	20%	100%	175%
Chief Executive Officer – AutoLog (8 months)	**Kamogelo Mmutlana**	20%	10%	20%	30%	20%	100%	175%

STI Cap for Group CEO
200%

STI Cap for all other Group Executives
175%

Summary STI outcomes

The weighted performance outcomes against the financial, diversity and inclusion, internal audit and personal targets have been factored into the calculation of the STI payable using the STI formula. The results are summarised in the table below:

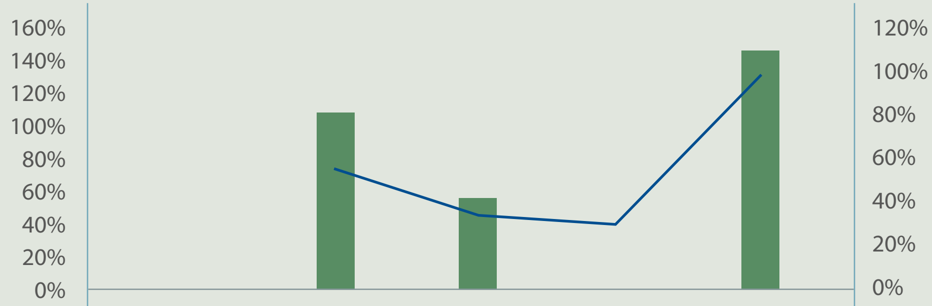
		STI Score Outcomes								STI payable/awarded		
		Non-financial/ESG aligned			Financial							
Job Title	Name	Individual	Internal Audit	D & I	Group Financials	Division Financials	Financial Modifier	STI Cap	Total = (A + B + C + D + E)	Cash Salary	STI amount = [A + B + C + D + E] x F x G x Cash Salary	STI as % of Cash salary
		A	B	C	D	E	F	G				
Group Chief executive officer	**Dominic Sewela**	23%	n/a	9%	55%	n/a	100%	200%	87%	9 715 934	16 704 958	172%
Group Finance Director	**Nopasika Lila**	22%	n/a	9%	55%	n/a	100%	175%	86%	4 716 338	7 047 169	149%
Chief executive officer – Equipment southern Africa	**Emmy Leeka**	11%	7%	13%	30%	20%	100%	175%	81%	5 181 939	7 415 826	143%
Chief executive officer – Equipment Eurasia (75% Russia operations)	**Quinton McGeer**	18%	10%	13%	30%	20%	100%	175%	91%	215 022 (GBP)	343 627 (GBP)	160%
Chief executive officer – Equipment Eurasia (25% Mongolia operations)	**Quinton McGeer**	18%	7%	16%	30%	20%	100%	175%	91%	71 674 (GBP)	114 041 (GBP)	159%
Chief executive officer – AutoLog (8 months)	**Kamogelo Mmutlana**	0%	3%	7%	30%	14%	100%	175%	54%	2 929 168	2 759 679	94%

STI scheme effectiveness testing

The remuneration committee tested the effectiveness of the STI scheme against its core pay for performance design principles.

As demonstrated by the graph, we are pleased to report that the average STIs paid to executive directors and prescribed officers over the past four years, relative to the group's performance, reflect the scheme's effectiveness in rewarding executives when there was exceptional performance and reducing/limiting or not granting rewards when performance was not satisfactory.

Please note that while the group met the free cash flow target that would have resulted in the payment of STIs relative to this metric in FY2020, the remuneration committee took a discretionary decision for the non-payment of STIs for the year in line with the company's focus on cost containment.



	FY2018	FY2019	FY2020	FY2021
STI% of cash salary	109%	56%	0%	146%
Group financial performance	55%	34%	30%	99%

Overview of performance outcomes substantiating short term incentives awarded

The financial (group and divisional) as well as non-financial outcomes (diversity and inclusion, internal audit and individual performance) for each of the executive directors and prescribed officers (inclusive of their total single figure of remuneration) are discussed below.

Group financial performance outcomes

Barloworld's economic recovery metrics for the group's FY2021 STI were measured through economic profit (EP), free cash flow (FCF), return on equity (ROE) and headline earnings per share (HEPS).

Performance in terms of free cash flow available to the group after interest was 6 415.2 million, an outcome that is above the outperformance target of 4 040 million.

The group made strategic decisions, which reduced its economic losses to 498.4 million in FY2021 and the actual outcome of HEPS was 1 174.4 cents, which is greater than outperformance.

The return on equity was 10.8%, and therefore just above the outperformance target of 10.7%.

Overall, the group's financial performance for FY2021 surpassed its outperformance targets for the year as a result of the strategic decisions taken, hard work and collaborative efforts of Group Executives and their respective teams.

The group and divisional financial outcomes for FY2021 are set out as follows:

Below threshold	
Between target and outperform	
Outperform	

Metric (Pre IFRS16)	Threshold	Target	Outperform	Final outcome	Score %
Economic profit (million)					
Equipment southern Africa	(R943)	(R365)	R33	R404.2	100
Equipment Russia	$2.3	$6.4	$9.4	$15.3	100
Equipment Mongolia	($10.9)	($10.5)	($10.2)	($1.0)	100
Automotive & Logistics	(R1 097)	(R544)	(R149)	(R498.5)	56
Motor	(R279)	(R85)	R79	R8.5	78
RAC	(R478)	(R263)	(R93)	(R123.8)	91
Fleet	(R106)	(R101)	(R67)	(R45.6)	100
SMD	R5	R21	R29	R52.4	100
Logistics	(R206)	(R124)	(R41)	(R637.5)	0
Ingrain	(R288)	(R258)	(R227)	(R251.9)	59
Group	**(R2 848)**	**(R1 621)**	**(R442)**	(R498.4)	98
HEPS (cents)					
Group	**(93)**	**530**	**1 153**	1 174.4	100
Free cash flow to firm after interest (million)					
Equipment southern Africa	R618	R940	R1 330	R2 850.5	100
Equipment Russia	$24.4	$31.5	$39.1	$52.7	100
Equipment Mongolia	$7.9	$9 .9	$11.9	$79.0	100
Automotive & Logistics	R773	R1 138	R1 571	R1 570.9	100
Motor	(R79)	R8	R136	R136.1	100
RAC	R218	R294	R379	R190.0	0
Fleet	R508	R640	R773	R759.9	95
SMD	R28	R41	R57	R54.7	93
Logistics	R78	R127	R188	(R0.3)	0
Ingrain	R342	R428	R513	R759.6	100
Group	**R1 637**	**R2 706**	**R4 040**	R6 415.2	100
ROE (%)					
Group	**(1.9)**	**4.2**	**10.7**	10.8	100
ROIC (%)					
Equipment southern Africa	3.4	9.2	14.1	19.2	100
Equipment Russia	14.3	16.3	18.1	21.3	100
Equipment Mongolia	5.0	5.9	6.6	12.7	100
Automotive & Logistics	1.4	6.7	11.8	7.2	55
Motor	(19.3)	(0.6)	27.4	13.3	75
RAC	(3.7)	1.9	9.2	8.6	96
Fleet	9.9	10.4	11.3	12.1	100
SMD	15.4	25.8	30.1	43.5	100
Logistics	0.4	5.4	10.3	(48.6)	0
Ingrain	7.8	8.4	9.1	8.8	82
Group	**0.7**	**6.8**	**12.0**	11.6	96

Group CEO – Dominic Sewela's performance comments

Dominic provided strong leadership to the group during a very challenging Covid-19 period. He swiftly implemented a trough plan to minimise the negative impact of the pandemic on the business, preserve cash, reduce cost and ensure its long-term sustainability. He also ensured the effective execution of the group strategy by driving the implementation of the Barloworld Business System (BBS) operational excellence programme, including the adoption of appropriate leadership behaviours using Leader Standard Work (LSW) tools.

Financial performance

Dominic's performance was weighted 55% towards the group's overall financial performance. The group financial targets were outperformed as outlined above and therefore the applicable group financial modifier was 100%.

Non-financial performance

Dominic's performance was also measured on various non-financial sustainability focused objectives. These included driving transformation imperatives through diversity and inclusion targets weighted at 10% for the STI . These targets include a gender target of 40% female representation for senior and middle management across the group as well as Economically Active Population (EAP) aligned targets for race in South Africa. The targets are key in enabling the company to comply with regulatory requirements in South Africa and ensure that it continues its progress towards creating a diverse and inclusive work environment. The STI weighted score of 9% was based on the diversity and inclusion performance which was above target for gender (actual 46% against 40% target). However, the race representation targets for SA were not fully met.

Through the individual scorecard, Dominic was also personally held accountable for safety through targets that included zero fatalities and achievement of LTIFR targets. While he managed the impact of Covid-19 on employees, his individual performance score outcome which resulted in him achieving 23% of the 35% STI potential reflects the manner in which he was penalised for the fatality that occurred in the Logistics business due to a motor vehicle accident.

Although Dominic ensured the effective integration of the acquired Mongolia and Ingrain businesses and delivered on the strategic disposal of Motor Retail, he was also penalised, for not meeting the due date for the disposal of the Logistics business.

In line with the above, the remuneration committee was satisfied with the assessment of Dominic's overall performance which resulted in an STI earning of R16 704 958 per the company's STI policy.

Dominic's total single figure remuneration is set out below.

D Sewela[1]	FY2020[2]	FY2021
	R'000	R'000
Basic salary	7 749	9 692
Retirement and Medical Aid	1 434	1 439
Car benefits	252	80
Other benefits	–	–
Total fixed remuneration	**9 435**	**11 210**
Short- term incentives[3]	–	16 705
Dividends[4]	250	349
Long-term incentives[5,6]	785	2 773
Total single figure	**10 470**	**31 037**

1. Included in the basic pay of the Group CEO are the non-executive director fees that are payable to him in Pounds for being part of the Barloworld Holdings Limited Board.
2. The remuneration disclosed for the FY2020 relates to the remuneration paid to the incumbents after taking into consideration the impact of the salary sacrifices.
3. Short term incentives (STIs) relate to the performance in FY2020 and FY2021. STIs were not payable for the FY2020.
4. Dividends paid in relation to FSP performance shares not yet included in the single figure in prior years.
5. The 2020 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 31 January 2018 with a performance period ending on 30 September 2020 and FSPs without performance conditions (retention awards) that were granted on 20 March 2020.
6. The 2021 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 27 February 2019 with a performance period ending on 30 September 2021 and FSPs without performance conditions (retention awards) that were granted on 4 December 2020.

Group Finance Director – Nopasika Lila's performance comments

Nopasika Lila has over 22 years of experience in finance, corporate governance and the financial industry, with demonstrated skills in ensuring the sustainability of major funds. She has contributed effectively to driving Barloworld's' economic recovery over the past year, providing guidance not only on capital preservation in an uncertain Covid-19 period but also overseeing the successful implementation of value-based strategic decisions that resulted in the achievement of the group's financial targets.

Financial performance

As an executive director, Nopasika's performance is also weighted 55% towards the group's overall financial performance, the targets of which were outperformed as outlined above leading to the group financial modifier being at 100%.

Non-financial performance

Nopasika's performance was also measured against the achievement of various non-financial targets including the group's diversity and inclusion targets. As outlined above, gender targets were achieved whilst the SA race representation in line with EAP targets were not fully met.

As part of her personal scorecard, Nopasika specifically ensured that the group has an optimal capital structure and funding model, had reduced cost to serve, established an effective group Information Technology (IT) function and strategy, managed its debt structures and implemented financial systems that improved reporting, governance and compliance. She further ensured that the company optimised opportunities to release capital and reduce working capital across the various operations. Save for the fatality that she also had to be penalised for, these deliverables were achieved and hence Nopasika's individual scorecard basis for STI purposes was at 22% out of the potential 35%.

At grade 20, Nopasika's STI is capped at 175% of basic cash salary and with her overall performance as outlined above, the remuneration committee was satisfied with her FY2021 total STI earning of R7 047 169, which was determined in line with the company's STI policy.

Nopasika's total single figure remuneration is set out below.

N Lila[1]	FY2020[2]	FY2021
	R'000	R'000
Basic salary	3 445	4 772
Retirement and Medical Aid	650	652
Car benefits	371	–
Other benefits	12	12
Total fixed remuneration	**4 478**	**5 436**
Short- term incentives[3]	–	7 047
Dividends[4]	–	98
Long-term incentives[5, 6]	284	542
Total single figure	**4 761**	**13 123**

1. Included in the basic pay of the Group FD are the non-executive director fees that are payable to her in Pounds for being part of the Barloworld Holdings Limited Board.
2. The remuneration disclosed for the FY2020 relates to the remuneration paid to the incumbents after taking into consideration the impact of the salary sacrifices.
3. Short term incentives (STIs) relate to the performance in FY2020 and FY2021. STIs were not payable for the FY2020.
4. Dividends paid in relation to FSP performance shares not yet included in the single figure in prior years.
5. The 2020 LTI reflected relates to the value of the FSPs without performance conditions (retention awards) that were granted on 20 March 2020.
6. The 2021 LTI reflected relates to the value of the FSPs without performance conditions (retention awards) that were granted on 4 December 2020.

Equipment southern Africa CEO – Emmy Leeka's performance comments

As CEO of Barloworld Equipment (BWE) southern Africa, Emmy leads the definition and execution of the business strategy for the majority of the company's Africa operations in line with the group's strategy. His leadership resulted in the effective implementation of the division's strategic focus areas which included driving profitable growth, managing cash, reducing cost and improving productivity by right-sizing the business. He also led the turnaround of various operations outside South Africa including Botswana, Mozambique and Zambia.

Financial performance

50% of Emmy's performance was based on a combination of group and divisional financial performance and therefore the exceptional financial performance achieved at these levels was referenced for his incentive.

Non-financial performance

Emmy also had to deliver against various sustainability focused non-financial targets which were achieved as reflected in the divisional scores for diversity and inclusion, internal audit, and the excellence through which the division implemented the company's leadership transformation and BBS operational excellence programme, which was part of his personal scorecard.

Emmy's personal performance objectives further included safety where he had to ensure a zero-harm culture and reduce the division's lost time injury frequency rate (LTIFR). While the division had no workplace related fatalities, Emmy was penalised for the LTIFR performance which was below target.

In addition to the above, Emmy's personal measures included improvements in customer loyalty and growing market share and therefore a further penalty was imposed for the below target performance delivered in respect of both measures.

At grade 20, Emmy's STI is also capped at 175% of basic cash salary. In line with the overall performance outcomes reflected above, the remuneration committee was satisfied with the total STI earning of R7 415 826 payable to Emmy which was determined in line with the company's STI policy.

Emmy's total single figure remuneration is set out below.

E Leeka[1]	FY2020[2]	FY2021
	R'000	R'000
Basic salary	3 804	5 116
Retirement and Medical Aid	733	736
Car benefits	416	83
Other benefits	–	–
Total fixed remuneration	**4 953**	**5 935**
Short- term incentives[3]	–	7 416
Dividends[4]	100	139
Long-term incentives[5, 6]	310	1 102
Total single figure	**5 363**	**14 591**

1. Included in the basic pay of E Leeka are the non-executive director fees that are payable to him in Pounds for being part of the Barloworld Holdings Limited Board.
2. The remuneration disclosed for the FY2020 relates to the remuneration paid to the incumbents after taking into consideration the impact of the salary sacrifices.
3. Short term incentives (STIs) relate to the performance in FY2020 and FY2021. STIs were not payable for the FY2020.
4. Dividends paid in relation to FSP performance shares not yet included in the single figure in prior years.
5. The 2020 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 31 January 2018 with a performance period ending on 30 September 2020 and FSPs without performance conditions (retention awards) that were granted on 20 March 2020.
6. The 2021 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 27 February 2019 with a performance period ending on 30 September 2021 and FSPs without performance conditions (retention awards) that were granted on 4 December 2020.

Barloworld Equipment Eurasia CEO (UK, Mongolia and Russia) – Quinton McGeer's performance comments

Quinton is responsible for leading the company's Eurasia operations, which include Russia, Mongolia and the United Kingdom. He was appointed as a prescribed officer of Barloworld Holdings Limited on 01 October 2021, following the acquisition of the Mongolia operations which he successfully led.

Financial performance

50% of Quinton's performance was based on a combination of group and divisional financial performance (both Russia and Mongolia) and therefore the exceptional financial performance achieved at these levels was referenced for his incentive.

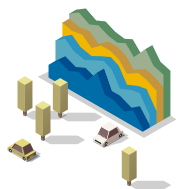
Non-financial performance

Quinton also delivered against non-financial targets which included gender focused targets and internal audit compliance. Per his individual scorecard, he was personally held accountable for market share growth in prime product, services revenue growth, enhancing digital solutions for customers, improving customer loyalty, ensuring the creating of a safe working culture and driving the implementation of the company's leadership transformation and BBS operational excellence programme. He delivered exceptionally well against all these targets but was penalised for not achieving the set market growth targets.

At grade 20, Quinton's STI is also capped at 175% of basic cash salary. The remuneration committee is therefore satisfied that Quinton's resultant incentive of 343 627GBP for Russian operations and 114 041GBP for Mongolia operations reflects the great contribution he made and was determined in line with the company's STI policy.

Q McGeer[1,2]	FY2021
	R'000
Basic salary	5 528
Retirement and Medical Aid	965
Car benefits	288
Other benefits	–
Total fixed remuneration	**6 780**
Short- term incentives[3]	9 245
Dividends	–
Long-term incentives[4]	1 005
Total single figure	**17 030**

1. Quinton was appointed as a prescribed officer on 01 October 2021 and his remuneration for 2021 is therefore reflected for the full 12 months.
2. The remuneration paid to Q McGeer is in pounds and has been converted to ZAR at average rate of R20.2 for the period 1 October 2020 to 30 September 2021.
3. Short term incentives (STIs) relate to the performance in FY2021.
4. The 2021 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 27 February 2019 with a performance period ending on 30 September 2021 and FSPs without performance conditions (retention awards) that were granted on 4 December 2020.



Automotive and Logistics CEO – Kamogelo Mmutlana's performance comments

Kamogelo served the company for eight months of the financial year as the CEO for the Automotive and Logistics division, during which time he contributed towards the disposal of the Motor Retail business.

Financial performance

As per the other CEOs, 50% of Kamogelo's performance was based on a combination of group and divisional financial performance and therefore his incentive was negatively impacted by the financial outcomes of the division, which as outlined above, were not fully met.

Non-financial performance

Performance against the non-financial objectives including diversity and inclusion as well as internal audit was also below target largely due to the divestiture of the Motor Retail business. In addition to this, Kamogelo was penalised for safety due to the motor vehicle accident fatality that occurred in the Logistics business.

At grade 20, Kamogelo's STI is also capped at 175% of basic cash salary. In line with the above performance, the remuneration committee was satisfied with the total STI of R2 759 679 which was determined in line with the company's STI policy. Kamogelo's total single figure remuneration is set out as follows:

K Mmutlana[1]	FY2020[2]	FY2021
	R'000	R'000
Basic salary	3 664	2 752
Retirement and Medical Aid	747	419
Car benefits	421	116
Other benefits	51	30
Total fixed remuneration	**4 883**	**3 317**
Short- term incentives[3]	–	2 760
Dividends[4]	60	118
Long-term incentives[5,6]	284	238
Total single figure	**5 227**	**6 433**

1. The Automotive division was sold in May 2021, accordingly, the remuneration for K Mmutlana has been disclosed for eight months.
2. The remuneration disclosed for the FY2020 relates to the remuneration paid to the incumbents after taking into consideration the impact of the salary sacrifices.
3. Short term incentives (STIs) relate to the performance in FY2020 and FY2021. STIs were not payable for FY2020.
4. Dividends paid in relation to FSP performance shares not yet included in the single figure in prior years.
5. The 2020 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 31 January 2018 with a performance period ending on 30 September 2020 and FSPs without performance conditions (retention awards) that were granted on 20 March 2020.
6. The 2021 LTI reflected includes the value of the SARS and FSP's (with performance conditions) awards made on 27 February 2019 with a performance period ending on 30 September 2021 and FSPs without performance conditions (retention awards) that were granted on 4 December 2020.

Long Term Incentives

LTI awards vesting during the year

The vesting profile for awards made in February 2019 with a performance period that commenced on 1 October 2018 and ending 30 September 2021 are as follows:

FSP awards made in FY2019 and vesting in FY2021

	HEPS	RONOA	TSR
Weighting	30%	40%	30%
Threshold	Growth in CPI over performance period + 0%	Achieving 15%	Achieving median TSR performance
Target	Growth in CPI over performance period + 6%	Achieving 20%	Achieving upper quartile TSR performance
Actual	1 323.00 cents	19.4%	(2.03%)
Tested performance condition achieved and related vesting %	54%	92%	0%

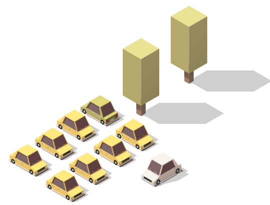
	HEPS[4]	
Threshold	Growth in CPI over performance period + 0%	25% vest
Target	Growth in CPI over the performance period +2%	100% vest
Actual	1 323.00 cents	
Tested performance condition achieved and related vesting %	100%	

LTI awards made to executive directors and prescribed officers during the year

In line with the company's policy, executive directors and prescribed officers received a combination of awards under the CSP and FSP in December 2020. The mix between CSP and FSP awards, together with the percentage it represents of TGP is depicted below, as well as details of the applicable performance conditions and targets.

The face value of the instruments granted per executive director and prescribed officer are provided in the table below. Please refer to table of unvested and settled awards for the number of awards granted. Per the policy changes highlighted in section 2, the retention component was awarded for the last time in FY2020.

	Name	CSP	Performance FSP	Retention FSP	Total
The mix between the CSPs and FSPs at grant date is split based on the face value of the instruments.	All Group Executives (including directors and prescribed officers)	70%		30%	100%
The FSP mix is determined based on the number of FSPs allocated (75% are performance FSPs and 25% retention FSPs).	Dominic Sewela	93%	30%	6%	129%
	Nopasika Lila	70%	23%	5%	97%
	Emmy Leeka	70%	23%	5%	97%
	Kamogelo Mmutlana	70%	23%	5%	97%
	Quinton McGeer	70%	23%	5%	97%



Performance conditions for LTI awards granted during the year

The following targets were set for the respective performance conditions and were considered to be appropriate in the context of the company's business strategy and the market conditions at the time. Linear vesting applies between threshold and target performance.

FSP targets for FY2020/2021

FSP	Metric	Weighting	Threshold (47.5% vesting, including 25% below threshold vesting)	Target (100% vesting)	Stretch
	HEPS	25%	CPI growth rate	CPI + 2% growth rate	n/a
	FCF	35%	EBITDA FCF conversion = 40%	EBITDA FCF conversion = 50%	
	ROIC	40%	10%	13%	

CSP targets for FY2020/2021

The following performance targets were applicable to the CSPs awarded and are tested over a three-year performance period. Linear vesting on a sliding scale will be applied between threshold and stretch performance.

CSP	Metric	Weighting	Threshold (0% vesting)	Target (30% vesting)	Stretch (250% vesting)
	HEPS	25%	CPI growth rate	CPI + 2% growth rate	CPI + 4% growth rate
	FCF	35%	EBITDA FCF conversion= 40%	EBITDA FCF conversion = 50%	EBITDA FCF conversion = 60%
	ROIC	40%	10%	13%	16%

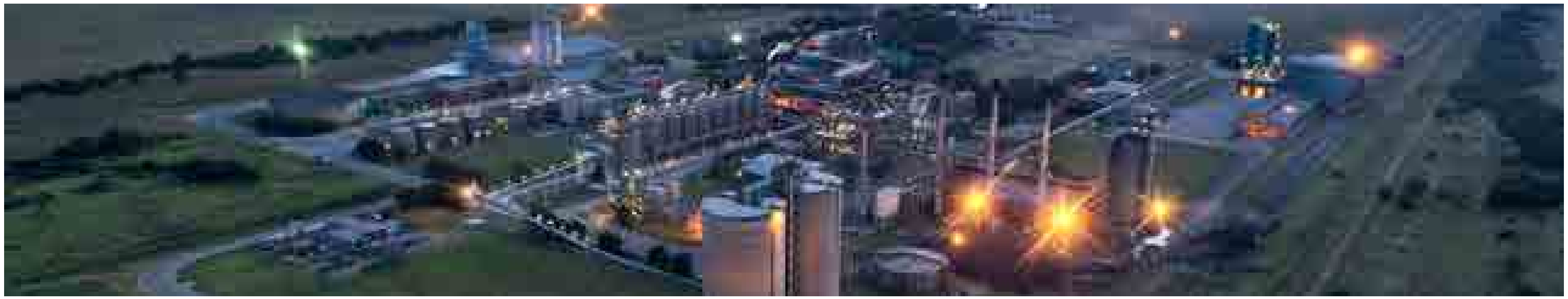
Vested and unsettled awards

In line with the new reporting requirements of King IV, the number of unvested and settled LTIs are disclosed below.

	FY2020							FY2021					
Award date	Opening Number on 1 October 2019	Granted during 2020	Forfeited/ lapsed during 2020	Exercised/ vested during 2020	Closing Number on 30 September 2020	Cash value on settlement during 2020[1]	Closing Estimated Fair Value at 30 September 2020	Granted during 2021	Forfeited/ lapsed during 2021	Exercised/ vested during 2021	Closing Number on 30 September 2021	Cash value on settlement during 2021[1]	Closing Estimated Fair Value at 30 September 2021
D Sewela													
Share Appreciation Right Plan[2, 3]													
18-Mar-14	–				–	R0	R0						
30-Mar-15	–				–	R0	R0				–	R0	R0
30-Mar-16	65 350				65 350	R0	R0			(65 350)	–	R3 042 696	R0
29-Mar-17[4]	85 920				85 920	R0	R73 880				85 920	R0	R0
31-Jan-18[4]	137 540				137 540	R0	R0		(137 540)		–	R0	R0
27-Feb-19	189 340				189 340	R0	R0				189 340	R0	R2 722 677
Forfeitable share plan – with performance conditions[5]													
29-Mar-17[6]	44 580		(3 245)	(41 335)	–	R3 189 498	R0						
31-Jan-18[6,7]	16 430				16 430	R125 465	R0		(16 430)		–	R0	R0
27-Feb-19	23 630				23 630	R124 058	R0				23 630	R79 633	R1 282 322
09-Mar-20		30 210			30 210	R0	R538 405				30 210	R101 808	R1 317 704
04-Dec-20	–							49 790			49 790	R167 792	R5 097 998
Forfeitable share plan – no performance conditions[8]													
29-Mar-17[9]	14 860			(14 860)	–	R1 140 505	R0						
31-Jan-18[7,9]	5 480				5 480	R41 847	R335 760			(5 480)	–	R499 283	R0
27-Feb-19	7 880				7 880	R41 370	R482 808				7 880	R26 556	R806 833
09-Mar-20	–	10 070			10 070	R0	R616 989				10 070	R33 936	R1 031 067
04-Dec-20	–							16 600			16 600	R55 942	R1 699 674
Conditional share plan – with performance conditions[3,10]													
09-Mar-20	–	104 420			104 420	R0	R262 889				104 420	R0	R7 450 673
04-Dec-20	–				-			172 130			172 130	R0	R29 505 122
						R4 662 743	**R2 310 730**					**R4 007 645**	**R50 914 070**

	FY2020							FY2021					
Award date	Opening Number on 1 October 2019	Granted during 2020	Forfeited/ lapsed during 2020	Exercised/ vested during 2020	Closing Number on 30 September 2020	Cash value on settlement during 2020[1]	Closing Estimated Fair Value at 30 September 2020	Granted during 2021	Forfeited/ lapsed during 2021	Exercised/ vested during 2021	Closing Number on 30 September 2021	Cash value on settlement during 2021[1]	Closing Estimated Fair Value at 30 September 2021
N Lila													
Forfeitable share plan – with performance conditions[5]													
09-Mar-20	–	10 900			10 900	R0	R194 261				10 900	R36 733	R475 438
04-Dec-20	–				–			18 110			18 110	R61 031	R1 854 283
Forfeitable share plan – no performance conditions[8]													
09-Mar-20	–	3 640			3 640	R0	R223 023				3 640	R12 267	R372 700
04-Dec-20	–				–			6 040		–	6 040	R20 355	R618 436
Retention awards[11]													
01-Aug-19	2 896 000				2 896 000	R0	R2 896 000	–		2 896 000	–	R2 896 000	R0
Conditional share plan – with performance conditions[3,10]													
09-Mar-20	–	37 690			37 690	R0	R94 889				37 690	R0	R2 689 292
04-Dec-20	–				–			62 600			62 600	R0	R10 730 382
						R0	**R3 408 172**					**R3 026 385**	**R16 740 529**
E Leeka													
Share Appreciation Right Plan[2,3]													
18-Mar-14	–				–	R0	R0						
30-Mar-15	–				–	R0	R0				–	R0	R0
30-Mar-16	–				–	R0	R0				–	R0	R0
29-Mar-17[4]	29 950				29 950	R0	R25 753				29 950	R0	R0
31-Jan-18[4]	55 270				55 270	R0	R0		(55 270)		–	R0	R0
27-Feb-19	75 330				75 330	R0	R0				75 330	R0	R1 083 233
Forfeitable share plan – with performance conditions[5]													
29-Mar-17[6]	15 540		(1 131)	(14 409)	–	R1 111 829	R0						
31-Jan-18[6,7]	6 600				6 600	R50 400	R0		(6 600)		–	R0	R0
27-Feb-19	9 400				9 400	R49 350	R0				9 400	R31 678	R510 107
09-Mar-20	–	11 950			11 950	R0	R212 974				11 950	R40 272	R521 237
04-Dec-20	–							19 770			19 770	R66 625	R2 024 250
Forfeitable share plan – no performance conditions[8]													
29-Mar-17[9]	5 180			(5 180)	–	R397 565	R0						
31-Jan-18[7,9]	2 200				2 200	R16 800	R134 794			(2 200)	–	R200 442	R0
27-Feb-19	3 130				3 130	R16 433	R191 775				3 130	R10 548	R320 481
09-Mar-20	–	3 980			3 980	R0	R243 855				3 980	R13 413	R407 512
04-Dec-20	–							6 590			6 590	R22 208	R674 750
Conditional share plan – with performance conditions[3,10]													
09-Mar-20	–	41 320			41 320	R0	R104 028				41 320	R0	R2 948 303
04-Dec-20	–				–			68 340			68 340	R0	R11 714 286
						R1 642 376	**R913 178**					**R385 185**	**R20 204 158**

	FY2020							FY2021					
Award date	Opening Number on 1 October 2019	Granted during 2020	Forfeited/ lapsed during 2020	Exercised/ vested during 2020	Closing Number on 30 September 2020	Cash value on settlement during 2020[1]	Closing Estimated Fair Value at 30 September 2020	Granted during 2021	Forfeited/ lapsed during 2021	Exercised/ vested during 2021	Closing Number on 30 September 2021	Cash value on settlement during 2021[1]	Closing Estimated Fair Value at 30 September 2021
K Mmutlana[12]													
Share Appreciation Right Plan[2, 3]													
31-Jan-18[4]	32 540				32 540	R0	R0		(32 540)		–	R0	R0
27-Feb-19	46 800				46 800	R0	R0		(19 235)		27 565	R0	R396 380
Forfeitable share plan - with performance conditions[5]													
29-Mar-176	8 198		(596)	(7 602)	–	R586 583	R0						
31-Jan-18[6,7]	3 890				3 890	R29 705	R0		(3 890)		–	R0	R0
27-Feb-19	5 840				5 840	R30 660	R0		(1 446)		4 394	R19 681	R238 448
09-Mar-20		10 900			10 900	R0	R194 261		(6 434)		4 466	R36 733	R194 799
04-Dec-20								18 280	(15 306)		2 974	R61 604	R304 508
Forfeitable share plan - no performance conditions[8]													
29-Mar-17[9]	24 602			(24 602)	–	R1 888 204	R0						
31-Jan-18[7,9]	1 300				1 300	R9 927	R79 651			(1 300)	–	R118 443	R0
27-Feb-19	1 950				1 950	R10 238	R119 477		(483)	(1 467)	–	R181 629	R0
09-Mar-20		3 640			3 640	R0	R223 023		(2 149)	(1 491)	–	R190 188	R0
04-Dec-20								6 090	(5 099)	(991)	–	R138 779	R0
Retention awards[11]													
01-Oct-18[13]	1 014 736				1 014 736	R0	R1 014 736	–		(1 014 736)	–	R1 014 736	R0
Conditional share plan - with performance conditions[3, 10]													
09-Mar-20	–	37 690			37 690	R0	R94 889		(22 255)		15 435	R0	R1 101 332
04-Dec-20	–							63 200	(52 917)		10 283	R0	R1 762 628
						R2 555 316	**R1 726 036**					**R1 761 792**	**R3 998 095**



	FY2020							FY2021					
Award date	Opening Number on 1 October 2019	Granted during 2020	Forfeited/ lapsed during 2020	Exercised/ vested during 2020	Closing Number on 30 September 2020	Cash value on settlement during 2020	Closing Estimated Fair Value at 30 September 2020	Granted during 2021	Forfeited/ lapsed during 2021	Exercised/ vested during 2021	Closing Number on 30 September 2021	Cash value on settlement during 2021	Closing Estimated Fair Value at 30 September 2021
Q McGeer[14,15]													
Share Appreciation Right Plan[2, 3]													
27-Feb-19								57 060			57 060	R0	R820 513
Forfeitable share plan – with performance conditions[5]													
31-Jan-18[6]								9 140	(9 140)		–	R0	R0
27-Feb-19								7 120			7 120	R0	R421 280
09-Mar-20								9 600			9 600	R0	R465 792
04-Dec-20								20 680			20 680	R0	R2 218 795
Forfeitable share plan – no performance conditions[8]													
31-Jan-18[9]								9 140		(9 140)	–	R832 745	R0
27-Feb-19								2 370			2 370	R0	R254 282
09-Mar-20								3 200			3 200	R0	R343 334
04-Dec-20	–							6 890			6 890	R0	R739 241
Conditional share plan – with performance conditions[3,10]													
09-Mar-20	–							33 190			33 190	R0	R2 368 204
04-Dec-20	–							71 480			71 480	R0	R12 252 519
						R 0	R 0					**R832 745**	**R19 883 958**

1. Represents the value of shares vested during the year and dividends received on FSP's.
2. The estimated fair value of SAR's which has vested but remains unexercised and which is within 12 months from vesting after year end was determined using the year-end 30-day VWAP of R61.27 (2020) and R102.39 (2021) less the strike price and adjusted by the likelihood of performance conditions being met as at each year end. The fair value of SAR's which are more than 12 months from vesting after year end was determined on a similar basis except that an indicative valuation was performed to determine the value of an instrument. The following vesting percentages were used for the 2020 fair value calculations: 0% for the 2018 and 2019 allocations. With regard to the 2021 fair values, the estimated vesting percentage of 100% has been used for the 2019 allocations.
3. As of 2019, the SAR plan has been discontinued and replaced by the CSP. Therefore, as of 2020 there were no awards allocated under the SAR plan.
4. 100% of the SARs allocated on 29 March 2017 vested to participants. While 100% of the SARs allocated to participants on 31 January 2018 were forfeited as a result of none of the performance conditions being met.
5. The estimated fair value of FSP's with performance conditions was determined using the year-end 30-day VWAP of R61.27 (2020) and R102.39 (2021) adjusted by the estimated likelihood of performance conditions being met as at each year end. The following vesting percentages were used for the 2020 fair value calculations: 0% (2018 allocation), 0% (2019 allocation) and 29.1% (2020 allocation). For the 2021 financial year, fair value calculations were based on the following estimated vesting percentages: 53% (2019 allocation), 42.6% (2020 allocation) and 100% (2021 allocation).
6. The FSP's with performance conditions allocated on 29 March 2017 and 31 January 2018 vested on 28 March 2020 and 30 January 2021. The vesting percentages for the allocations are 92.7% and 0% respectively.
7. The company was trading under cautionary notice from 1 February 2018. This resulted in a prohibited period which restricted the company from making any equity-settled awards. Therefore, cash settled notional FSPs were allocated to participants.
8. The estimated fair value for the FSP's without performance conditions was determined based on the year-end 30-day VWAP of R61.27 and R102.39 for 2020 and 2021 respectively.
9. The FSP's with no performance conditions allocated on 29 March 2017 and 31 January 2018 vested on 28 March 2020 and 30 January 2021 respectively.
10. The estimated fair value of CSP's with performance conditions was determined using the year-end 30-day VWAP of R61.27 (2020) and R102.39 (2021) adjusted by the estimated likelihood of performance conditions being met as at each year end. For the 2020 fair values, an estimated vesting percentage of 4.1% was used. With regard to the 2021 financial year, fair value calculations were based on the following estimated vesting percentages: 64.9% (2020 allocation) and 162.6% (2021 allocation). Included in the CSP estimated fair values are the dividend equivalents earned by the incumbents on the outstanding awards. These will vest to the incumbents in shares at the end of the vesting period.
11. The retention bonuses are not subject to performance conditions and are paid out in equal tranches over a 3 year period. For the purposes of the table of unvested and settled awards, we have assumed that R1 represents 1 unit.
12. As a result of the sale of the Automotive divisions, K Mmutlana terminated his employment with Barloworld on 31 May 2021. He continues to hold his unvested SARs that were allocated to him on 27 Feb 2019, unvested performance based FSPs allocated on 27 Feb 2019, 09 March 2020 and 04 Dec 2020 as well as the unvested CSPs allocated to him on 09 March 2020 and 04 Dec 2020. These will remain subject to the original set performance conditions and performance period.
13. These relate to the cash-settled retention awards that were made to K Mmutlana in October 2018 i.e. prior to him being appointed as a prescribed officer.
14. Q McGeer was appointed as a prescribed officer on 01 October 2020, therefore the 31 Jan 2018, 27 Feb 2019 and 09 March 2020 awards represent opening balances for the 2021 financial year.
15. Q McGeer is not a South African resident, as such, all LTI awards made to him are notional awards and are cash-settled. With regard to the FSPs (with and without performance conditions) , note that these attract dividend equivalents that are paid on vesting. The dividend equivalents have been included in the closing estimated fair values of these awards.

The valuation methodology applied for each award in the table of unvested and settled awards is outlined below:

Type of award	Award date	Valuation methodology	
		Market value estimation using a market valuation method	Intrinsic value
SARs	31-Jan-18	✓ (Tranche 3)	✓ (Tranche 1 & 2)
SARs	27-Feb-19	✓ (Tranche 2 & 3)	✓ (Tranche 1)
Performance FSPs	27-Feb-19		✓
Performance FSPs	09-Mar-20	✓	
Performance FSPs	04-Dec-20	✓	
Retention FSPs	27-Feb-19		✓
Retention FSPs	09-Mar-20	✓	
Retention FSPs	04-Dec-20	✓	
Performance CSPs	09-Mar-20	✓	
Performance CSPs	04-Dec-20	✓	

Historical and outstanding awards

The table below provides an overview of the actual (A) vesting and likelihood (L) of vesting of historical and outstanding awards made under the SAR and FSP.

Award	SAR	FSP	CSP
FY2017	100% (A)	92.7%(A)	
FY2018	0% (A)	0%(A)	
FY2019	100% (A)	53%(A)	
FY2020		42.6% (L)	64.9% (L)
FY2021		100% (L)	162.6% (L)

Minimum shareholding requirements (MSR)

The company adopted a formal MSR policy, effective 1 October 2020, as outlined in the policy section of this report. Per this policy, the executives have five years from the date of adoption of the policy or their date of appointment to a Group Executive role if they are appointed after the adoption of the policy, to build up the required shareholding.

The outcome of the annual testing of the shareholding of the executive directors and prescribed officers is set out below. The committee noted that the Group Finance Director has not yet started building her shareholding and encouraged her to do so to ensure she achieves the minimum requirements by the target date of 2025 per the five year period set in the policy. A MSR status and action notification was also sent to the Chief executive: Equipment Eurasia and all other Group Executives.

Exexutive	Role	Total Shareholding [A]	Value of total shareholding as at 30 Sep 2021 [B = A x 30 day VWAP]	FY2021 TGP [C]	Total shareholding as a % of TGP [D = B / C]
D Sewela	Group Chief Executive Officer	230 616	R23 612 772	R11 209 841	211%
N Lila	Group Finance Director	–	R0	R 5 435 810	0%
E Leeka	Chief Executive: Equipment Southern Africa	91 085	R9 326 193	R5 934 859	157%
Q McGeer	Chief Executive: Equipment Eurasia	–	R0	R6 780 386	0%

Attraction and retention scheme awards and repayments

During FY2020 payments to employees who were previously nominated and are therefore current participants of the scheme were suspended effective 1 May 2020 due to the company's cost-containment efforts. However, at its November 2020 (FY2021) meeting, the remuneration committee considered the position of the company and decided to restart these payments, effective 1 December 2020.

There were **no** new awards made to Group Executive employees under the scheme during the year under review.

Non-executive directors' fees and allowances

Non-executive directors' fees for FY2021

Fees for non-executive directors during the current financial year are set out in the consolidated annual financial statements, as approved by the remuneration committee and by the board, on authority granted by shareholders at the AGM held in February 2021.

Non-executive directors' fees	Present
Chair of the board	R1 575 000
Resident non-executive directors	R412 905
Non-resident non-executive directors	£66 864
Resident Chair of the audit and risk committee	R460 883
Resident members of the audit and risk committee	R279 680
Non-resident members of the audit and risk committee	£25 323
Non-resident Chair of the remuneration committee	£20 000
Resident Chair of the remuneration committee	R259 505
Resident Chair of the social, ethics and transformation committee	R201 468
Resident Chair of the strategy and investment committee	R158 229
Resident Chair of the nomination committee	R181 963
Resident members of each of the board committees other than the audit and risk committee	R112 038
Non-resident members of each of the board committees other than the audit and risk committee	£4 991

The amounts provided above are exclusive of VAT.

Proposed non-executive directors' fees for FY2022

Refer to the special resolution section set out in the notice of AGM for approval by shareholders in terms of section 66 of the Companies Act in the AGM booklet.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the implementation report section of this review excluding the approval of NED fees which is subject to a special resolution.

Social, ethics and transformation committee review

The social, ethics and transformation committee (SETC) is constituted as a statutory committee in terms of its duties set out in section 72(4) and (5) of the Companies Act and its associated regulations.

NOMAVUSO MNXASANA
Chair
Social, ethics and transformation committee

As a subcommittee of the board, the SETC has a clearly defined framework aligned with the Companies Act, King IV and other relevant legislation and standards. The terms of reference under which the committee operates are available on our website (www.barloworld.com).

The committee's statutory functions overlap with the functions, mandates or terms of reference of other committees of the board. Where appropriate, these functions have been aligned with the committee's mandate.

The SETC performs an oversight and monitoring role with regard to the overall direction and control of our social responsibility performance and ensures that our business is conducted in an ethical and properly governed manner. It strives to apply relevant codes of best practice including, but not limited to, the United Nations Global Compact Principles (UNGC), the UN Sustainable Development Goals (SDGs), the Organisation for Economic Cooperation and Development (OECD) guidelines regarding corruption, the International Labour Organization's Decent Work Agenda, and the principles of good corporate citizenship as espoused in King IV.

The SETC has access to any director, prescribed officer or employee of the company. Where appropriate, employees provide information or explanations necessary to enable the committee to deliver on its mandate.

The committee carried out the following duties:

Human capital

The committee monitored the impact of Covid-19 and the company's response strategies, which included a One Barloworld Covid-19 policy, as well as various initiatives implemented to ensure overall employee wellness as well as contain costs during this period. Sadly, we lost 29 employees to Covid-19. The names of the departed are shared, in an effort to honour them and provide closure to their colleagues. Healing programme sessions are held periodically to debrief employees as well as help build internal leadership capacity for empathy and transparency.

After considering various factors such as the lifting of some Covid-19 restrictions and the gradual resumption of economic activity in most operating regions, from December 2020 the group reinstated full salary payments. We also recommenced the pension fund contributions for all the people whose pension fund contributions were halted since May 2020.

Employees were given time off as special paid Covid-19 vaccination leave to enable those who wanted to get vaccinated to participate in the vaccination programmes being run throughout southern Africa. Interactive vaccination awareness sessions, presented by medical professionals, were arranged to educate and create awareness about the benefits of getting the Covid-19 vaccine. These gave employees the opportunity to ask questions, air their views and make more informed decisions.

The company ran the One Barloworld Employee Engagement Survey. The results provided insights into how employees are experiencing the organisation from a leadership, culture, talent and human experience perspective. In response, Barloworld implemented various leadership, talent growth and employee experience focused initiatives with the aim of improving employee engagement. To assess the effectiveness of these actions, we implemented our first Employee Engagement Pulse Survey in February 2021.

Human capital continued

Going forward, Barloworld will be running the Employee Engagement Surveys every two years, with the Pulse Survey run twice every year to ensure progress.

A phased approach was adopted to the process of harmonising and integrating the Ingrain SA and Mongolia operations into Barloworld. As part of the integration of Ingrain its employees attended Ingrain Emotional Impact sessions. The integration of the employees from the two businesses is substantially complete.

Diversity and inclusion

The FY2021 targets for diversity and inclusion remained at a higher weighting (20%) on the divisional balanced scorecards. In FY2021, focus was on the levers available to the group relating to appointments, promotions, internal transfers and retention to ensure that it did not regress from the FY2020 achievements. The committee monitors the attainment of these targets through biannual reports that it receives and reviews.

Barloworld is focused on identifying and eliminating any employment barriers – perceived or real – and promoting demographic representation in the workplace that more closely resembles those of the communities in which we operate. Outside South Africa, the strategy is to limit expatriates and increase the representation of women at all levels.

Ethics

The data repository for the anti-bribery reporting process was revised to further promote and instil an ethical culture. The amended process has enhanced the effectiveness and independence of the investigations carried out across the group. An area for improvement would be group-wide communication of the outcomes of investigations across the group.

Stakeholder engagement

The company's approach and strategic intent continue to evolve with regard to stakeholder engagement. The process of mapping stakeholder relationships has been undertaken across the group and the Barloworld stakeholder framework has been defined and embedded in the group strategy. All divisions and business units have identified key strategic stakeholders. There is a structured approach regarding major issues raised by the stakeholders and management's responses to these issues. Stakeholder engagement continues to be key in enhancing the group's sustained value creation.

Empowerment and transformation

The committee continues to review, monitor and report on areas under its mandate, and the concerted effort on making preferential procurement and making this a group focus is bearing fruit. The company's spend with small, medium and large black-owned entities as a percentage of the discretionary spend is increasing.

The transfer of properties under the Barloworld Khula Sizwe empowerment transaction is complete.

The impact of Covid-19 and the difficulties facing small, medium and micro enterprises was of concern to the committee. The response was approval of a Covid-19 salary relief fund of R22 million by Siyakhula, that provided much needed support to the SMMEs' ability to continue trading for a period of six months as well as much needed loan repayment holidays. A total of 50 beneficiaries were supported and 359 jobs sustained.

Social impact

In FY2020 Barloworld Mbewu embarked on an initiative to identify fertile fields to kick-start the sowing season. This initiative symbolises our commitment to incubate and unleash the latent potential of qualifying community-based social entrepreneurs who continue to be innovative in solving the challenges of their own communities. Mbewu has benefited 29 social entrepreneur cohorts with a proven income stream that demonstrates their ability to be scalable. The first cohort was also provided with business leadership training during the year under review and received combined funding of R13 million. They will be further assisted with access to markets and other development funders in future.

During the year under review our social impact investment was reduced due to the impact of the operating environment on group revenue. The resultant corporate social investment funding support in FY2021 was R16 million (FY2020: R19 million), 50% of which was directed to health and welfare initiatives.

Safety, health and environment (SHE)

The committee receives quarterly updates on pertinent safety, health and environmental aspects through the group's quarterly safety, health and environment report. In fulfilling its mandate, the committee also has strategic oversight over SHE aspects and related group policies.

The five-year environmental-related targets set in 2016 came to an end in FY2020. New targets therefore need to be established for the next five year period. These will address material environmental aspects, including efficiency targets for non-renewable energy, fuel efficiency, electricity consumption, greenhouse gas emissions (Scope 1 and 2), water efficiency and responsible waste management. During the year, we established divisional- level intensity metrics to allow for enhanced operational management and efficiencies. These are being refined and we anticipate reporting on progress in the next financial period.

Emerging trends, including potential risks, were reported to both the audit and risk as well as the social, ethics and transformation committees. Barloworld also completed the CDP Climate Change and CDP Water Security questionnaires, which assist the group with the identification of physical and transitionary risks stemming from climate change and those related to water scarcity and security.

Safety remains a priority and we continue to implement and refine our approach to ensure the safety of our employees across all our operations as well as our customers. Regular workplace safety assessments and employee engagement on safety measures drive safety awareness and behavioural change.

Safety targets are set for each division and performance is monitored against set targets via our Barloworld Business Systems (BBS) strategy deployment toolkit. Despite a year-on-year improvement in the group's lost-time injury frequency rate to 0.36 from 0.38, there were regrettably one work-related fatality within our Logistics operation during the year under review.

A
 assessment workshop was conducted during the year on environmental, social and governance (ESG) aspects.
The process and outputs assisted the group to prioritise ESG matters and focus management's attention on aspects that are material to our stakeholders and that have the potential to significantly impact the group.

We were pleased that Barloworld's efforts in driving an integrated management approach and balancing economic value creation with social and environmental impacts were recognised.

Nomavuso Mnxasana
Chair of the social, ethics and transformation committee

Strategic review

Our continued commitment to using our three strategic levers: fix and optimise, active shareholder operating model and acquisitive growth, combined with our approach to managing for value, has resulted in Barloworld pivoting its portfolio towards defensive, relatively asset-light and cash generative industrial sectors, based on a business-to-business operating model. Notwithstanding the challenging environment, Barloworld delivered an impressive set of results. I am pleased that the decisions we have made in the past have been value accretive to shareholders and have positioned us to remain agile to the changing operating environment.

DOMINIC SEWELA
Group Chief Executive Officer

Group Chief Executive Officer's review

The group delivered an exceptional set of results during the year under review, despite the challenges we had to withstand. The acquisitive growth provided by Equipment Mongolia and Ingrain, the exceptional performance from our southern African and Russian Equipment businesses, and the impressive turnaround of the Car Rental business, all contributed to this result. Our group HEPS for the year under review was a pleasing 1 195 cents, compared to the 268 cents loss in the previous year.

We have also been able to successfully accelerate the execution of our strategy since FY2020. We integrated two new businesses into the group, Equipment Mongolia and Ingrain, both of which have done far better than we anticipated; we sold our Motor Retail assets in our quest to move to relatively asset-light and defensive businesses; and commenced with the sale of the Logistics business.

Revenue from continuing operations grew 22.5% to R41.6 billion during the period, with Mongolia and Ingrain combined contributing R6.6 billion to revenue, while revenue from our existing businesses grew by 2.6%. Group revenue, which only includes eight months of Motor Retail, was R53.8 billion for the year, up 8.4% from the prior period.

Operating profit showed a 119% improvement year on year to R4.3 billion, with our growth supported by the decisive actions we took to cut costs out of the business without negatively impacting future growth prospects; and our operating margin increased by 450bps to 10.3%.

The group has maintained a solid balance sheet and continues to practice strong working capital management, with free cash flow for the period, excluding acquisitions and disposals, positive at R6.6 billion (compared to the prior year inflow of R3.3 billion). We approach liquidity management prudently with a clear focus on cash preservation, supported by a careful and agile funding strategy.

The group's net borrowings decreased to R2.3 billion as at 30 September 2021 (R2.7 billion at 30 September 2020) after acquiring Ingrain. When taking into consideration the R5.3 billion Ingrain acquisition, the group's cash generation was exceptional, resulting in a 13% reduction in net debt year on year.

Given the strong balance sheet, healthy cash generation and proceeds from the disposals, the group resumed payment of a dividend this year. The board has approved a final dividend of 300cps, bringing our total dividend to 437cps, as well as a special dividend of 1 150cps. This is in line with the group's stated dividend cover of 2.5 to 3.0 times normalised headline earnings.

The group is focused on capital allocation and therefore one of the group's key measures is return on invested capital (ROIC). This improved to 11.3% compared to 1.0% generated in the prior year.

We prioritise the safety of our people and we continue to monitor the effects of Covid-19 on our employees, encouraging them to get vaccinated with more than 40% of our employees vaccinated. Sadly we had one work-related fatality in our Logistics division, where we lost our driver Silindelo Alfred Sikhakhane.

Strategy review

We have set certain milestones for ourselves. In line with our focus on optimally deploying capital within the group, we exited our Motor Retail business during the period under review and are in the process of selling our Logistics businesses. Attempts to optimise and fix the Logistics business proved futile, leading to the decision to exit the business. We have signed a sales and purchase agreement for the 51% share of our Aspen business, as well as for the sale of Barloworld Transport.

We have also indicated that we will exit our Car Rental and Leasing business in the medium term. We will start this process in the coming year and aim to conclude the transaction by year end.

In addition, it was important to us to be forward-looking in our business approach, specifically in terms of growth and the defensive nature of the group, which resulted in the acquisitions of Mongolia and our starch business. Both of these have successfully been integrated into the group during the year and are delivering ahead of our initial expectations.

Our active shareholder operating model ensures the deliberate way in how we approach management deployment at various levels.

As part of shifting our portfolio to relatively asset-light and defensive businesses, our focus remains on reviewing and improving businesses with low operating performance and on implementing the identified disposal actions intended to simplify the group's portfolio.

Outlook

Our focus will remain on value extraction from our new acquisitions, with programmatic bolt-on mergers and acquisitions focused on our Industrial Equipment and Services and Consumer Industries verticals.

We continue to be concerned about the effects of Covid-19, particularly in supply chain constraints experienced globally and for our Car Rental business, which remains the most affected by constraints to travel and the impact of lockdowns.

We remain encouraged by the performance of our Industrial Equipment and Services businesses and their opportunities in the year ahead. Equipment southern Africa's firm order book remains strong, supported by a positive outlook for mining. The construction industry is also expected to recover as infrastructure and energy projects gather momentum.

Equipment Eurasia's outlook for 2022 also remains positive as the recovery in the coal market is expected to continue and we expect to realise further benefits from the integration of Mongolia into the Eurasia division.

In Ingrain, the outlook is for maize prices trading closer to international prices, which will support margins going forward, with international starch and glucose prices remaining high. Given the impact of the purchase price allocation on pre-acquisition comparatives, it is better to focus on EBITDA numbers when looking at the comparatives against the prior year.

Our outlook for FY2022 is therefore positive.

Stewardship amid the Covid-19 pandemic was of the utmost importance to our group. Significant austerity measures were taken very quickly, focused on capital preservation and reducing the cost base of our business while continuing to generate good cash flows. We believe this is sustainable, and with the Barloworld Business System we will be able to demonstrate that we can do more with less.

NOPASIKA LILA
Group Finance Director

Group Finance Director's review

Our resilient results for the financial year under review reflect the group's remarkable achievement to successfully navigating the impact of Covid-19 on global markets and industries, which resulted in supply chain constraints, logistical issues and product shortages globally. These results validate the decisive actions and austerity measures we implemented in the previous financial year. These decisions resulted in Barloworld delivering significant growth, as we started to accrue the benefits of the newly acquired Equipment Mongolia and Ingrain businesses, robust mining activity, exceptional performance from the southern African and Russian Equipment businesses, and an impressive turnaround of the Car Rental business.

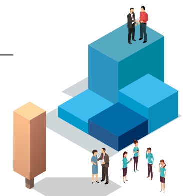
Acquisitive growth saw the group report revenue of R41.6 billion from continuing operations, which was 22.5% ahead of the prior year's R33.9 billion. Our new acquisitions added R6.6 billion of revenue, while existing businesses grew revenue at 2.6% above the prior year. Normalised headline earnings per share from continuing operations excluding B-BBEE cost and the impact of IFRS 16 of 1323 cents demonstrate the agility and business resilience of the group.

Operating profit more than doubled to R4.3 billion, with the growth supported by the decisive actions taken to cut costs without negatively impacting future growth prospects. Our operating margin increased by 450bps to 10.3%. EBITDA of R6.9 billion was reported, a 54.1% improvement from R4.5 billion in the prior period owing to improved margins and the turnaround of those businesses negatively affected by the pandemic.

The Industrial Equipment and Services business performed well, despite some challenges. Equipment southern Africa delivered exceptional performance with a record operating margin of 10.7%, despite overall trading activity at 89.2% of pre-pandemic levels. The Equipment Eurasia business unit built on its strong start to the year, delivering a 17% improved revenue performance in the second half of the financial year.

Ingrain performed exceptionally well, recording an operating profit of R534 million for the 11 months of trading, which translates into an operating margin of 12.2% and a higher EBITDA margin of 17.6%. Recovery in sales volumes and improved margin realisation, driven by higher international agriculture commodity prices, benefited the results.

22.5% increase in revenue from continuing operations year on year



Normalised HEPS of **1 323 cents** demonstrates resilience

The Car Rental and Leasing business unlocked synergies and value through the integration of the Car Rental and Avis Fleet businesses, yielding positive results particularly in the growth of subscription products, with longer length rentals and lower direct costs. The Leasing business experienced an overall superior operating margin of 17.5% (FY2020: 14.6%).

Losses from fair value adjustments on financial instruments totalled R190 million, driven by negative currency movements and forward exchange contract costs.

Net finance costs of R820 million were marginally lower than the prior year's of R833 million, supported by a lower interest rate environment in South Africa and offset an increase in gross borrowings driven by the funding of the Ingrain acquisition. Losses in associate and joint ventures of R13 million were lower than R43 million in the prior year due to low activity, once-off restructuring costs and impairments included in non-operating and capital items in our Bartrac joint venture.

The effective tax rate before non-operating and capital items and prior year adjustments of 25.2% was positively impacted by a R233 million deferred tax asset raised in the UK on tax losses previously not recognised and a partial release of the deferred tax liability raised in terms of IAS12.41 in light of the appreciation of local currencies against the US Dollar.

Debt and liquidity

The group balance sheet remained strong as at 30 September 2021 with cash and cash equivalents of R10.8 billion (FY2020: R6.7 billion). Net debt to equity is 16.7% (FY2020: 25.2%). Net debt to EBITDA was 0.3 times and EBITDA to interest cover was 9.2 times. We remain well within bank covenant levels below 3.0 times (Net debt: EBITDA) and above 3.0 times (EBITDA: interest cover), respectively.

The group's net borrowings decreased to R2.3 billion as at 30 September 2021 (R2.7 billion at 30 September 2020) after acquiring Ingrain.

Free cash flow for the year, excluding acquisitions and disposals, was R6.6 billion (compared to the prior year inflow of R3.3 billion), and an exceptional effort in tough trading conditions. The group actively reviews and monitors all facilities on an ongoing basis, and we remain confident of our good liquidity position.

The group's ratio of long-term to short-term debt was 57:43 compared to 56:44 at 30 September 2020.

Outlook

We are optimistic about the group's prospects for the year ahead, taking into consideration the opportunities available to our businesses and the positive outlook for the external factors that have an impact on them.

Once we have completed the remaining portfolio change, our focus will be on driving acquisitions that fall within the two existing verticals, namely Industrial Equipment and Services and Consumer Industries. These will be bolt-on acquisitions, not transformational but rather programmatic in nature.

Financial statements

Summarised consolidated income statement

for the year ended 30 September 2021

R million	Audited 2021	Audited Restated* 2020
CONTINUING OPERATIONS		
Revenue	**41 553**	33 909
Operating profit before items listed below	**6 942**	4 711
Impairment losses on financial assets and contract assets	**(59)**	(245)
Depreciation	**(2 312)**	(2 241)
Amortisation of intangible assets	**(181)**	(87)
Operating profit before B-BBEE transaction charge	**4 390**	2 138
B-BBEE transaction charge	**(95)**	(180)
Operating profit	**4 295**	1 958
Fair value adjustments on financial instruments	**(190)**	(335)
Finance costs	**(944)**	(971)
Income from investments	**124**	138
Profit before non-operating and capital items	**3 285**	790
Non-operating and capital items comprising of:		
Reversal of impairment/(Impairment) of investments	**52**	(194)
Impairment of goodwill		(687)
Impairment of indefinite life intangible assets		(708)
Impairment of property plant and equipment intangibles and other assets	**(49)**	(210)
Other non-operating and capital items	**192**	36
Profit/(loss) before taxation	**3 480**	(973)
Taxation	**(644)**	(1 068)
Profit/(loss) after taxation	**2 836**	(2 041)
Loss from associates and joint ventures	**(13)**	(43)
Profit/(loss) for the year from continuing operations	**2 823**	**(2 084)**

R million	Audited 2021	Audited Restated* 2020
DISCONTINUED OPERATIONS		
Loss from discontinued operations	**(23)**	(415)
Profit/(loss) for the year	**2 800**	(2 499)
Owners of Barloworld Limited	**2 756**	(2 476)
Non-controlling interests in subsidiaries	**44**	(23)
	2 800	(2 499)
Earnings/(loss) per share from group (cents)		
– basic	**1 390.9**	(1 236.0)
– diluted	**1 375.8**	(1 236.0)
Earnings/(loss) per share from continuing operations (cents)		
– basic	**1 395.6**	(1 033.8)
– diluted	**1 380.5**	(1 033.8)
Loss per share from discontinued operation (cents)		
– basic	**(4.7)**	(202.2)
– diluted	**(4.7)**	(202.2)

* The restatement is due to discontinued operation of Motor Retail and Logistics.

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Summarised consolidated statement of financial position

for the year ended 30 September 2021

R million	Audited 2021	Audited 2020
ASSETS		
Non-current assets	**21 237**	20 470
Property plant and equipment	**11 417**	12 239
Investment property	**1 000**	
Right-of-use assets	**634**	1 611
Goodwill	**2 756**	1 352
Intangible assets	**2 370**	1 632
Investment in associates and joint ventures	**1 880**	2 148
Long-term trade and other receivables*	**134**	187
Long-term financial assets	**198**	287
Deferred taxation assets	**848**	1 014
Current assets	**29 220**	27 379
Vehicle rental fleet	**2 819**	1 889
Inventories	**8 111**	10 170
Trade and other receivables	**6 949**	7 916
Contract assets	**424**	514
Taxation	**196**	147
Cash and cash equivalents	**10 721**	6 743
Assets classified as held for sale	**2 387**	29
Total assets	**52 844**	**47 878**

R million	Audited 2021	Audited 2020
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	**(1 200)**	(1 121)
Other reserves	**4 911**	5 856
Retained income	**17 711**	14 769
Interest of shareholders of Barloworld Limited	**21 422**	19 504
Non-controlling interest	**283**	246
Interest of all shareholders	**21 705**	19 750
Non-current liabilities	**10 139**	11 251
Interest-bearing	**7 401**	5 897
Deferred taxation liabilities	**1 186**	806
Lease liabilities	**770**	1 977
Provisions and other accruals	**140**	129
Contract liabilities	**445**	436
Other non-current liabilities^	**197**	2 006
Current liabilities	**19 214**	16 877
Trade and other payables	**10 441**	11 096
Contract liabilities	**2 131**	1 272
Lease liabilities	**133**	351
Provisions and other accruals	**859**	622
Taxation	**155**	38
Amounts due to bankers and short-term loans	**5 495**	3 498
Liabilities directly associated with assets classified as held for sale	**1 786**	
Total equity and liabilities	**52 844**	**47 878**

* Long-term trade and other receivables were previously referred to as Long-term finance lease receivables. The current year amount includes long-term trade receivables.

^ Other non-current liabilities reduced as a result of additional pension fund contributions made during the financial year as well as changes to the underlying assumptions resulting in a reduction to the net liability.

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Summarised consolidated statement of other comprehensive income

for the year ended 30 September 2021

	Audited	
R million	2021	2020
Profit/(loss) for the year	**2 800**	(2 499)
Items that may be reclassified subsequently to profit or loss:	**(1 069)**	1 190
Exchange (loss)/gain on translation of foreign operations	**(1 252)**	1 244
Translation reserves realised on liquidation/disposal of subsidiaries	**135**	(41)
Gain/(loss) on cash flow hedges	**62**	(24)
Deferred taxation on cash flow hedges	**(14)**	11
Items that will not be reclassified to profit or loss:	**826**	(139)
Actuarial gain/(loss) on post-retirement benefit obligations	**1 020**	(172)
Taxation effect of actuarial gain/(loss)	**(194)**	33
Other comprehensive (loss)/income for the year net of taxation	**(243)**	1 051
Total other comprehensive income/(loss) for the year	**2 557**	(1 448)
Total other comprehensive income/(loss) attributable to:		
Barloworld Limited shareholders	**2 513**	(1 425)
Non-controlling interest in subsidiaries*	**44**	(23)
	2 557	**(1 448)**

* Non-controlling interest includes R14 million (FY2020: R10 million) related to discontinued operations.

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Summarised consolidated statement of changes in equity

for the year ended 30 September 2021

	Audited					
R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2019	441	4 523	18 659	23 623	272	23 895
Cumulative adjustments for new standards			(281)	(281)		(281)
Adjusted opening balance for IFRS 16	441	4 523	18 378	23 342	272	23 614
Other comprehensive income		1 190	(139)	1 051		1 051
Loss for the year			(2 476)	(2 476)	(23)	(2 499)
Total comprehensive income for the year*		1190	(2 615)	(1 425)	(23)	(1 448)
Share buy back	(1 562)			(1 562)		(1 562)
Khula Sizwe B-BBEE charges		223		223		223
Equity settled IFRS 2 charges		60		60		60
Share scheme receipts		(88)		(88)		(88)
Acquisition of subsidiary					8	8
Disposal of subsidiaries		16	75	91		91
Transfer of reserves		(54)	54			
Other reserve movements		(14)	(9)	(23)		(23)
Other changes in non-controlling interest					2	2
Dividends			(1 114)	(1 114)	(13)	(1 127)
Balance at 30 September 2020	**(1 121)**	**5 856**	**14 769**	**19 504**	**246**	**19 750**

* The prior year disclosure included a formula error on the Total comprehensive income for the year which has been corrected in the current year. This has no impact on any closing balances

Amounts as previously stated	**441**	**5 713**	**15 763**	**21 917**	**249**	**22 166**
Restated amounts		**1 190**	**(2 615)**	**(1 425)**	**(23)**	**(1 448)**

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Summarised consolidated statement of changes in equity continued

for the year ended 30 September 2021

	Audited					
R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Other comprehensive income		**(1 069)**	**826**	**(243)**		**(243)**
Profit for the year			**2 756**	**2 756**	**44**	**2 800**
Total comprehensive income for the year		**(1 069)**	**3 582**	**2 513**	**44**	**2 557**
Share buy back	**(79)**			**(79)**		**(79)**
Khula Sizwe B-BBEE charges		**137**		**137**		**137**
Equity settled IFRS 2 charges		**89**		**89**		**89**
Share scheme receipts		**(99)**		**(99)**		**(99)**
Transfer of reserves		**(15)**	**15**			
Other reserve movements		**12**	**1**	**13**		**13**
Other changes in non-controlling interest					**(1)**	**(1)**
Dividends			**(656)**	**(656)**	**(6)**	**(662)**
Balance at 30 September 2021	**(1 200)**	**4 911**	**17 711**	**21 422**	**283**	**21 705**

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Summarised consolidated statement of cash flows

for the year ended 30 September 2021

R million	Audited 2021	Audited 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	**7 834**	5 210
Movement in working capital	**2 831**	670
Cash generated from operations before investment in rental fleets and Leasing receivables	**10 665**	5 880
Inflow of investment in Leasing receivables	**60**	65
Fleet Leasing and equipment rental fleet	**(445)**	(673)
Additions	**(2 484)**	(2 347)
Proceeds on disposal	**2 039**	1 674
Vehicles rental fleet	**(1 745)**	524
Additions	**(3 785)**	(2 192)
Proceeds on disposal	**2 040**	2 716
Cash generated from operations	**8 535**	5 796
Finance costs	**(1 092)**	(1 274)
Realised adjustments on financial instruments	**(114)**	(223)
Dividends received from investments associates and joint ventures	**173**	20
Interest received	**140**	155
Taxation paid	**(1 196)**	(933)
Cash inflow from operations	**6 446**	3 541
Dividends paid (including non-controlling interest)	**(657)**	(1 127)
Cash retained from operating activities	**5 789**	**2 414**

R million	Audited 2021	Audited 2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	**(5 329)**	(2 766)
Proceeds on disposal of subsidiaries	**878**	14
Investments realised	**389**	367
Acquisition of intangible assets	**(51)**	(84)
Acquisition of property, plant and equipment	**(521)**	(536)
Replacement capital expenditure	**(415)**	(254)
Expansion capital expenditure	**(106)**	(282)
Proceeds on disposal of property, plant and equipment	**338**	39
Net cash used in investing activities	**(4 296)**	**(2 966)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflow (outflow) before financing activities	**1 493**	(552)
Shares repurchased for equity-settled share-based payments	**(98)**	(87)
Share buy back	**(79)**	(1 562)
Proceeds from long-term borrowings	**4 552**	2 760
Repayment of long-term borrowings	**(1 439)**	(1 978)
Movement in short-term interest-bearing liabilities	**316**	444
Repayments of lease liabilities	**(399)**	(343)
Net cash received from (used in) financing activities	**2 853**	**(766)**
Net increase/(decrease) in cash and cash equivalents	**4 346**	(1 318)
Cash and cash equivalents at beginning of year	**6 743**	7 274
Cash and cash equivalents held for sale at the beginning of year		29
Effect of foreign exchange rate movement on cash balance	**(250)**	443
Effect of foreign exchange rate movement on USD denominated cash		(187)
Cash balance held in Escrow		502
Effect of cash balances classified as held for sale	**(118)**	
Cash and cash equivalents at end of year	**10 721**	**6 743**
Cash balances not available for use due to reserving restrictions	**79**	911

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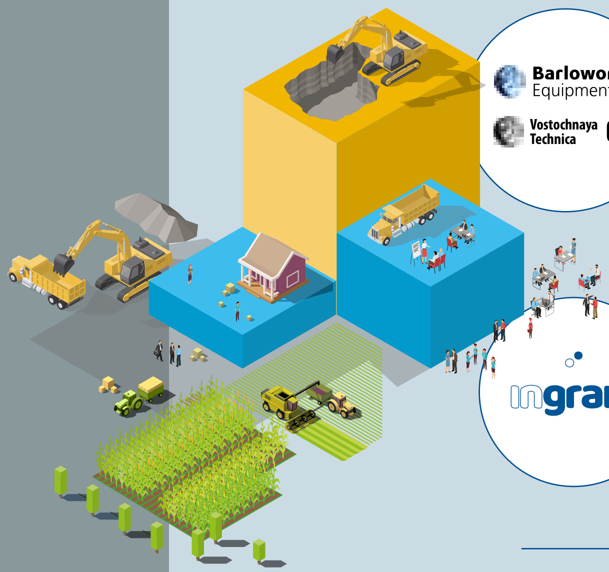
Group operating review

Delivering on:

Our purpose
and our sustainability commitment to be a responsible corporate delivering products, services and solutions that generate sustainable outcomes

Our strategy
by actively pivoting our portfolio towards the defensive, relatively asset-light and cash generative businesses:



Barloworld Equipment

Vostochnaya Technica CAT

Industrial Equipment and Services

Ingrain

Consumer Industries

Achieving
sustainable, inclusive, quality growth
and providing our customers with products from our leading brands to inspire a world of difference

Fix and optimise

In line with our focus on optimally deploying capital within the group, we exited our Motor Retail business during the period under review and are in the process of selling our Logistics businesses. We have also indicated we will exit our Car Rental and Leasing business in the medium term. Going forward our focus will remain on reviewing businesses with low operating profit performance and on implementing the various disposal and corporate actions intended to simplify the group's portfolio.

Acquisitive growth and portfolio changes

We successfully executed two significant acquisitions in 2020, namely Equipment Mongolia and Ingrain. The integration of these acquisitions into the group is progressing well and both businesses are delivering ahead of our initial expectations. Our short-term priorities are to complete these integrations and extract further value.

Future acquisitive growth, in line with our identified strategic growth segments, will be considered once we have completed the remaining portfolio changes.

Industrial Equipment and Services

Achieving sustainable, inclusive, quality growth and providing our customers with products from our leading brands to inspire a world of difference

Equipment southern Africa

Equipment southern Africa operates in 11 African countries, including the Democratic Republic of Congo's Katanga Province through the Bartrac joint venture. The business sells, services and rents an unmatched range of Caterpillar equipment for surface, underground, construction and transportation, including engines and power systems.

PERFORMANCE IN FY2021

Exceptional performance despite overall trading activity at only 89.2% of pre-Covid-19 pandemic levels.

REVENUE

R18.2 billion (FY2020: R17.6 billion)
(an increase in revenue of 3.6% year on year)

R18.2bn

OPERATING PROFIT

R1.9 billion (FY2020: R1.2 billion)
(an increase of 63.3% in operating profit year on year)

R1.9bn

INVESTED CAPITAL

R7.2 billion (FY2020: R9.2 billion)
(a decrease in invested capital of 21.6%)

R7.2bn

ROIC

above group threshold of 13% at 15.2%
(FY2020: 3.8%)

15.2%

STRONG FREE CASH GENERATION

of R3.0 billion (FY2020: R3.4 billion)

R3.0bn

Equipment southern Africa delivered exceptional performance despite overall trading activity being at 89.2% of pre-Covid-19 pandemic levels. The results reflect the diligence in the execution of the strategic initiatives. Total revenue was up 3.6% at R18.2 billion (FY2020: R17.6 billion), driven by improved mining activity on the back of strong commodity prices. Parts sales was up 16.5% on prior year, with South Africa, Namibia, Zambia and Botswana recording double-digit growth on parts sales. This was partially offset by a reduction in machine and engine sales largely impacted by global supply chain and port challenges. Total aftersales contribution was up 200 basis points compared to prior year, resulting in improved gross margins.

Operating profit was up 63.3% at R1.9 billion (FY2020: R1.2 billion), while operating margin increased by 390bps to 10.7%. The improvement in operating margin was due to lower costs to serve, positive impact of exchange rate movements on cost of goods sold and stronger aftersales contribution. EBITDA margin at 14.3% was up 400bps from prior year.

Due to the appreciation of most currencies in the region against the USD, losses on financial instruments were 60.3% lower than prior year at a charge of R83 million (FY2020: R210 million). EBIT increased by 89.7% to R1.9 billion (FY2020: R982 million). The robust focus on working capital management contributed to a decrease of 36.2% in net interest to R184 million (FY2020: R287 million). A gain in non-operating capital items of R29 million was realised mainly from the sale of property, compared to a loss of R898 million in the prior year driven by Covid-related impairment of goodwill and intangibles.

The effective tax rate for the period was 21.9% (FY2020: -208%). The lower effective tax rate was mainly due to the recognition of a deferred tax asset on the back of a positive profitability outlook; this was not recognised in the previous year due to Covid-related uncertainties.

The Bartrac joint venture remained under pressure, with a share loss of R112 million (FY2020: R41 million loss). The loss in Bartrac was influenced by low trading activity, once-off restructuring costs and impairment of non-operating capital items. Overall share of joint venture and associate loss was R105 million (FY2020: R39 million loss).

As a result of balance sheet optimisation strategies, invested capital reduced by 21.6% to R7.2 billion (FY2020: R9.2 billion). These initiatives contributed to a very strong free cash generation of R3.0 billion (FY2020: R3.4 billion). Overall return on invested capital was 15.2% (FY2020: 3.8%).

Our BBS journey

Equipment southern Africa was the first division to start on its **BBS journey** three years ago. The division is now benefiting from the impact of the two pillars on which BBS is anchored, being continuous improvement and respect for people, as evidenced in the turnaround of businesses like Botswana, Mozambique and Zambia. We have successfully changed our culture through empowering our brand champions to lead improvements and solutions on business processes.

The implementation of BBS has contributed towards rallying the organisation to focus on the execution of strategic priorities such as invested capital optimisation and services growth.

Safety is the ethos of our values and we will use BBS to further embed the zero harm culture in the organisation.

Access to skills

Our ongoing investment in artisan training and specialist engineering career development ensures we have skills to deliver expert solutions to our customers. Barloworld Equipment's Technical Training Centre in Isando, Johannesburg trains and certifies Caterpillar earthmoving mechanics to South African National Qualifications Framework (NQF) Level 3 standard and fully complies with Caterpillar standards.

Outlook

We believe that Equipment southern Africa is well-positioned to achieve sustainable value creation going forward.

Aligned with the Caterpillar strategy to double services by 2026, the business remains committed to deliver positive results.

While the performance of our joint venture in the Democratic Republic of Congo (DRC) was below expectations during the year under review, we are optimistic about its performance in FY2022.

Equipment southern Africa's total firm order book at 30 September 2021 remained strong at R3.2 billion (FY2020: R2.3 billion), supported by a positive outlook for mining. The construction industry is also expected to recover as infrastructure and energy projects gather momentum. The work done to fix and optimise this business has positioned it for growth.

We anticipate that decarbonisation will impact the future of coal mining in South Africa, however, in the short to medium term coal will remain a necessary source for energy mix and raw material for the steel industry.

In line with the mining industry's objective to decarbonise, Caterpillar has made good progress in reducing the emissions of its vehicles. There is significant interest from our customers and we are planning to trial some of the Caterpillar battery-driven underground vehicles in the next two years.

Equipment Eurasia

We sell, service and rent mainly Caterpillar equipment, engines and power systems in Russia and Mongolia. Our markets include mining, construction and forestry, with mining dominating our revenue sources in both countries.

PERFORMANCE IN FY2021

On average, the strengthening rand impacted the conversion of our dollar operating results to the rand negatively by 9.3%

REVENUE

R10.7 billion (FY2020: R7.5 billion)
(an increase in revenue of 42% year on year)

R10.7bn

OPERATING PROFIT

R1.2 billion (FY2020: R834 million)
(an increase of 41% in rand operating profit year on year)

R1.2bn

INVESTED CAPITAL

R4.3 billion (FY2020: R5.6 billion)
(a decrease in invested capital of 23%)

R4.3bn

ROIC

above group threshold of 13% at 18.3% in Dollar terms (FY2020:14% in dollar terms)

18.3%

STRONG CASH FLOW GENERATION

R2.1 billion (FY2020: R957 million)

R2.1bn

ESG efforts include decreasing grid energy consumption, installing of solar PV capacity, waste recycling and process of all hazardous solid wastes by certified waste companies

Following a strong start in the first half of the year, Equipment Eurasia's performance was 17% better in the second half of FY2021 and our Russian business outperformed all its FY2021 targets.

Our total revenue at R10.7 billion (USD718 million) was up 54% on the prior period in dollar terms, with Russia contributing 78% of total revenue. In rand terms, the total Eurasia revenue was up 42% year on year. This increase was mainly driven by the acquisition of the Mongolian business, further supported by revenue growth of 13% in rand terms from Russia (23% in USD terms). Although gold continues to be the main contributor to revenue (44%), coal remains an important contributor in the Eurasia region and has increased its contribution from 15% in the previous year to 19% in FY2021. Significant contributions to revenue from other commodities like diamonds (4%), copper/nickel (10%) and construction (9%) also supported the overall growth.

Aftermarket contribution remained healthy at 43% of total revenue for Eurasia, although slightly down as a result of the increase in Russia's prime product sales of 38% year on year. In Russia, aftermarket revenue showed a good turnaround since H1, recording an 8% increase in parts sales for the full year compared to the same period in FY2020, largely due to the recovery in the coal sector. Aftermarket contributed 45% to Mongolia's revenue, despite some customer sites being closed for extended periods due to Covid-19.

Eurasia's operating profit at USD79 million was up 55% in dollar terms compared to FY2020, driven mainly by the acquisition of Mongolia, with Russia contributing 75% of total operating profit. This growth was further supported by Russia increasing its operating profit by 17% compared to the previous year. In rand terms, total Eurasia operating profit was up 41% at R1.172 billion (FY2020: R834 million). The performance of both regions was very pleasing with Russia recording the second-best result since inception.

EBITDA was USD96.9 million compared to USD62.8 million in FY2020 (prior year figures included 1 month for Mongolia), and EBITDA as a percentage of net revenue was maintained at 13.5%.

Equipment Eurasia continued

Costs remain well controlled throughout both businesses, resulting in a good operating margin for the division at 11.0% compared to 11.1% in FY2020 in rand terms. Operating margin was slightly diluted due to the increased mix of prime product sales. Our Mongolian business generated a solid 12.3% operating margin in rand terms.

The Eurasian operations generated positive cash flow through profitable results and sound working capital management. Strong EBITDA to free cash flow conversion resulted in free cash flow of USD136 million for the period, well ahead of prior year.

ROIC above target

The ROIC in dollar terms of 18.3% for Eurasia continues to be well above the group threshold of 13%. ROIC for the Russian business was excellent at 21.1% (14% prior year), with Mongolia generating a solid 12.8% in the first full year.

Covid-19 impact

The measures the business implemented, together with the response from the respective governments, reduced the impact of Covid-19 on the business during 2021. The intermittent lockdowns in Mongolia, which limited movement and our ability to serve our customers, had a greater impact on the business than the measures taken in Russia. In addition, many customers in Mongolia also decided to close for a period, which limited our business opportunities. Despite these restrictions, the results generated by our Mongolia business, driven by coal and gold, exceeded our expectations.

As demand increased, due to the strong commodity cycle we have seen lead times moving out during 2021. So far, we have managed to factor the supply chain constraints in our dealings with our customers and have not seen any negative impact yet.

Increased efficiencies through digitalisation

During the year under review, we continued to improve our digital capability and footprint as follows:

- Developed and improved our digital platform
- Connecting more assets
- Developing data lake and storage of data capability
- Using analytics to develop preventive maintenance practices
- Enhancing our e-commerce presence through increased online sales
- Using technology to improve operational practices, i.e. our ordering practices
- Automating processes for improved internal efficiencies
- Optimising lead management through digital channels

Rolling out BBS

Eurasia started on its BBS journey during 2021 by implementing Managing for Daily Improvement (MDI) in Russia and in Mongolia. Our main focus has been to enable employees to become problem solvers.

Outlook

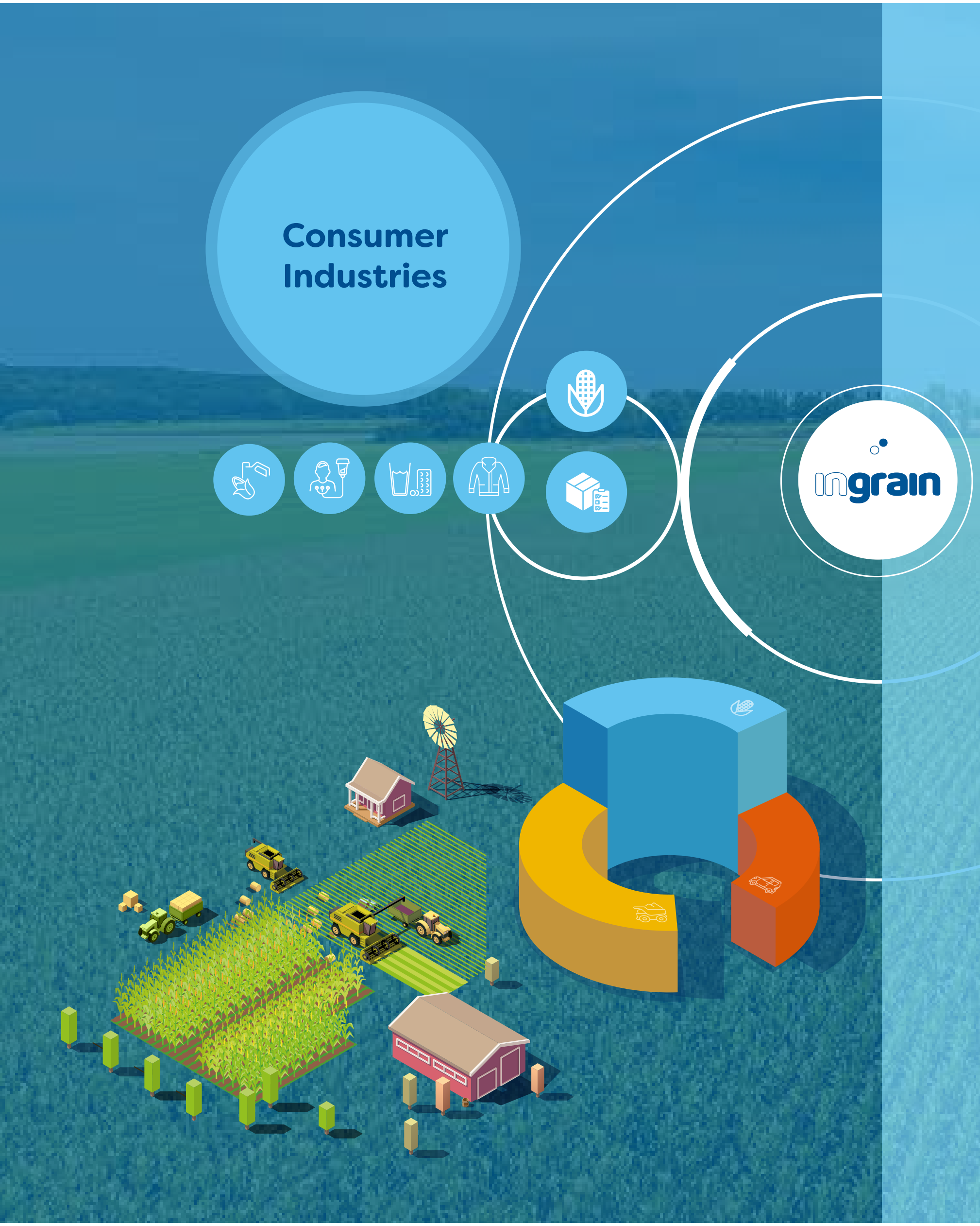
Services growth remains a key priority, which we plan to achieve through delivering value added solutions to our customers. This includes improved customer coverage, enhancing our rebuild and salvage capability, utilising technology to optimise maintenance practices for the customers and ensuring parts availability for customers. Another key initiative will be to develop site solutions tailored for customer needs.

We anticipate mining commodity prices to remain stable. Eurasia's total firm order book at 30 September 2021 was USD224 million (FY2020: USD105 million), with further firm orders to the value of USD55 million secured after 30 September 2021. Our book is driven by gold 31%, coal 28%, and diamonds 15%. Eighty-eight percent of the firm order book relates to Russia.

We will continue our journey of embedding a zero-harm safety culture in our operations, which will remain a focus during the year ahead.

We will continue to focus on costs and productivity improvements. However, we will be investing in the business to cater for expected growth opportunities with a focus on people, the development of skills, better use of technology and digital solutions, and expanding our aftermarket infrastructure where required.

Both businesses are still relatively young in their development cycle. We anticipate some fluctuation in their aftermarket contribution to total revenue year on year, influenced by the timing of major new greenfield opportunities.



Establishing a strong base for the development of the Consumer Industries pillar of our strategy

OUR PERFORMANCE IN FY2021

These results cover the 11 month period from 1 November 2020 to 30 September 2021, with the acquisition of Ingrain being effective on 1 November 2020

REVENUE

R4.385 million

R4.385m

8.7% INCREASE IN SALES VOLUMES

year on year in South Africa

8.7% up

EBITDA

R772 million (37% year-on-year increase on R565 million for comparative period in FY2020)

R772m

OPERATING PROFIT

R534 million

(an 18% increase on R452 million for comparative period in FY2020)

R534m

STRONG CASH GENERATION

of R768 million on back of improved operating results and reduced working capital requirements

R768m

Sales performance

The period saw pleasing growth in sales in our domestic market of 8.7% year on year, with a strong recovery of volumes in the alcoholic beverage sector following extended lockdowns in the prior year. This was supported by growth in the coffee creamer and paper-making sectors. Export sales increased 3.1% year on year.

The volume increases are despite the impact of five weeks of industrial action during February and March; the impact of Covid-related lockdowns; limited availablity of food grade containers and shipping space; congestion in South African ports; and some curtailment in customer activity during the period of unrest in July 2021.

Sales mix

Our focus on increasing the sales of our powdered glucose products saw volumes grow by 8.2% and supported an improvement in our sales mix, while our ability to produce modified starches was limited by global supply chain interruptions resulting in a raw material, key to the production of modified starch, being in short supply.

Margins for the period were supported by the large maize crop of 15.3 million tons harvested in South Africa during the period June to August 2020, and represented a 35% year-on-year increase in the crop (FY2019: 11.3 million tons). Improved co-product realisations on the back of higher international agricultural commodity prices and the optimisation of customer mix supported margins during the period.

Applying our strategic levers to create sustainable value

Optimise

To increase capacity utilisation and grow our business, both in the domestic and regional markets and through opportunistic volume growth in export markets, our focus is on investing in the optimisation and increased availability of our plants, driving down costs and increasing operational efficiencies. The focus on increased operational efficiencies includes improving energy and water use efficiencies and reducing our discharge of effluent, all of which will reduce costs and our impact on the environment.

The integration of Barloworld Business System (BBS) into Ingrain during the year under review is playing an important role in all these initiatives.

Outlook

While the outlook for the external environment remains uncertain, availability the hope is that increasing Covid-19 vaccination levels will reduce the need for a return to increased levels of lockdown, which should be positive for an increase in activity in the entertainment, tourism, and education sectors. Increased activity will benefit the confectionery, alcoholic beverage, paper-making and paper-converting sectors.

Latest estimates indicate a 5.9% increase in the South African maize crop to 16.2 million tons for the current season, driven by current high international agricultural commodity prices, which have encouraged an increase in domestic maize plantings and favourable weather conditions during the summer rainfall period. The outlook for the new season is encouraging, with high international prices likely to support maize planting in South Africa and long-term seasonal weather forecasts indicating a normal summer rainfall season. The result is local maize prices are trading closer to international prices, which will continue to support margins going forward. Also in our favour is the increase in international starch and glucose prices as a result of Covid-19 supply chain constraints, increased freight rates and higher energy costs.

In the year ahead, we expect to benefit from increased sales of powdered glucose and to recapture volumes previously lost to imported products on the back of the an acceleration of investments in facilities and the implementation of BBS. We expect to see a recovery in the sales of modified starches, and that the resilience that our diverse customer base provides will support sales volumes in the year ahead. New business development is currently underway in the papermaking sector with trial at a customer site in progress. Our focus on pursuing opportunities in our regional market and export markets is expected to further boost sales in the short to medium term.

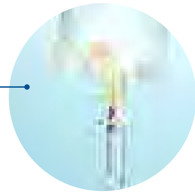
Consumer Industries continued

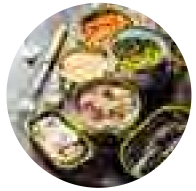
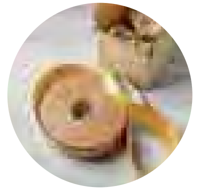
Market leading starch, glucose and animal feed brands

Unmodified starch

Key brand:
Amyral®

End use: Pharmaceuticals, brewing, canning, corrugating adhesives, paper making, corrugated board, textile sizing, confectionery



Modified starch

Key brands: Stywax®, Styclor®, Stydex®, Stygel®, Stycross®

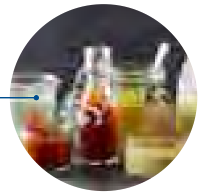
End use: Confectionery, frozen desserts, general foods, chemicals, paper making, textile sizing, corrugating adhesives




Glucose: acid & enzyme converted

Key brands: Hyclear®, Alidex 30®, Brewmaltose®, Confectioner's Maltose®, Hydex®

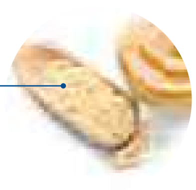
End use: Spray drying (coffee, creamers), baking, brewing, confectionery, dairy, yeast, condiments, pickles, preserves




Powdered glucose

Key brands:
Unidri®, Dridex®, Monodex®

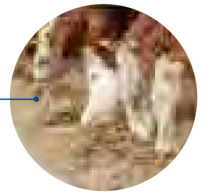
End use: Baking, beverage powders, coffee, soup and gravy powders, frozen desserts, ice cream, sports/energy drinks, canning, confectionery




Agri products & nutrition ingredients

Key brands: Vaal Gold Gluten 20®, Vaal Gold Gluten 60®, Vaal Gold®, NuCleus®

End use: Animal feed, concentrates for dairy and beef cattle, poultry feed, pig feed, oil extractors, animal and plant nutrients




Car Rental and Leasing

Integrating Car Rental and Leasing

The focus of Car Rental and Leasing's operating model on the ever-evolving needs and requirements of our customers provides us with the opportunity to offer integrated end-to-end mobility solutions to our customers. We reassessed our options and during the prior period, management and the board took a decision to integrate the Car Rental and Leasing businesses to unlock synergies and value.

PERFORMANCE IN FY2021

Car Rental at a top line traded at 3.5% above 2020 levels. The swift repositioning from being predominately a tourism business to mobility provider on yielded positive results. Our Leasing business remains resilient despite ongoing market challenges resulting from the Covid-19 pandemic

REVENUE*

Car Rental R5.3 billion (FY2020: R5.1 billion)
Leasing R2.1 billion* (FY2020: R3.0 billion)
***Excluding internal revenue of R736 million**

R7.4bn

OPERATING PROFIT

Car Rental: R348 million (FY2020: – R142 million)
Leasing R502 million* (FY2020: R444 million)

R850m

INVESTED CAPITAL

Car Rental R2.8 billion (FY2020: R2.8 billion)
Leasing R2.6 billion (FY2020: R3.2 billion)

R5.4bn

FLEET MANAGEMENT

Close management of vehicles resulted in average fleet utilisation of 77%, which is 25% above FY2020

On 1 October 2020 we began implementing our integrated mobility strategy. This involved bringing together three businesses that previously operated separately under Leasing, Car Rental and Commercial Leasing, part of Barloworld Logistics. While these businesses are distinct, their core capabilities in managing assets through the life cycle are closely related, which gave us the opportunity to leverage these capabilities to create a competitive advantage in the market. Car Rental and Leasing remain unrivalled market leaders in their respective industries, with a fleet ranging from motorcycles, passenger vehicles, light commercial, medium commercial to heavy commercial and extra heavy commercial vehicles.

BBS at work

The safety of our employees and customers is paramount to our business, especially during this period and we implemented a number of initiatives to keep them safe. We have implemented BBS throughout the business. The employee huddles as part of Managing for Daily Improvement have provided our Brand Ambassadors with a platform to raise and resolve issues and opportunities, which has proved to be effective, given the changes we have gone through. In addition to the process improvement these daily huddles have provided a safe platform for employees to check in and share safety measures.

Car Rental

Our integrated business is about mobility and the nature of our offerings and our customer mix provides us with a strategy that mitigates the ongoing adverse impact of Covid-19 local and international travel restrictions on individuals, corporates and governments. Despite these trading conditions, the Car Rental business, at a top line, traded at 3.5% above 2020 levels. The swift repositioning towards off-airport business at the onset of the Covid-19 pandemic yielded positive results, and particularly in the growth we achieved in our subscription products with longer length rentals and lower direct costs.

Car Rental and Leasing continued

The agility with which we were able to defleet, together with strategic disposal channel selection, a bullish used vehicle market and our ability to maintain a rationalised cost base, all positively impacted our operating profit. Through the close management of vehicles out of service and our ability to respond rapidly to changes in demand and customer segment mix, we achieved an average fleet utilisation of 77%, which is 25% above what we achieved in FY2020.

We also used the opportunity provided by the Covid-19 lockdowns to achieve integration synergies, which included the optimisation of our operating network, while still maintaining a solid footprint throughout southern Africa. To improve customer experience and increase efficiencies, we introduced a digital check-in system which has removed paper and its cost from the system and made the check-out process much simpler and quicker for both the business and our customers. Also, customers' data is now stored on our system in an efficient manner to allow seamless check in with us. We have also deployed a camera system in one of our high-volume branches that records a 360 degree view of a vehicle on its departure and return from our premises, which has removed any disagreement regarding the condition of a vehicle.

The efforts of the business to increase efficiencies included finding ways to conserve and recycle over 90% of the water used to wash cars which has also reduced our impact on the environment.

Car Rental outlook

The semi-conductor deficit, and consequent slow new vehicle production, has resulted in a global fleet shortage, which remains a constraint for the Car Rental industry. The impact of Covid-19 lockdowns has been pronounced on our industry. The success of the drive to increase the number of South Africans who are vaccinated, which should reduce the risk of a return to higher level lockdowns, is critical for our industry in the short term.

Car Rental will continue to focus on operational efficiencies through the deployment of BBS and maintaining a fixed cost base that is fit for purpose.

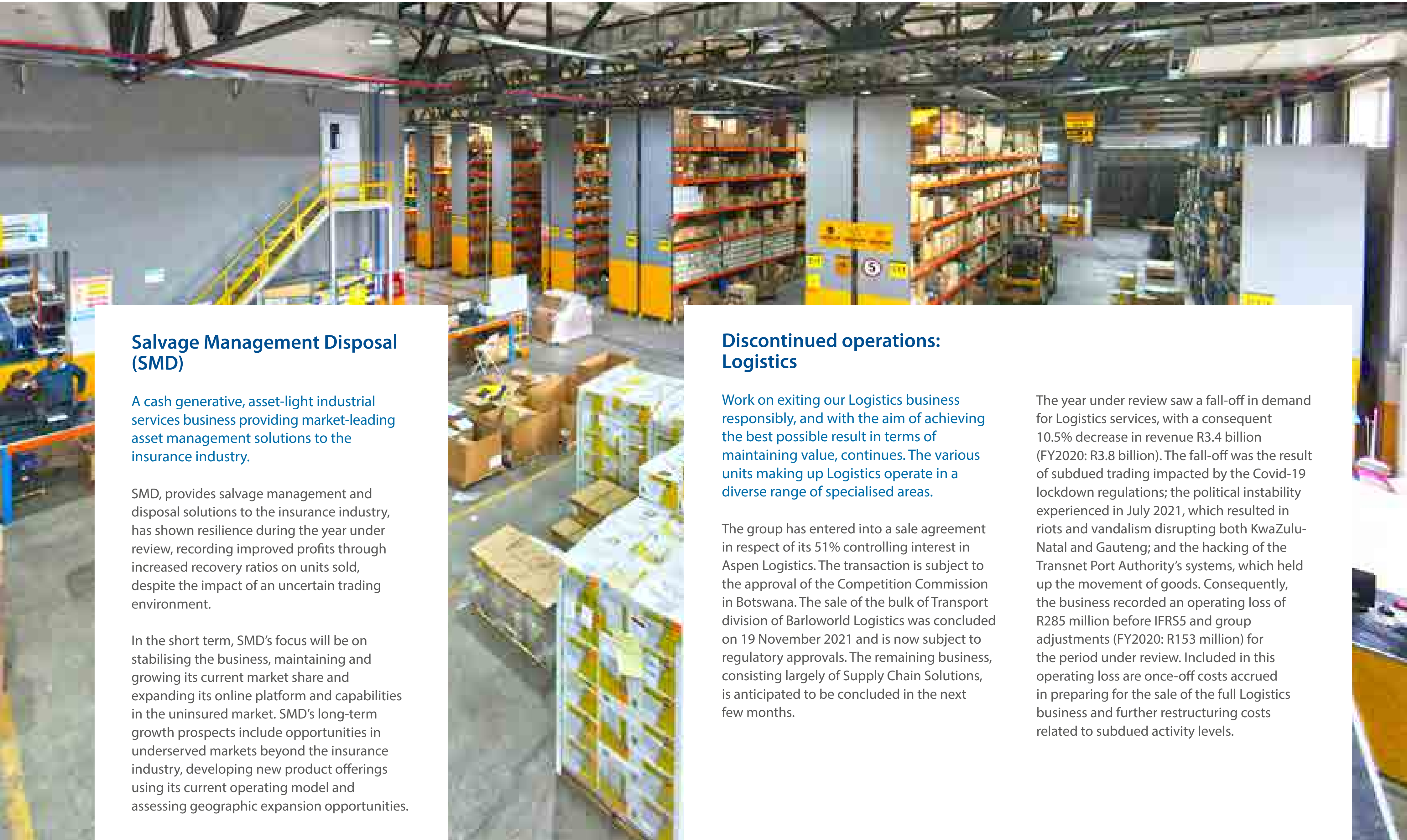
Leasing

Our Leasing business remains resilient despite ongoing market challenges resulting from the Covid-19 pandemic. While revenue is down 5.9% as a result of the natural attrition of large public sector contracts, we were able to achieve an increase in our operating profit of 13.4% year on year. This was achieved through a sustained restructuring of our cost base, enhanced used vehicle contributions and improved practices around managing the cost of maintenance. Used vehicle margins benefited from our integration with Car Rental and the ability to leverage infrastructure and systems coupled with a buoyant used vehicle market. Our strategy of diversifying our portfolio and capabilities into medium and heavy commercial fleets is yielding good results, with the business seeing an overall operating margin of 17.5% (FY2020: 14.6%).

Leasing outlook

Despite large contract lead outs, the business continues to respond to both private and public sector tenders. An increase in corporate activity is reflected in our firm order book and the number of renewed facility approvals in the system. However, the global vehicle shortage is currently an impediment to our ability to deliver.

We will also continue to develop and deploy technologies which enable the integration of systems and digitisation of processes to ensure the business is future fit.



Salvage Management Disposal (SMD)

A cash generative, asset-light industrial services business providing market-leading asset management solutions to the insurance industry.

SMD, provides salvage management and disposal solutions to the insurance industry, has shown resilience during the year under review, recording improved profits through increased recovery ratios on units sold, despite the impact of an uncertain trading environment.

In the short term, SMD's focus will be on stabilising the business, maintaining and growing its current market share and expanding its online platform and capabilities in the uninsured market. SMD's long-term growth prospects include opportunities in underserved markets beyond the insurance industry, developing new product offerings using its current operating model and assessing geographic expansion opportunities.

Discontinued operations: Logistics

Work on exiting our Logistics business responsibly, and with the aim of achieving the best possible result in terms of maintaining value, continues. The various units making up Logistics operate in a diverse range of specialised areas.

The group has entered into a sale agreement in respect of its 51% controlling interest in Aspen Logistics. The transaction is subject to the approval of the Competition Commission in Botswana. The sale of the bulk of Transport division of Barloworld Logistics was concluded on 19 November 2021 and is now subject to regulatory approvals. The remaining business, consisting largely of Supply Chain Solutions, is anticipated to be concluded in the next few months.

The year under review saw a fall-off in demand for Logistics services, with a consequent 10.5% decrease in revenue R3.4 billion (FY2020: R3.8 billion). The fall-off was the result of subdued trading impacted by the Covid-19 lockdown regulations; the political instability experienced in July 2021, which resulted in riots and vandalism disrupting both KwaZulu-Natal and Gauteng; and the hacking of the Transnet Port Authority's systems, which held up the movement of goods. Consequently, the business recorded an operating loss of R285 million before IFRS5 and group adjustments (FY2020: R153 million) for the period under review. Included in this operating loss are once-off costs accrued in preparing for the sale of the full Logistics business and further restructuring costs related to subdued activity levels.

Our holistic approach to sustainability

Detailed disclosure on key environmental, social and governance (ESG) elements that could have a material impact on our business (including both material matters that impact Barloworld and matters material to our impact on the environment and society) is provided in our reporting in terms of the Global Reporting Initiative (GRI) Standards.

Barloworld's contribution to the SDGs

Following the adoption of the UN SDGs by all UN member states in 2016, Barloworld prioritised various SDGs based on what we believe our contribution to them can be. We identified eight to which we can make a direct contribution and five to which we can make an indirect contribution.

Direct contribution

UN SDG 3
Good health and well-being

UN SDG 8
Decent work and economic growth

UN SDG 10
Reduced inequalities

UN SDG 13
Climate action

UN SDG 1
End poverty in all its forms everywhere

UN SDG 4
Quality education

UN SDG 5
Gender equality

UN SDG 6
Clean water and sanitation

Indirect contribution

UN SDG 2
Zero hunger

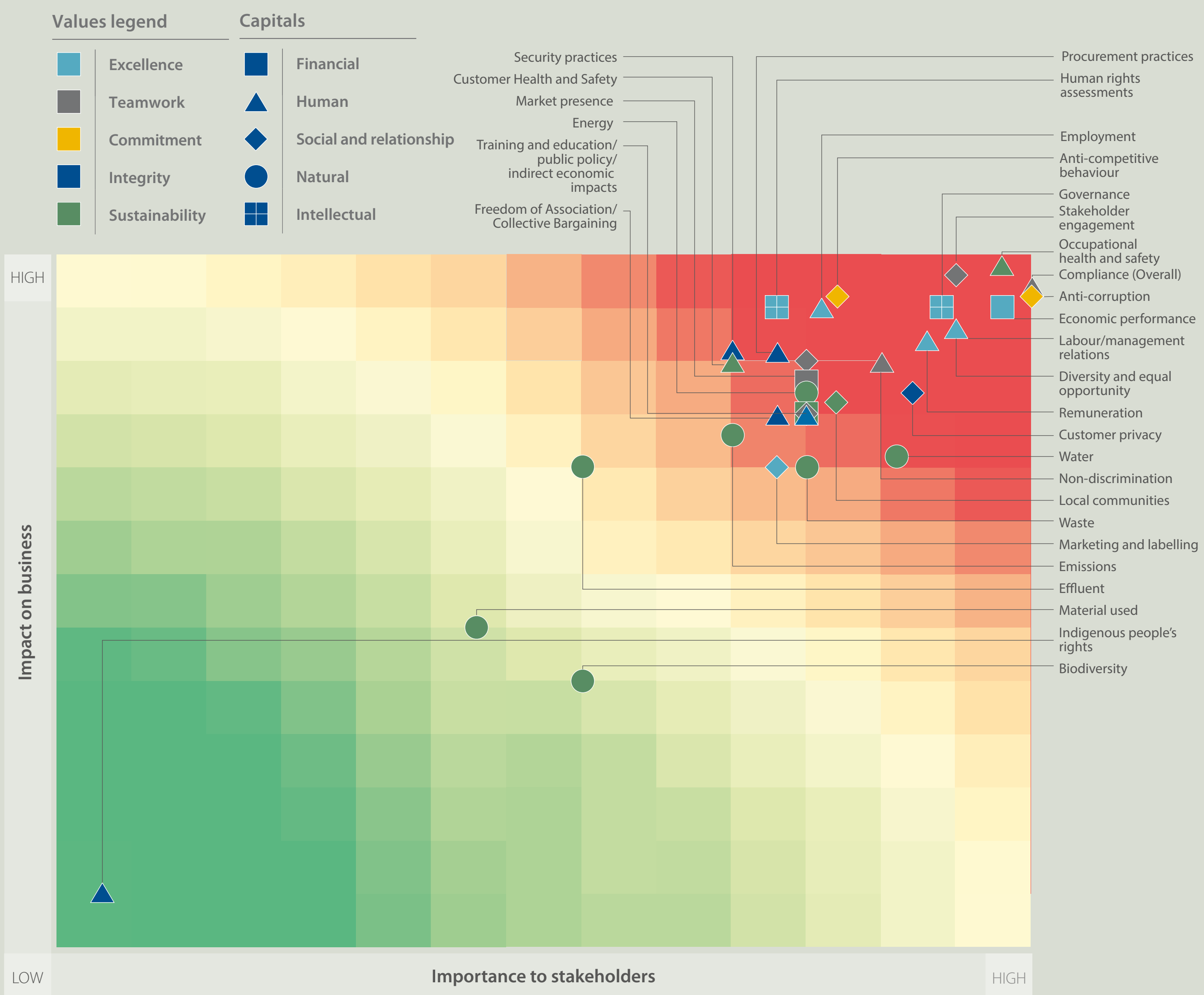
UN SDG 7
Affordable and clean energy

UN SDG 9
Industry innovation and infrastructure

UN SDG 12
Responsible consumption and production

UN SDG 16
Promote peace, justice and strong institutions

A sustainability materiality assessment was conducted during the year under review and the results were approved by the group executive committee and the social, ethics and transformation committee. The assessment included representation from all divisions and across functional areas to enhance our understanding of material stakeholder issues and those that could impact the business. The materiality matrix below provides information on their possible impact on the business and the importance to our stakeholders of the material matters that were identified.



Our people

Human capital governance

We apply codes of best practice including the UN Global Compact, the OECD guidelines regarding corruption, the ILO's Decent Work Agenda and King IV Principle 3 in the policies and procedures that govern our approach to human capital. Our policies include the Barloworld Human Rights Policy, Barloworld Diversity Policy, Group Anti-Fraud Management Policy, Global Whistle-blowing Policy, Anti-bribery and Corruption Policy (see: https://www.barloworld.com/sustainability/policies-and-disclosures/) as well as a Covid-19 policy to protect our employees' overall wellness during the pandemic. We ensure that we:

- protect the human rights of our employees
- do not tolerate gender-based violence (GBV)
- uphold freedom of association and the right of employees to collective bargaining
- identify and eliminate any employment barriers, perceived or real, and promote demographic representation in the workplace that closely resembles that of the communities in which we operate.

Our ambition is to:

- be a Top Employer whose people delight customers and inspire a world of difference
- provide talent solutions that drive employee engagement through great everyday experiences
- build engaged and high-performing leaders and teams.

Human capital priorities

- Embedding the BBS leadership transformation journey
- Improving employee engagement
- Improving gender mix and employee representation
- Improving employee wellness (Geared for Living)

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth***

R29 million invested in apprenticeships, internships and learnerships in FY2021
(FY2020: R54 million)

227 young people were beneficiaries of our Young Talent Programmes in South Africa during FY2021
(FY2020: 983)

R34 million spent on employee training across all levels in FY2021
(FY2020: R61 million)

One external and 138 internal bursaries were awarded in FY2021
(FY2020: 13 external and 164 internal)

	FY2021	FY2020 (restated)**
Employees in Africa	6 311	6 300
Equipment southern Africa	3 555	4 169
Car Rental and Leasing	1 452	1 411
Ingrain	827	—
Corporate Centre	69	101
Other including SMD, Digital Disposal Solutions (DDS) and Khula Sizwe Handling	408	—
Employees outside Africa	1 687	1 697
Russia and Mongolia	1 670	1 686
United Kingdom Corporate	14	11
Australia	3	—
Total number of Barloworld employees	**10 229**[LA]	**10 549**

We provide employment and create economic value for our stakeholders and the communities in which we operate through our global activities.

	FY2021 %	Target %
Voluntary turnover of our employees	**8.45**	6.38
Absenteeism rate (tracking sick leave)*	**1.67**	1.93

[LA] PwC Limited Assurance
* The impact of Covid-19 on sick leave is reflected in the increase in the absenteeism rate.

** The 2020 employee numbers have been restated to exclude the companies we have disposed of.
*** The reduction in spend is due to Covid-19

To delight our customers, maximise shareholder value and inspire a world of difference, we need to align our efforts at every level through:

- enhancing talent and diversity
- optimising performance
- learning, coaching and developing to unleash our full potential
- recognising and rewarding winning behaviours and exceptional short and long-term results.

Women at the top

Barloworld's efforts to achieve gender equality have been recognised through the following awards:

- **Overall winner of Women Empowerment in the Workplace**
- **Gender Mainstreaming Champions for 2020**
- **Investing in Young Women**

We are proud of the progress we have made towards diversity and inclusion throughout the organisation, and to have two black women as chief executives of business units. Ramesela Ganda heads up our Car Rental and Leasing business unit and Linda Seroka heads up the SMD business unit.

The positive impact on the business of the innovative approach of Ramesela's team during a period when the Covid-19 lockdowns almost brought the business to a standstill is most impressive.

Young women are also a focus of our training and development programme.

Our people continued

Towards improved employee engagement

The One Barloworld Employee Engagement Survey we conducted during August and September 2021 in which we scored 62.4% (FY2020: 63.7%) provided helpful insights into how our employees are experiencing the organisation. The outcomes of the survey have helped us focus our engagement to address areas for improvement.

10 REDUCED INEQUALITIES

Diversity and inclusion

To maintain the progress we have made with regard to diversity and inclusion, which includes both gender and racial representation, our focus is on appointments, promotions and retentions. Outside South Africa, our diversity and inclusion strategy focuses on limiting the number of expatriates in our teams and increasing representation of women at all levels.

Performance

Group gender diversity in FY2021:

MEN: 7 195

WOMEN: 3 034

TOTAL: 10 229[LA]

Racial diversity in South Africa in FY2021:

BLACK*: 5 750

WHITE: 1 219

FOREIGN NATIONALS: 204

TOTAL: 7 173[LA]

Percentage of our African workforce that is black:

80%

All races:

Women representation:

46%

Black members of management:

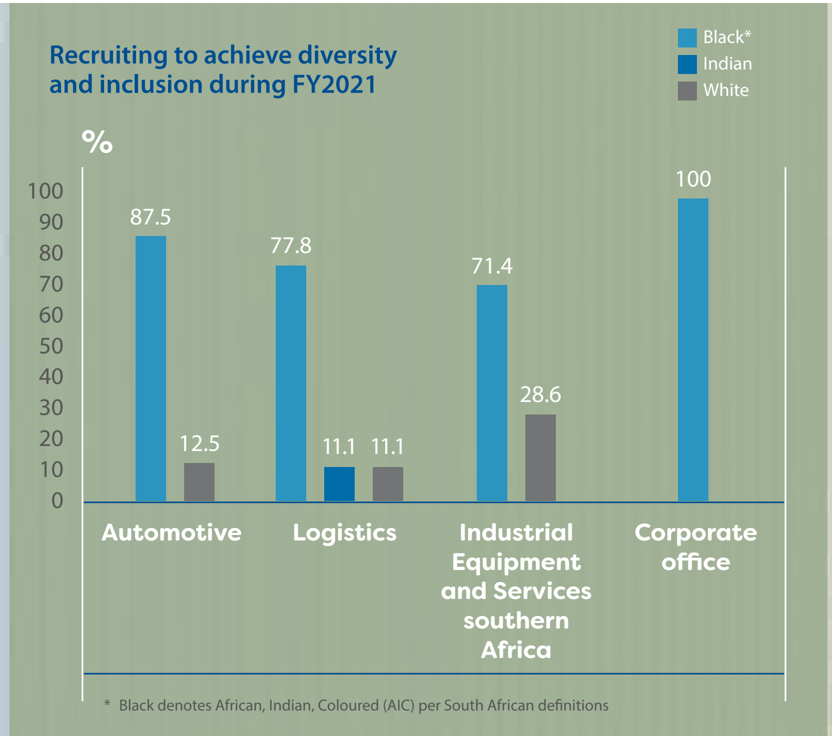
TOP: 68%

SENIOR: 65%

MIDDLE: 60%

[LA] PwC Limited Assurance

* Black denotes African, Indian, Coloured (AIC) per South African definitions



Our people continued

Leadership transformation

Our goal: Every Barloworld employee is a problem solver and a continuous improvement champion

We defined our leadership competencies and designed training and development programmes that made sense for Barloworld and that would develop problems solvers and continuous improvement champions. By 2021, through the embedding of the BBS leadership transformation journey, 80% of problems were being solved or decisions were being made at the appropriate level in the organisation.

We also recognised the need to support our leaders with programmes that helped them enhance the skills they could draw on to support the emotional well-being of their teams during this challenging and uncertain time. The General Barloworld Healing Programme, which focused on building the capacity for empathic and transparent leadership, included modules on team alignment and cohesion; managing stress and burnout; and identifying an employee in crisis.

4 QUALITY EDUCATION

Training and development

Group training and development spend in FY2021: R41.2 million

The aim of our investment in training and development is to ensure we have people with the capabilities we require to deliver on our business strategy.

Our programmes that focus on young people include apprenticeships and internships.

Giving people the opportunity to gain the experience they need to succeed

Creating opportunities for employees to gain experience is an important part of people development. We also look for opportunities to promote people when they become available. One such opportunity is the placing of young African women with chartered accountant qualifications in the offices of group executives, which gives them excellent exposure to the business. Some of these young women have worked in the GCEO's office, then moved into the strategy unit and from there into a business unit.

The training focus in our business units is mainly on technical skills. There has been a substantial increase in the number of women training as technicians in Equipment southern Africa.

Talent management and succession planning

Barloworld has a robust integrated talent management programme that includes workforce planning, recruitment and selection processes focused on providing opportunities to our employees first. We use balanced business and individual scorecards aligned to key business objectives to drive the optimisation of performance.

Forward-thinking succession planning, which focuses on strategic, critical and scarce roles ensures stability within our leadership team.

We look for opportunities to promote people whenever opportunities become available and provide them with the support they need to succeed.

Our people continued

3 GOOD HEALTH AND WELL-BEING

Our response to the impact of Covid-19 on our people

Ensuring the overall wellness of our employees during the pandemic was a key focus for Barloworld in the year under review. This included providing immune booster packs. We also encouraged employees in southern Africa to vaccinate by giving them a half-day special leave for this purpose, and held interactive vaccination education sessions presented by medical professionals.

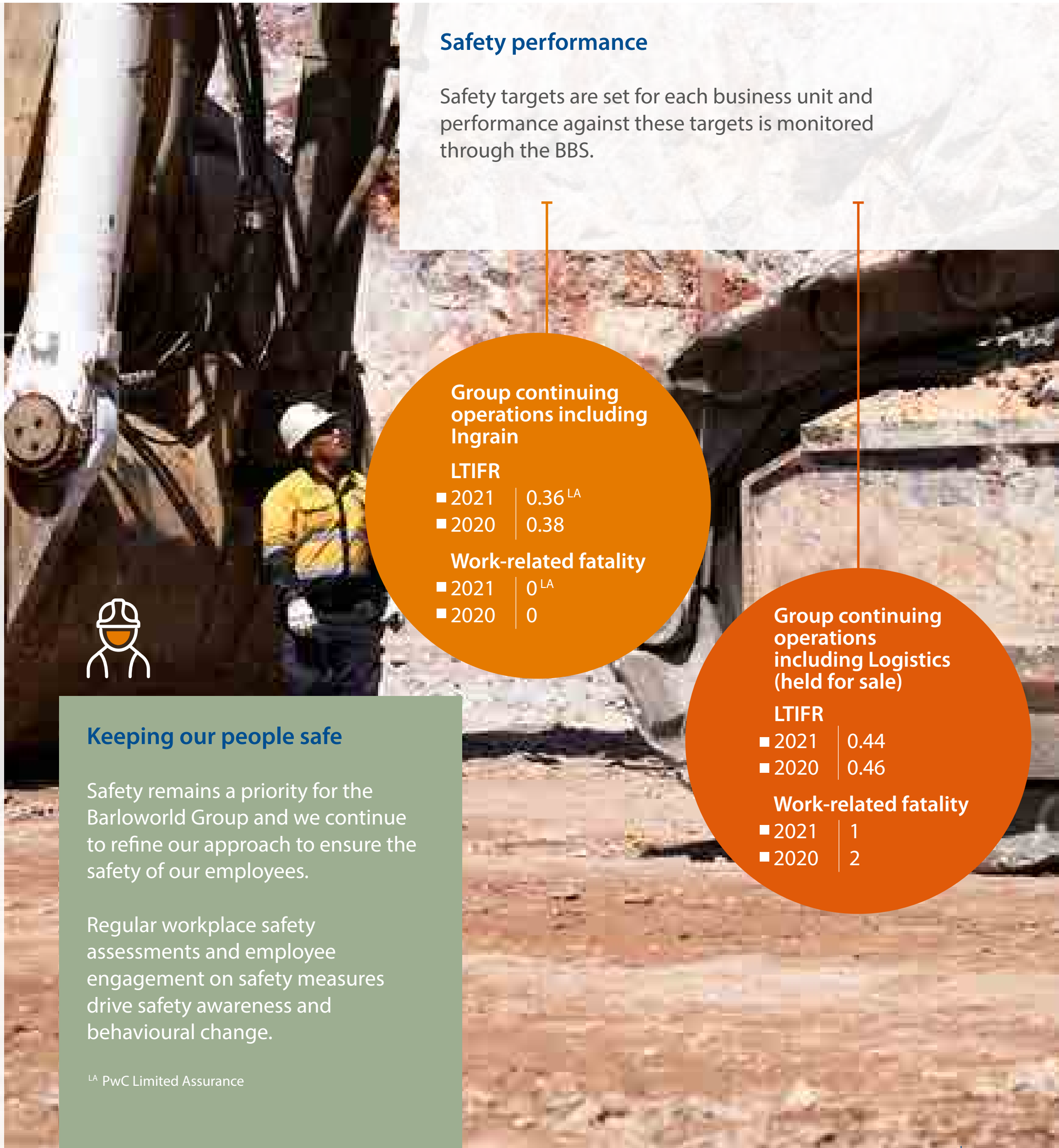
Sadly, we lost 29 of our employees to Covid-19 during this period. To support their families, friends and colleagues and help them cope with the emotional impact of their loss, we offered them counselling sessions. In addition, some of our employees were impacted by the section 189 retrenchment process that took place during the year under review.

To support our employees' emotional well-being during this very challenging period, several employee wellness-focused initiatives were introduced as part of the One Barloworld Group wellness programme, Geared for Living. These included emotional impact sessions presented by external psychologists, which were designed to provide support to employees directly or indirectly affected by the section 189 process and equip them with skills to deal with stress and anxiety, build resilience and prepare them to re-enter the job market. Retrenched employees have been kept on our sourcing database for potential future employment within the 12-month recall period. To assist with the integration of Ingrain into Barloworld we also held emotional impact sessions during this process.

In December 2020, some Covid-19 restrictions were lifted and there was a gradual resumption of economic activity in most of our operating regions. This made it possible for the group to reinstate full salary payments and recommence pension fund contributions for all our employees who had been impacted by the remuneration sacrifice which had been in effect from May 2020.

Reintegration into the workplace support sessions assisted our employees to understand the trauma they had experienced during the hard lockdown and helped ease the fear and anxiety they experienced related to returning to the workplace during the pandemic.

We realised we also need to enhance the skills our leadership needed to support their teams.



Safety performance

Safety targets are set for each business unit and performance against these targets is monitored through the BBS.

Group continuing operations including Ingrain

LTIFR

2021	0.36 LA
2020	0.38

Work-related fatality

2021	0 LA
2020	0

Group continuing operations including Logistics (held for sale)

LTIFR

2021	0.44
2020	0.46

Work-related fatality

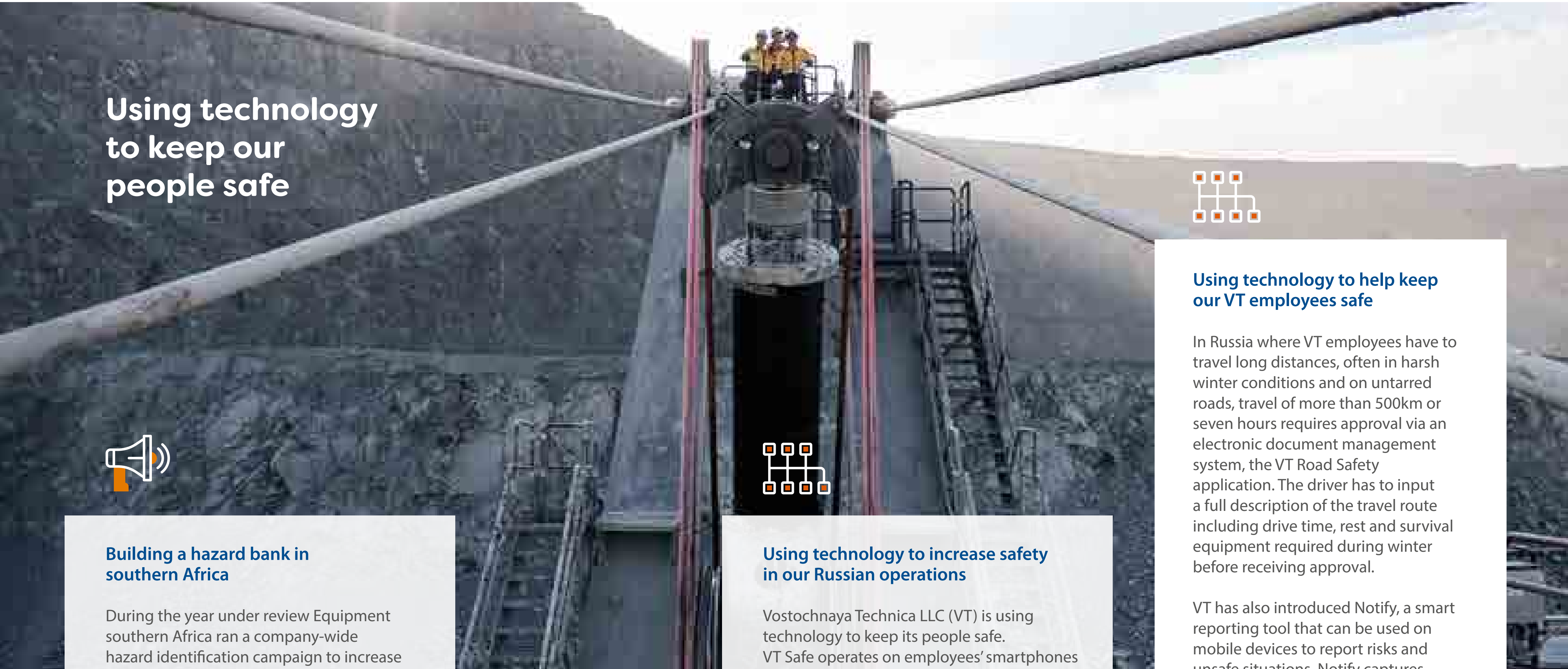
2021	1
2020	2

Keeping our people safe

Safety remains a priority for the Barloworld Group and we continue to refine our approach to ensure the safety of our employees.

Regular workplace safety assessments and employee engagement on safety measures drive safety awareness and behavioural change.

LA PwC Limited Assurance



Using technology to keep our people safe

Building a hazard bank in southern Africa

During the year under review Equipment southern Africa ran a company-wide hazard identification campaign to increase employee awareness of high-potential hazards (HPH). The campaign resulted in a marked increase in the identification of HPH and an improvement in pre-start risk assessments. A hazard bank was established following the campaign and is being used in training and the induction process.

Using technology to increase safety in our Russian operations

Vostochnaya Technica LLC (VT) is using technology to keep its people safe.
VT Safe operates on employees' smartphones and is used by technicians to perform self-assessments on remote sites. Having identified all the hazards associated with the work they plan to do, they use the checklist on the system, which provides recommended actions to minimise risks associated with particular activities or indicates that it would be unsafe to carry out the work.

Using technology to help keep our VT employees safe

In Russia where VT employees have to travel long distances, often in harsh winter conditions and on untarred roads, travel of more than 500km or seven hours requires approval via an electronic document management system, the VT Road Safety application. The driver has to input a full description of the travel route including drive time, rest and survival equipment required during winter before receiving approval.

VT has also introduced Notify, a smart reporting tool that can be used on mobile devices to report risks and unsafe situations. Notify captures comprehensive data and attaches files, including images and documents and automatically tags the location of the hazard, incident or accident. The information is sent through for inclusion in a central database for analysis and is included in the knowledge base of the occupational health and safety team.

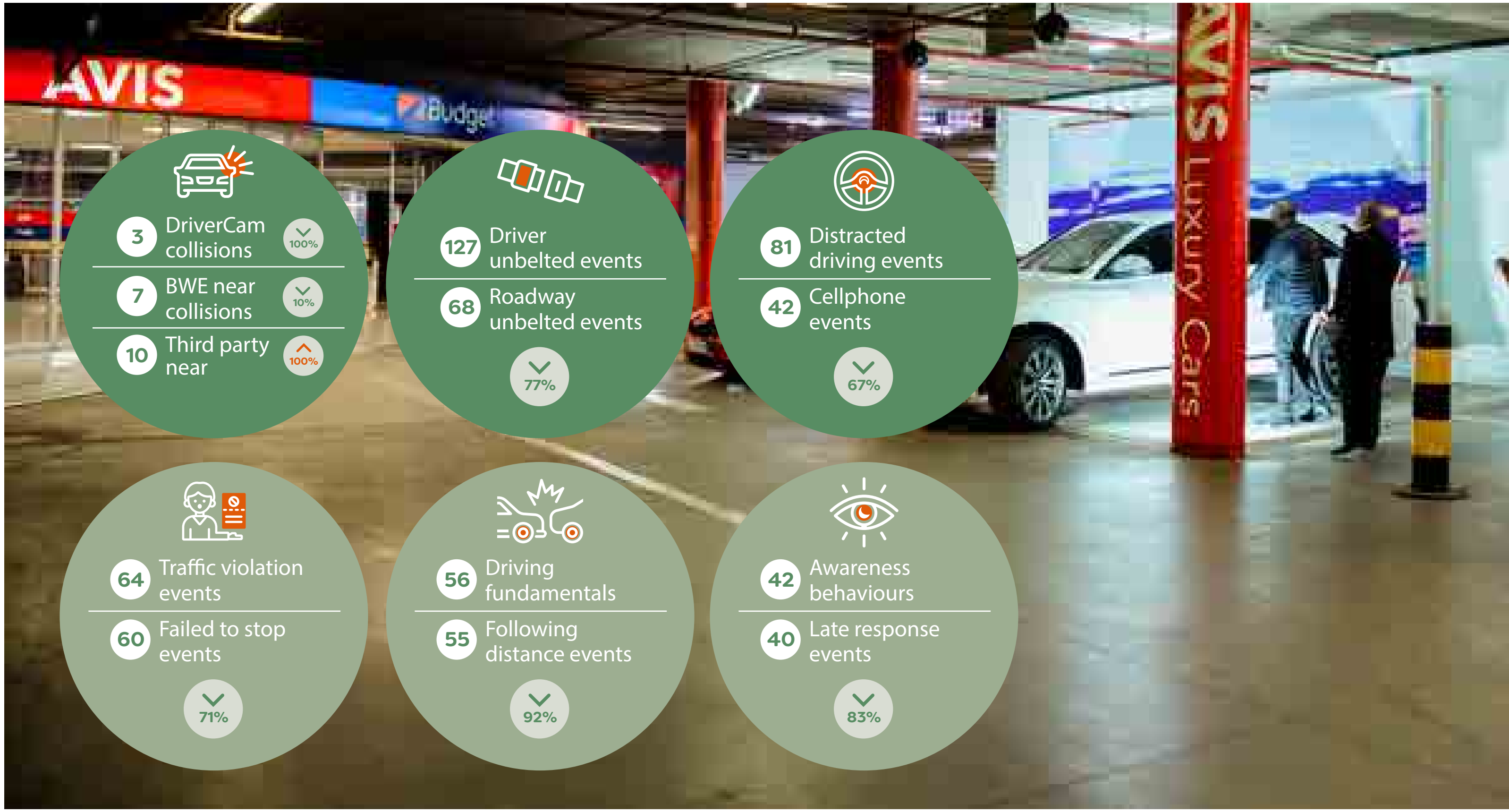
Our people continued

Avis Budget aids in the fight against GBV

As a business unit that employs a substantial number of young women, the Car Rental and Leasing team decided to convert some of its training centres into shelters for women affected by GBV. The team worked with the National Shelter Movement of South Africa to establish the homes. In the FY2021, 10 homes were established and we have identified a home per province.
The intention is to roll this out as a group-wide initiative.

Improving road safety with dashboard cameras (dashcams)

To address the increase in motor vehicle accidents, particularly in South Africa, the Equipment division fitted dashcams to a number of its vehicles. An analysis of driver behaviour five months after the dashcams were installed showed a significant decrease in unsafe behaviour.



Occupational health

Noise-induced hearing loss (NIHL) is one of the four non-fatal conditions listed among the leading causes of the global burden of disease. The hearing conservation programme piloted in Equipment southern Africa in 2020 has been extended to a further five regions. The programme includes the identification of noise sources; tracking the percentage of hearing loss (PHL) for groups exposed to noise; and the implementation of engineering controls such as the installation of silencers to significantly reduce noise levels and protect employees' hearing. No occupation-related NIHL cases have been reported since 2020.

Asbestos-containing materials in older buildings were identified in some regions prior to 2019. Plans were implemented to prioritise the removal of these materials from all high-risk areas. In South Africa the materials have been replaced and renovations currently under way in Namibia will include the removal of asbestos-containing materials. The plans include medical surveillance for anyone who may have been exposed to asbestos-containing material. They also include training and awareness and change management plans for any future building work.

Responsible rewards and benefits

A key focus of our human capital team has been to ensure that we remunerate fairly and responsibly, close remuneration gaps by giving our lowest paid employees higher percentage increases than our higher level employees, and also ensuring all our employees are fairly rewarded.

R45 million invested in SMMEs by Barloworld Siyakhula (FY2020: R30 million)

R10 million social enterprise spend in FY2020 to support social entrepreneurs over the next three years

R16 million invested in communities (FY2020: R16 million)

Enabling growth and progress in society

Our community initiatives are designed to create meaningful positive change

Wealth builders		Social impact enablers		
Broad-Based Black Economic Empowerment Scheme **Khula Sizwe** Advancing economic transformation through the participation of black people in the mainstream economy	**Siyakhula enterprise and supplier development programme** focusing on the sustainable development of SMMEs Preferential procurement spend from Siyakhula beneficiaries **2021: R147 million**	**Mbewu** Driving economic sustainability, transformation and growth with the aim of creating greater social impact through our support of social enterprises	**Barloworld Trust focuses on:** • **Education** • **Food** security	**Volunteer hub:** • Workplace giving • Hands-on volunteerism • Skills-based volunteerism

Building wealth through economic transformation

Khula Sizwe Property Holdings was established in 2019 when it purchased a portfolio of 57 commercial properties from Barloworld valued at R2.9 billion, which was at a 5% discount.

Funding of Khula Sizwe Property Holdings in 2019

Debt	38% shareholding	32% shareholding	30% shareholding
Debt: R199 million interest-free loan from Barloworld R2.2 billion from external funder	**38%** shareholding: **Barloworld Management** Trust: Barloworld contributed c.R199 million and managers c.R8 million (5%)	**32%** shareholding: **Barloworld employees** through Barloworld Employee Trust to which Barloworld contributed R174 million	**30%** shareholding: **Black public shareholders** contributed R163 million

A 15-year empowerment period with a five-year lock-in period to 30 September 2024 when there is potential to list on a stock exchange

Income from 10-year triple net lease with 8% increase per annum paying operational costs, rates and taxes, paying down debt and increasing the value of shares

Enabling growth and progress in society
continued

Barloworld Siyakhula

Our aim is to create value beyond compliance through a measurable enterprise and supplier development (ESD) programme that develops sustainable enterprises that are able to access market opportunities beyond the Barloworld value chain after five years.

Development

Provide beneficiaries with a three to five-year journey offering a support programme tailored to individual beneficiaries' needs, with a clear development path and measurable targets. The aim is to increase efficiency by introducing annual planning, quarterly reviews and the use of technology to integrate data sources and enhance reporting.

Funding model

Enhance funding sustainability and impact through:

- an optimal mix of grants and loans
- early payments and discounts to beneficiaries
- partnering for co-funding of common initiatives
- stretching funds to achieve an increased group-wide reach for the programme.

Beneficiary procurement spend

By developing a beneficiary pipeline aligned to commodities, our group presents the greatest opportunity for preferential procurement from our beneficiaries.

R147 million
of our preferential procurement in FY2021 was spent with beneficiaries of the Siyakhula ESD programme

We currently have
111 Siyakhula beneficiaries of whom:

- 39% are black female-owned businesses
- 93% are emerging micro enterprises
- 7% are qualifying small enterprises.

Key Siyakhula ESD partnership initiatives

Emerging junior miner support

To support identified emerging miners as key customers of our Industrial Equipment and Services business unit. Barloworld outsources low-risk activities to them and supports them with access to equipment and a range of business support services.

Housing and coupling container model

The aim of this initiative, in partnership with key Industrial Equipment and Services customers, is to promote local procurement and assist with building South Africa's industrial base in critical sectors. By providing an offtake agreement with the SMME, our customers ensure the sustainability of the business.

In partnership with Caterpillar

Caterpillar committed US$190 000 to the construction of ICT hubs that support ESD and socio-economic development (SED) in the Northern Cape, Mpumalanga and Limpopo. The hubs will focus on skills development, ESD and SED.

Emerging farmer programme

Ingrain supports an emerging farming development programme, which is aligned with the agri-sector.

Cato Ridge trailer project

Salvage Management Disposal (SMD) provides selected towing companies in Cato Ridge with business support and trailers that give them access to a market from which they have previously been excluded because of the slingback equipment they used.

Siyakhula financial interventions during FY2021

R45 million was disbursed during FY2021 in support of five 100% black-owned companies, two of which were 100% black women-owned. They were assisted with interest-free loans that provided working capital or assisted with the purchase of machinery the business needed in order to operate. They included engineering companies, a transport company and a Supa Quick franchise.

Assisting retrenched employees to become entrepreneurs

During FY2021 we supported 12 people who had been retrenched from Barloworld Power through the provision of R4.7 million to start their own business installing, maintaining and repairing generators. A further R1 million helped five canteen employees establish a canteen business to serve Barloworld Equipment southern Africa. Siyakhula also helped them purchase a panel van and supported them with coaching and mentorship.

A Standard Bank-Barloworld ESD partnership

Standard Bank (R3.7 million) and Barloworld (R5.3 million) co-invested in a fund that provides diagnostics and development support. Standard Bank also ringfenced R60 million for contract financing of Barloworld SME service providers, and Siyakhula committed to contributing 30% to the funding of SMEs disadvantaged by low credit scores.

Social impact enablers

Barloworld Mbewu

The Mbewu programme drives economic sustainability, transformation and growth with the aim of creating greater social impact. To maximise social value creation it provides financial and non-financial support to social enterprises over a period of three to five years.

Access to funding/ finance	Capacity building	Incubation for three to five years per social enterprise

We define success as:

- the creation of social value for society by communities
- successfully pioneering a redistributive entrepreneurship model
- applying the Barloworld entrepreneurial lens to the creation of social value.

Twenty-nine Barloworld Mbewu beneficiaries completed the first 12-month module of their incubation programme by March 2020; and the second and third modules were completed by the beginning of the financial year. As a result of the skills they developed during their incubation, which included business leadership training, our group of social entrepreneurs has been innovative in solving challenges in their respective communities.

Twenty-nine of these social entrepreneurs have established an income stream that demonstrates their ability to achieve scalability of the social enterprises they have established. This group of entrepreneurs received R11 million in funding and business leadership training. They will also be assisted to access other markets and development funders. The programme has since recruited 20 new cohorts for 2022.

Barloworld Mbewu identified fertile fields with the aim of assisting its entrepreneurs to kick-start their sowing season. It also provided them with wellness support during the Covid-19 pandemic, which included psycho-social support.

Enabling growth and progress in society
continued

Social impact investment

Through the Barloworld Trust, which was first established in the 1970s, Barloworld commits 1% of net profit after tax (NPAT) to socially relevant programmes, which are aligned to our business strategy, to achieve our purpose of inspiring a world of difference and enabling growth and progress in society. On average, the group's global spend on social impact activities is 1.6% of NPAT. Funding for FY2021 remained flat as the company reviewed its corporate citizenship strategy to align with the new operating environment, which takes Covid-19 into consideration.

The Trust focuses on education and food security, however, a substantial amount of funding was directed at health and welfare initiatives during the year under review.

The impact of the Covid-19 pandemic highlighted the issues of food security, which was a focus of the Trust's welfare activities during the year under review.

The Trust's education focus is on providing access to quality education with an emphasis on improving science, technology, engineering and mathematics (STEM) focusing on the training of secondary school teachers. To deliver these education programmes, the Trust focuses on using NGOs with a national footprint involved in advocacy work as well as the practical training of teachers.

Employee volunteerism

At Barloworld employee volunteerism includes workplace giving of funds and goods, hands-on (onsite) volunteerism and skills-based volunteerism, which include both education and business skills. Employee volunteerism was negatively impacted by the Covid-19 pandemic.

An online employee volunteerism platform was launched in August 2021 where employees can nominate an NGO or charity they would like the business to support and which they would also support. The projects being supported can be viewed on a dashboard on the platform.

Purposeful environmental stewardship

The precautionary approach we have adopted to environmental management is based on best practice, legal compliance and maintaining our environmental and social licence to operate.

Environmental and climate change governance

The policies in place that govern our environmental approach and practices include our:

- Environmental policy
- Energy efficiency policy
- Climate change policy
- Water use and management policy
- Waste management policy.

Ultimate responsibility for environmental management and climate change mitigation and adaptation rests with our board of directors and our GCEO, assisted by the board's social, ethics and transformation committee, which receives quarterly safety, health and environment (SHE) reports and provides overall direction on climate change and sustainability. The audit and risk committee has oversight of our environmental and climate-related risks and opportunities and takes into consideration transitional and physical risks. A specific climate change and water-related risk and opportunity assessment is conducted annually.

Compliance and control

The Sustainability Manager is responsible for driving the implementation of environmental policies, standards and procedures throughout the group.

Assurance on the integrity of non-financial information

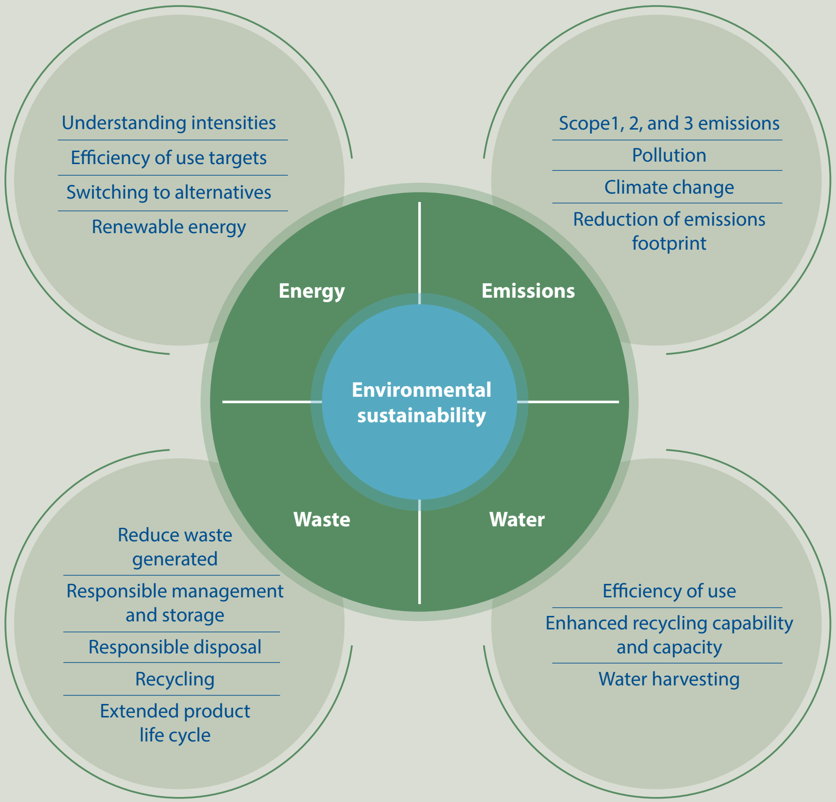
Limited assurance from external independent assurers is obtained using the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410 (emissions).

We voluntarily participate in the CDP Water Security and Climate Change, which allows Barloworld to measure progress towards environmental stewardship and to benchmark and compare progress against our peers.

In 2021 our voluntary disclosures to the CDP achieved a C score for our Climate Change disclosures and a B score for our Water Security disclosure.

Barloworld's ESG performance:

- A constituent of the FTSE4Good Index
- Achieved ISS ratings of 1 for both our Environmental Quality Score and our Social Quality Score
- An MSCI A rating
- Dow Jones Sustainability Index



Purposeful environmental stewardship
continued

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Energy consumption and greenhouse gas emissions

Barloworld recognises the importance of being energy efficient. We were early signatories of the Energy Efficiency Leadership Network Pledge and participated in the Private Sector Energy Efficiency initiative. We have also adopted a Measure, Avoid, Reduce, Switch and Offset (MARSO) methodology to manage emissions.

Comparison with prior year performance

The inclusion of Ingrain, effective 1 November 2020, has had a material impact on our environmental footprint. Given the manufacturing nature of Ingrain's operations, this has resulted in significant year-on-year increases for the group (continuing operations) for non-renewable energy consumption (+927%, FY2021: 3 893 793GJ, FY2020: 379 249GJ) scope 1 and 2 greenhouse gas emissions (+953%, FY2021: 468 810tCO_2e, FY2020: 44 521tCO_2e and water volumes drawn from municipal sources (+689%, FY2021: 2 756Mℓ, FY2020: 349Mℓ). For indicative purposes, a like-for-like comparison (excluding Ingrain) would have resulted in year-on-year decreases of 8%, 2% and 18% for non-renewable energy, GHG emissions (scope 1 and 2) and water (municipal sources), respectively.

Key environmental performance indicators - Continuing operations

Non-renewable energy consumption,	GJ	3 893 793[LA]
Fuel consumption – petrol and diesel	Mℓ	7[LA]
Grid electricity consumption	MWh	181 060[LA]
Gas	GJ	444 926[LA]
Coal	Tons	104 911[LA]
Water withdrawals (municipal sources)	Mℓ	2 756[LA]
Scope 1 emissions	tCO_2e	286 082[LA]
Scope 2 emissions	tCO_2e	182 728[LA]

[LA] PwC Limited Assurance

We took the decision not to set group-level targets as the environmental aspects of our business units differ materially. The business unit targets implemented for FY2021 to FY2025 (using FY2020 as a baseline) were informed by material operational environmental aspects and included efficiency targets for fuel, electricity consumption, water consumption and waste reduction and responsible disposal. Reductions achieved by business units will consequently result in an overall reduction in the group's non-renewable energy consumption, water consumption, emissions and waste generation. Performance against set targets are monitored internally on a monthly basis and drive focus to better understand consumption drivers and related correlations.

The increased focus, measurement and monitoring has given rise to the identification of limited anomalies in certain divisions which require further investigation and may give rise to restatements of baseline intensities, changes to identified intensity drivers or actual performance. We appreciate that the set efficiency targets have not previously been set at this granular level within Barloworld, but believe this approach is necessary to ensure targets remain operationally relevant for management purposes and reducing our environmental footprint. The targets and the target-setting process will evolve as we enhance our understanding and in response to changes in the operating context and stakeholder expectations. Given the above, we have opted not to disclose the targets and related performance this year and anticipate disclosure of the same in the next financial reporting period. Our energy, climate change and environmental policies also support an annual reduction in MWh or an increase in our use of renewable energy.

Where practical, initiatives such as the use of more efficient production and distribution processes, modes of transport and new technologies including high efficiency and renewable energy solutions have been implemented within the group. We are also making these solutions available to our customers. One of our principals, Caterpillar, has included solar photovoltaic (PV) in its product offerings. Approximately 1 205 kW (peak) of solar PV capacity had been installed within Equipment southern Africa's facilities by year end, and the commissioned installations have generated approximately 1 396MWh of renewable energy. This means the production of more than 1 400tCO_2e was avoided. These initiatives have contributed to a 15% year-on-year decrease in non-renewable energy consumption and a 9% decrease in Scope 1 and 2 emissions for Equipment southern Africa.

In addition to lowering the impact on the environment, the anticipated benefits of our energy and emissions reduction initiatives and targets include cost savings through efficiency of use, particularly in the context of price increases and carbon pricing; a competitive advantage; an enhanced reputation; and increased operational resilience by minimising the impacts of supply interruptions and forced shutdowns.

Efficiency targets

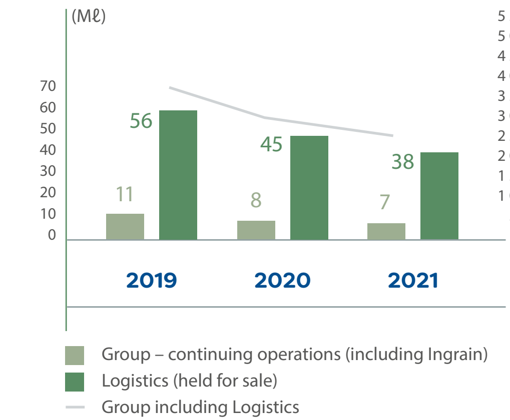
The five-year targets we set in 2016 came to an end in FY2020 and new efficiency improvement metrics are being refined for all our operations in FY2021. These aim to address:

- non-renewable energy sources including petrol, diesel, gas, coal, grid electricity and consequently GHG Scope 1 and 2 emissions
- water drawn from municipal sources
- waste generation
- targets to achieve responsible waste disposal
- switching to renewable energy sources (solar PV)

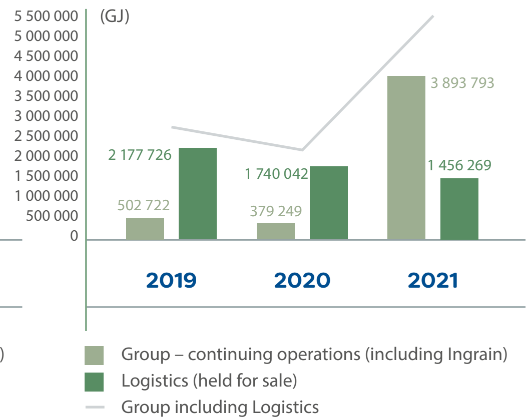
Purposeful environmental stewardship
continued

Energy consumption

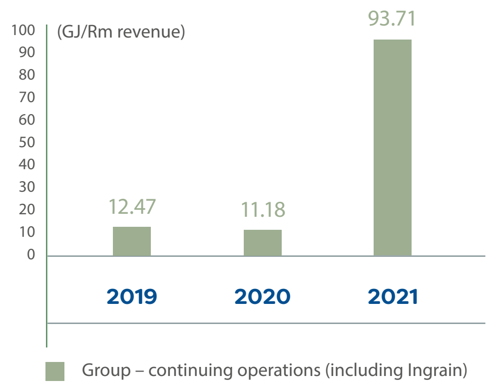
Petrol and diesel consumption



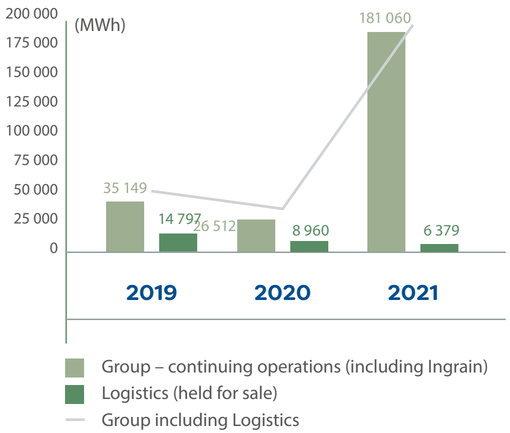
Non-renewable energy consumption



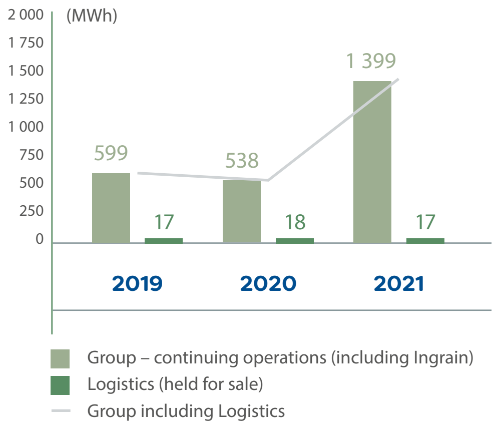
Energy intensity group continuing operations including Ingrain



Grid electricity consumption



Renewable energy



Our non-renewable energy intensity was significantly impacted by the inclusion of Ingrain during the financial period.

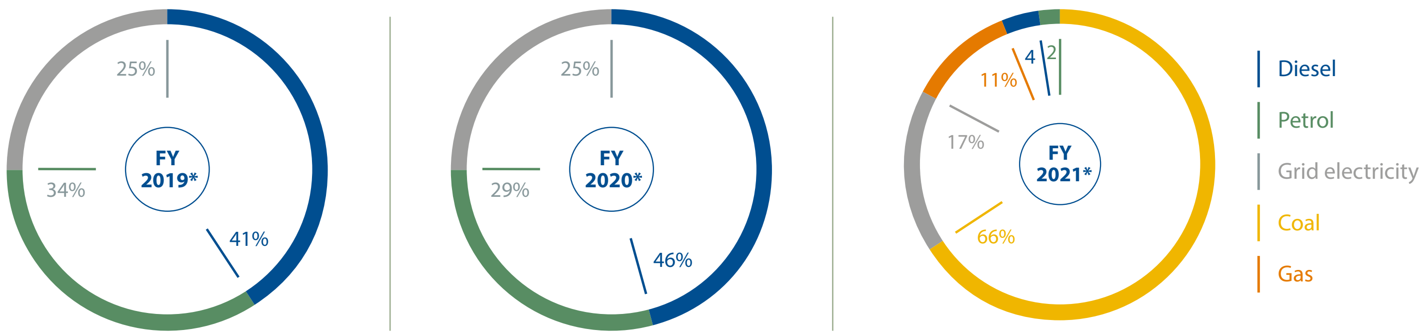
Purposeful environmental stewardship continued

Energy consumption continued

The breakdown of our non-renewable consumption

The inclusion of Ingrain in our reporting is reflected in the change in the breakdown of our non-renewable energy consumption, with boiler coal now making up 66% of our consumption and gas 11%. In the previous year, diesel consumption made up 46% of our non-renewable energy consumption and electricity 25%.

Non-renewable energy consumption by source Continuing operations*



* 502 722GJ

* 379 247GJ

* 3 893 793GJ

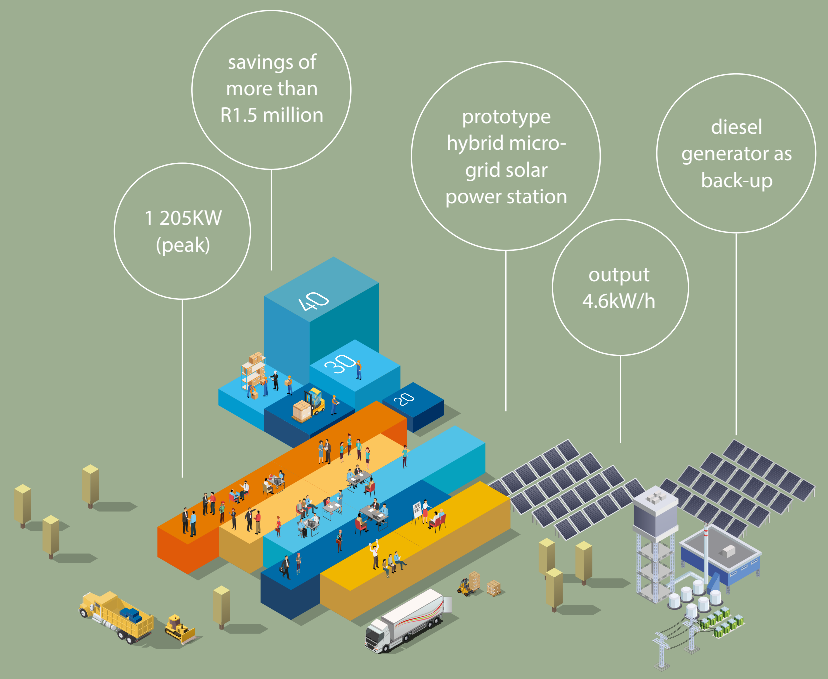
7 AFFORDABLE AND CLEAN ENERGY

Driving resilience through solar power

Equipment southern Africa's efforts to reduce its reliance on grid-generated electricity, and consequently its GHG emissions, have resulted in the installation of 1 205KW (peak) of solar PV generating capacity and savings of more than R1.5 million.

An innovative solar PV solution

In Russia our Vostochnaya Technica (VT) engineers constructed a prototype hybrid micro-grid solar power station that can produce power for facilities not able to access transmission grids. The micro-grid can have a diesel generator as back-up. They constructed it from a combination of Caterpillar-made PV modules, energy storage units (batteries) and a control system. The solution will not only reduce their customers' environmental impact, but it will also reduce costs by avoiding the use of diesel fuel. The hybrid micro-grid can output 4.6kW/h.



Purposeful environmental stewardship
continued

13 CLIMATE ACTION

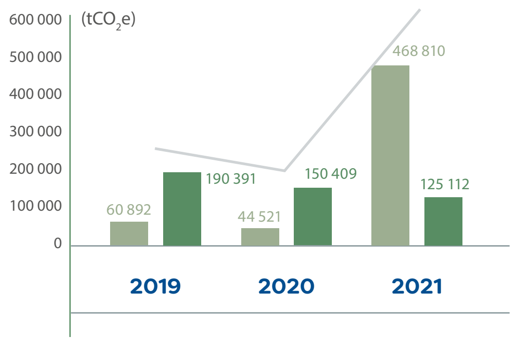
GHGs

Our Scope 1 and 2 greenhouse gas emissions increased significantly year on year, mainly due to the inclusion of Ingrain during the year under review. The increase is in line with the manufacturing nature of Ingrain's operations and its energy requirements and sources. Management is committed to exploring alternate energy sources that are appropriate to their energy requirements.

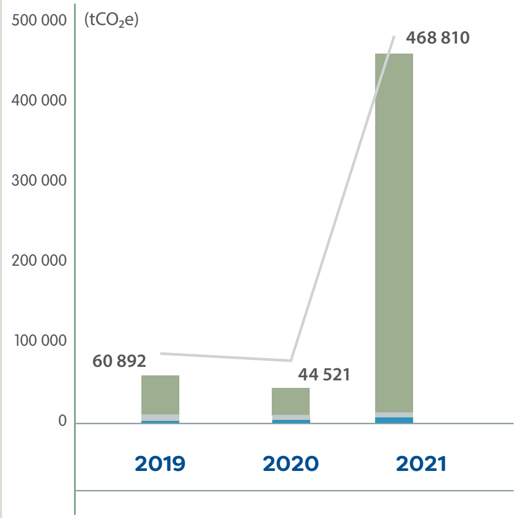
Our emissions profile has changed significantly as a result of acquisitions during the year under review.

South Africa accounted for 97% of the group's total Scope 1 and 2 emissions in FY2021. 97%

Greenhouse gas emissions (scope 1 and 2)

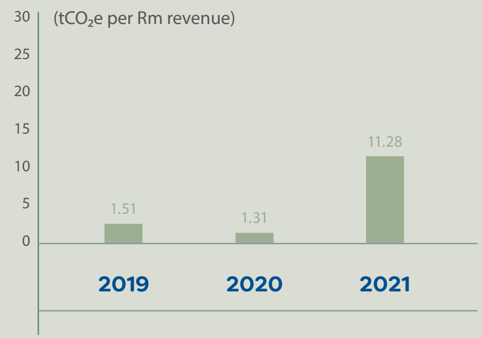


Emissions by region (scope 1 and 2)



	2019	2020	2021
South Africa	49 258	34 409	455 172
Other Africa	7 981	6 306	5 917
Eurasia	3 653	3 807	7 721
Group emissions (continuing operations)	60 892	44 521	468 810

Emissions (scope 1 and 2) intensity Continuing operations



Our GHG emissions (scope 1 and 2) intensity was significantly impacted by the inclusion of Ingrain during the financial period.

Purposeful environmental stewardship
continued

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

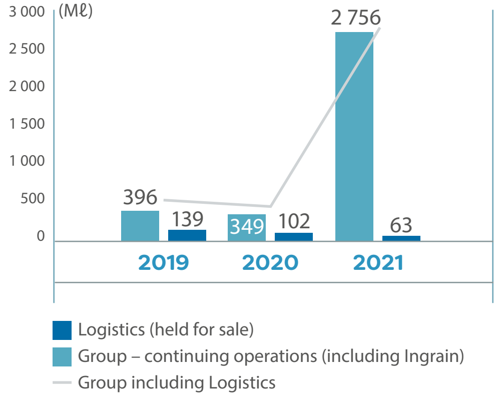
Water usage

The inclusion of Ingrain, which uses water in its production processes, in the group's municipal water withdrawal, resulted in a significant increase in our water consumption year on year.

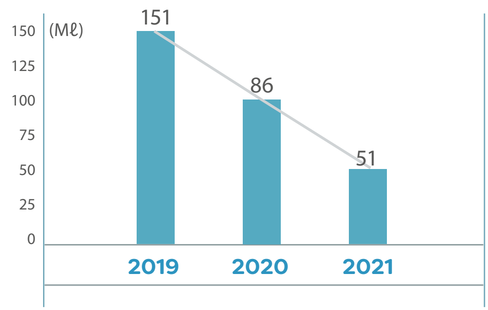
Within our Industrial Equipment and Services, and Car Rental and Leasing operations water is predominately used for the washing of vehicles, plant and equipment. The water they use is appropriately filtered and discharged back into municipal reticulation systems. Ingrain's manufacturing processes require larger volumes of water, and water also forms part of the products they produce. The inclusion of Ingrain during the year under review, has resulted in the group drawing significantly higher volumes of water from municipal systems relative to prior years. Management is investigating initiatives that will enhance efficiencies.

Our aspiration to reduce water withdrawals from municipal supplies is supported by various initiatives, including water recycling, rainwater harvesting and efficient use of water.

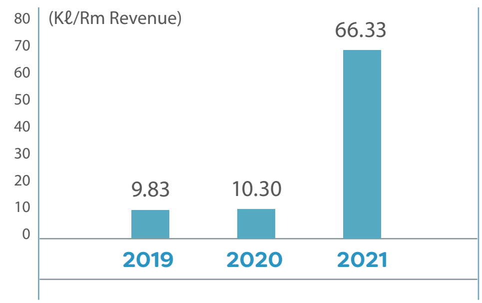
Water withdrawals (Municipal sources)



Water recycling Group continuing operations



Water intensity (Municipal sources) Group continuing operations



Water recycling

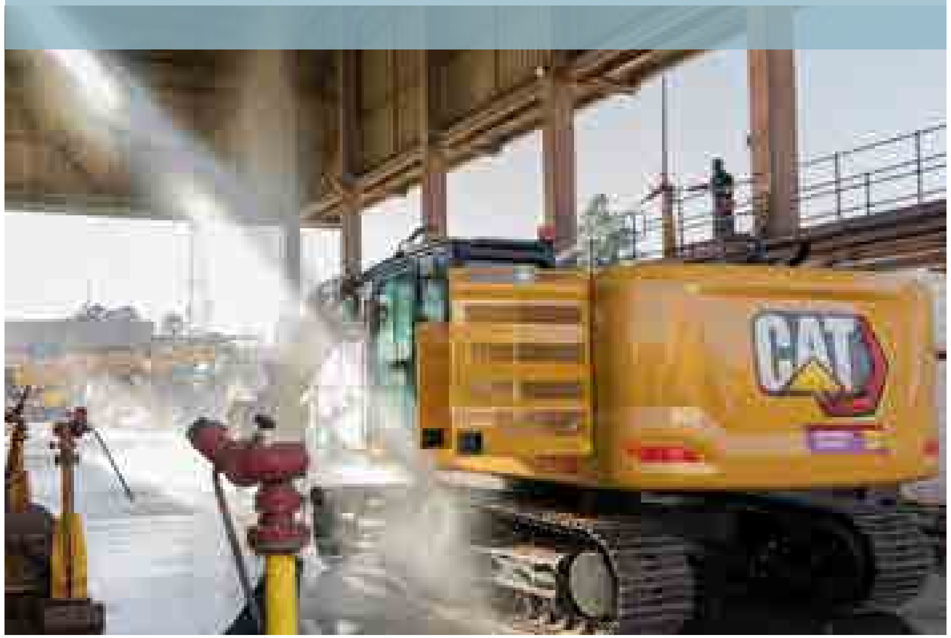
While the inclusion of Ingrain's water consumption in FY2021 resulted in a significant reduction in the percentage of water recycled by the group, business units across the group have introduced a number of water recycling and water-saving initiatives including rainwater harvesting, waterless urinals, the installation of water-efficient taps and showers and flow meters. The flow meters enable monitoring of the recycling of treated wastewater, reducing water usage and costs.

Car Rental and Leasing has redesigned its car wash bays to conserve water and recycle over 90% of the water it uses to wash cars. Waterless car wash systems are in use at a number of its smaller Car Rental branches and the harvesting of rainwater has resulted in its facilities at four airports becoming water neutral on several days during the rainy season.

90%

Equipment southern Africa is also implementing recycling and reuse processes in its operations, which will achieve a 60% saving in water use.

60%



Purposeful environmental stewardship
continued

Waste management

The group strives to improve material usage and reduce waste generation. To the extent that waste cannot be avoided, we strive to have all waste disposed of responsibly by appropriately accredited waste management companies and to promote recycling of waste streams. Our waste is monitored by waste stream and disposal method. Solid waste streams include paper, batteries, oil filters, tyres and electronic waste. Liquid waste relates mainly to lubricants and solvents.

One hundred percent of our solid waste streams were disposed of by appropriate formal waste management service providers; we have identified areas where we can make improvements in our liquid waste streams, 96% of which was disposed through formal waste management service providers. In the year under review the majority of our waste was recycled: 91% of our solid waste and 87% of our liquid waste.

96%

The statistics we have provided exclude Ingrain. We are in the process of aligning our waste and materials reporting categories with those used by Ingrain.

From hazardous to useful bioremediation

Our Equipment southern Africa business unit has found a solution that removes sludge, which previously constituted 75% of the hazardous waste it generated in its Middelburg campus. Harmful industrial sludge is converted into useful fertiliser through a bioremediation process. The sludge from its Isando campus is used by a cement manufacturer as an alternative fuel source in the cement manufacturing process. Not only are these processes reducing the environmental impact of the disposal of hazardous waste, they are also reducing costs.

75%

Independent Assurance Report

Independent Auditor's Limited Assurance Report on the Selected Sustainability Information in Barloworld Limited's Integrated Report 2021

To the Directors of Barloworld Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2021 Integrated Report of Barloworld Limited (the "Company", "Barloworld" or "you") for the year ended 30 September 2021 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability information, marked with a "LA" on the relevant pages in the Report. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

No	Selected Sustainability Information	Unit of measurement	Boundary	Page in Report
1	Total number of employees	Number	Barloworld Group[1]	Pages 8, 11,13 & 110
2	Employee breakdown by race (RSA only) and gender	Number	Barloworld Group[1]	Page 110
3	Number of work-related fatalities	Number	Barloworld Continuing Operations	Page 112
4	Lost-time injury frequency rate	Rate	Barloworld Continuing Operations	Page 112
5	Fuel consumption – petrol and diesel	Mℓ	Barloworld Continuing Operations	Page 120
6	Grid electricity consumption	MWh	Barloworld Continuing Operations	Page 120
7	Non-renewable energy consumption, including consumption by primary energy source	GJ	Barloworld Continuing Operations	Page 120
8	Water withdrawals (municipal sources)	Mℓ	Barloworld Continuing Operations	Page 120
9	Scope 1 emissions, including emissions by primary energy source	tCO_2e	Barloworld Continuing Operations	Page 120
10	Scope 2 emissions	tCO_2e	Barloworld Continuing Operations	Page 120

[1] Includes Continuing and Discontinued Operations

Your responsibilities

The Directors are responsible for selection, preparation and presentation of the selected sustainability information in accordance with the accompanying criteria as set out on set out on Barloworld's corporate website https://www.barloworld.com/pdf/cpd_disclosures/2021/barloworld-non-financial-criteria-fy2021.pdf referred to as the "Reporting Criteria".

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work did not include examination of the derivation of those factors and other third party or laboratory information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability information; and
- Evaluated whether the selected sustainability information presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information has been prepared, in all material respects, in accordance with the accompanying the Company's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 30 September 2021 is not prepared, in all material respects, in accordance with the reporting criteria.

Other Matter(s)

The maintenance and integrity of Barloworld's website is the responsibility of Barloworld's directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Barloworld's website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Jayne Mammatt
Registered Auditor
Johannesburg, South Africa
17 December 2021

Shareholder profile

Public and non-public shareholding of ordinary shares

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	**11**	**0.12**	**9 860 064**	**4.90**
- Directors, prescribed officers and associates	5	0.05	273 387	0.14
- Company Related & Subsidiaries	3	0.03	2 855 744	1.42
- Empowerment	1	0.01	6 578 121	3.27
- Share Plan	1	0.01	118 871	0.06
- Employee and educational trusts	1	0.01	33 941	0.02
- Public shareholders	9 303	99.88	191 165 582	95.10
Total	**9 314**	**100**	**201 025 646**	**100**

Registered shareholder spreads

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	**7 317**	**78.56**	**1 732 045**	**0.86**
1 001 - 10 000 shares	1 377	14.78	4 419 494	2.20
10 001 - 100 000 shares	447	4.80	15 548 622	7.73
100 001 - 1 000 000 shares	147	1.58	38 295 183	19.05
1 000 001 shares and above	26	0.28	141 030 302	70.16
Total	**9 314**	**100**	**201 025 646**	**100**

Beneficial shareholdings 5% or more

Shareholder Name	Total shareholding	% of issued capital
Zahid Tractor & Heavy Machinery Co. Limited	35 408 823	17.61
Government Employees Pension Fund	30 944 235	15.39
Silchester International Investment Value Equity Trust	17 485 513	8.70
Total	**83 838 571**	**41.71**

Investment managers holding 5% or more

Shareholder Name	Total shareholding	% of issued capital
Silchester International Investors, L.L.P.	39 968 801	19.88
Public Investment Corporation (SOC) Limited	29 202 815	14.53
Total	**69 171 616**	**34.41**

Geographic split of beneficial shareholders

Region	Total Shareholding	% of issued capital
South Africa	72 684 504	36.16
United Kingdom	45 726 724	22.75
United States of America and Canada	32 292 846	16.06
Rest of Europe	6 444 434	3.21
Rest of World	43 877 138	21.83
Total	**201 025 646**	**100**

Breakdown of non-public shareholders

Non-public shareholders	Total shareholding	% of issued capital
Directors, prescribed officers and associates	**273 387**	**0.14**
Katlego Le Masego Trust	230 616	0.11
Schmid, P	28 000	0.01
Mmutlana, KCJI (resigned)	11 999	0.01
Fubu, T	1 700	0.00
Leeka, E	1 072	0.00
Company Related & Subsidiaries	**2 855 744**	**1.42**
Barloworld South Africa (Pty) Ltd	2 823 529	1.40
Barloworld Limited	26 434	0.01
Barloworld Investments Pty Ltd	5 781	0.00
Empowerment	**6 578 121**	**3.27**
Barloworld Empowerment Foundation	6 578 121	3.27
Share Plan	**118 871**	**0.06**
Barloworld Limited FSP	118 871	0.06
Employee and educational trusts	**33 941**	**0.02**
Barloworld Education Trust	33 941	0.02

Breakdown of beneficial holdings

Non-public shareholders	Total shareholding	% of issued capital
Government Employees Pension Fund	**30 944 235**	**15.39**
Government Employees Pension Fund - Public Investment Corporation (SOC) Limited	28 119 155	13.99
Government Employees Pension Fund - Mazi Capital (Pty) Ltd	1 554 199	0.77
Government Employees Pension Fund - Aeon Investment Management (Pty) Ltd	1 150 921	0.57
Government Employees Pension Fund - Benguela Global Fund Managers (Pty) Ltd	119 960	0.06

Issued share capital - 23 September 2021 201 025 646 shares
Number of shareholders 9 314

Glossary

B-BBEE	Broad-based black economic empowerment
BBS	Barloworld Business System
CO_2	Carbon dioxide
Covid-19	An infectious disease caused by a newly discovered coronavirus
CSI	Corporate social investment
D&I	Diversity and inclusion
DRC	Democratic Republic of Congo
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ESG	Environmental, social and governance
ESD	Enterprise and supplier development
GHG	Greenhouse gas emissions
GJ	Gigajoule
GRI	Global Reporting Initiative
HEPS	Headline earnings per share
IFRS	International Financial Reporting Standards
JV	Joint venture

Kℓ	Kilolitre
LTIFR	Lost time injury frequency rate (number of lost time injuries multiplied by 200 000 divided by total hours worked)
MDI	Managing for Daily Improvement
Mℓ	Megalitre
MWh	Megawatts per hour
OEMs	Original equipment manufacturers
PV	Photovoltaic
ROE	Return on equity
ROIC	Return on invested capital
SETC	Social, Ethics and Transformation Committee
SDGs	Sustainable Development Goals
SHE	Safety, health and environment
SMMEs	Small, medium and micro enterprises
tCO_2e	Tonnes of carbon dioxide equivalent
VSA	Value stream analysis
VWAP	Volume-weighted average price

Corporate information

Barloworld Limited
(Incorporated in the Republic of South Africa)
(Registration number 1918/000095/06) (Income Tax Registration number 9000/051/71/5)
(JSE Share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW) (Namibian Stock Exchange share code: BWL)
("Barloworld" or the "company" or the "group")

Registered office and business address
Barloworld Limited
61 Katherine Street
PO Box 782248
Sandton, 2146, South Africa
T +27 11 445 1000
E bawir@barloworld.com

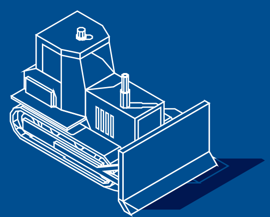
Directors
Non-executive
NN Gwagwa (Chairman), FNO Edozien ^, HH Hickey, MD Lynch-Bell*,
NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid,
^Nigeria * UK
Executive directors
DM Sewela (Group Chief Executive), N Lila (Group Finance Director)

Group Company Secretary
Vasta Mhlongo

Group Investor Relations
Nwabisa Piki

Enquiries
Barloworld Limited T +27 11 445 1000
E bawir@barloworld.com

Sponsor
Nedbank Corporate and Investment Banking
a division of Nedbank Limited



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