Barloworld

Gender-Linked Bond Framework

Built on enduring partnerships and transformative growth

Contents

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Introduction

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).

Barloworld has a long history of addressing discrimination in the workplace, starting with its then managing director, who was interested in labour practices and the elimination of any forms of discrimination in the workplace in the 1970s. Barloworld published the Barlow Rand Code of Employment Practice, which was adopted by the board in 1978. It was an historic document, the first of its kind to be formulated and adopted by a major South African company. Barloworld also installed a monitoring process through which each CEO of each major group company was required to report on the company's progress relative to the Code and to propose how to narrow the gap between current practice and the Code's tenets. This was at the height of apartheid and it was at a time when the Sullivan Code and the European Economic Community (EEC) Code of Conduct prescribed standards of employment practice for the South African subsidiaries of parent companies based in the US and Europe.

The instrument that is introduced in this framework is underpinned by the United Nations Sustainable Development Goals (UN SDGs) 5 and SDG 10, premised of the principle that, "Too much of the world's wealth is held by a very small group of people. This often leads to financial and social discrimination. In order for nations to flourish, equality and prosperity must be available to everyone – regardless of gender, race, religious beliefs or economic status. When every individual is self-sufficient, the entire world prospers.

One Barloworld Integrated Talent Management Framework

Relevant frameworks and policies bring Barloworld's human capital and transformation strategic aspirations into effect, define the operating practices and processes, governance structures, and roles and responsibilities. The relevant framework and group-wide policies in place within Barloworld that set out Barloworld's position and expectations of each operating division and all employees are highlighted on the next page.

The One Barloworld Integrated Talent Management approach encompasses the systematic processes for the identification, attraction, recruitment, onboarding, performance optimisation, development, and reward and recognition of Barloworld employees by emphasising the key elements of the Group's integrated employee value model. It includes the processes and actions taken to identify and develop successors for leadership, strategic, critical and scarce roles. Exit management also form part of this process.

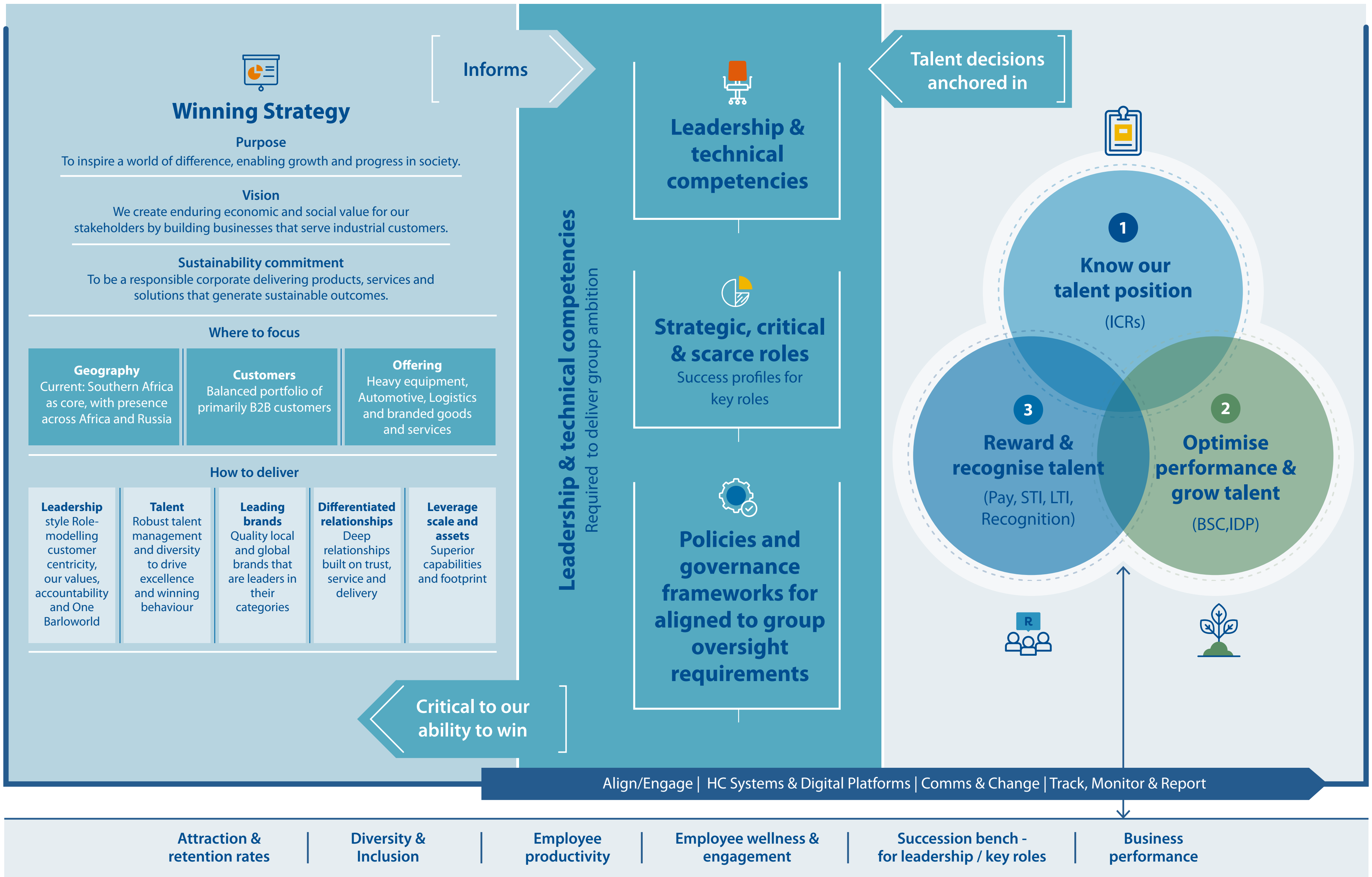
This approach ensures that the Group's human capital processes are based on an analysis of the unique combination of competencies that the current and future workforce requires to achieve the Group's ambition. It also aligns the processes that the Group follows to manage people, so we can rapidly, effectively, and efficiently respond to the dynamic changes that impact the business.

Group and Divisional Executive Management have the responsibility to ensure compliance with talent management policy, and to define and implement detailed Divisional processes, procedures and other mechanisms in line with the provisions therein.

Talent Review/Intellectual Capital Review forums are platforms that the company uses at least twice a year for a retrospective analysis of available talent relative to future expected business need. They determine the type of talent and competencies required to deliver the Group's ambition and/or business strategies. This is a bottom-up process where the overall Group Talent is determined in a forum chaired by the Group CEO.

The purpose of the Barloworld remuneration committee 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.

One Barloworld Integrated Talent Management Framework continued



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

To achieve sustainable value creation Barloworld has identified seven key levers (depicted below), of which our people are an integral part.

Barloworld does not operate in isolation and is impacted by its operating context and its various stakeholders, which include our customers, suppliers, the media, society, including the communities in which we operate, shareholders and investors, regulators, policy makers, governments and trade unions, and our employees.

Our employees are also one of the key enablers of the execution of our strategic ambition to sustainably double the intrinsic value we create every four years.

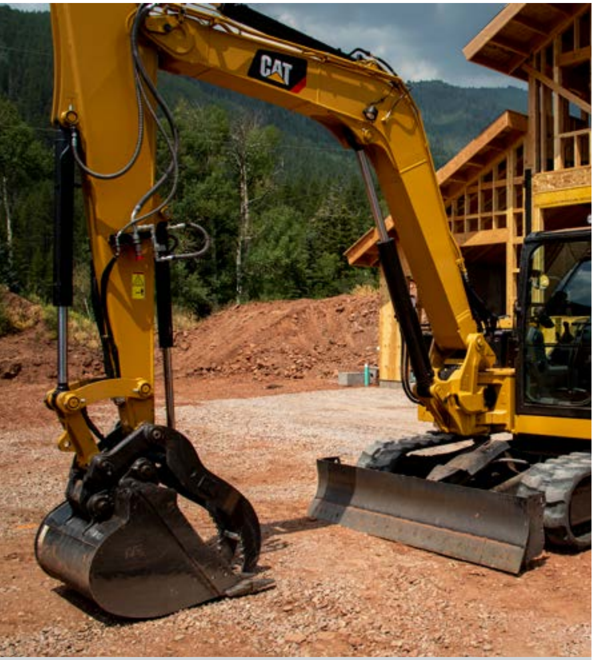
Barloworld's strategic framework[1]

Barloworld's Worldwide Code of Conduct, sets out the five core values that define the minimum behaviours expected of all our employees. These are:

- **Integrity:** The power of honesty
- **Excellence:** The power of high performance
- **Teamwork:** The power of working together
- **Commitment:** The power of responsibility
- **Sustainability:** The power of positive impact

Barloworld is committed to gender diversity, both in the workplace from board level all the way throughout the organisation, through improving our gender mix and fair and responsible rewards and benefits; in society through the inclusion of women in our social investments that are intended to help them achieve sustainability.

[1] https://barloworld-ir2021.co.za/ir/2-our-business-strategy.php



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

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**

Social impact enablers

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

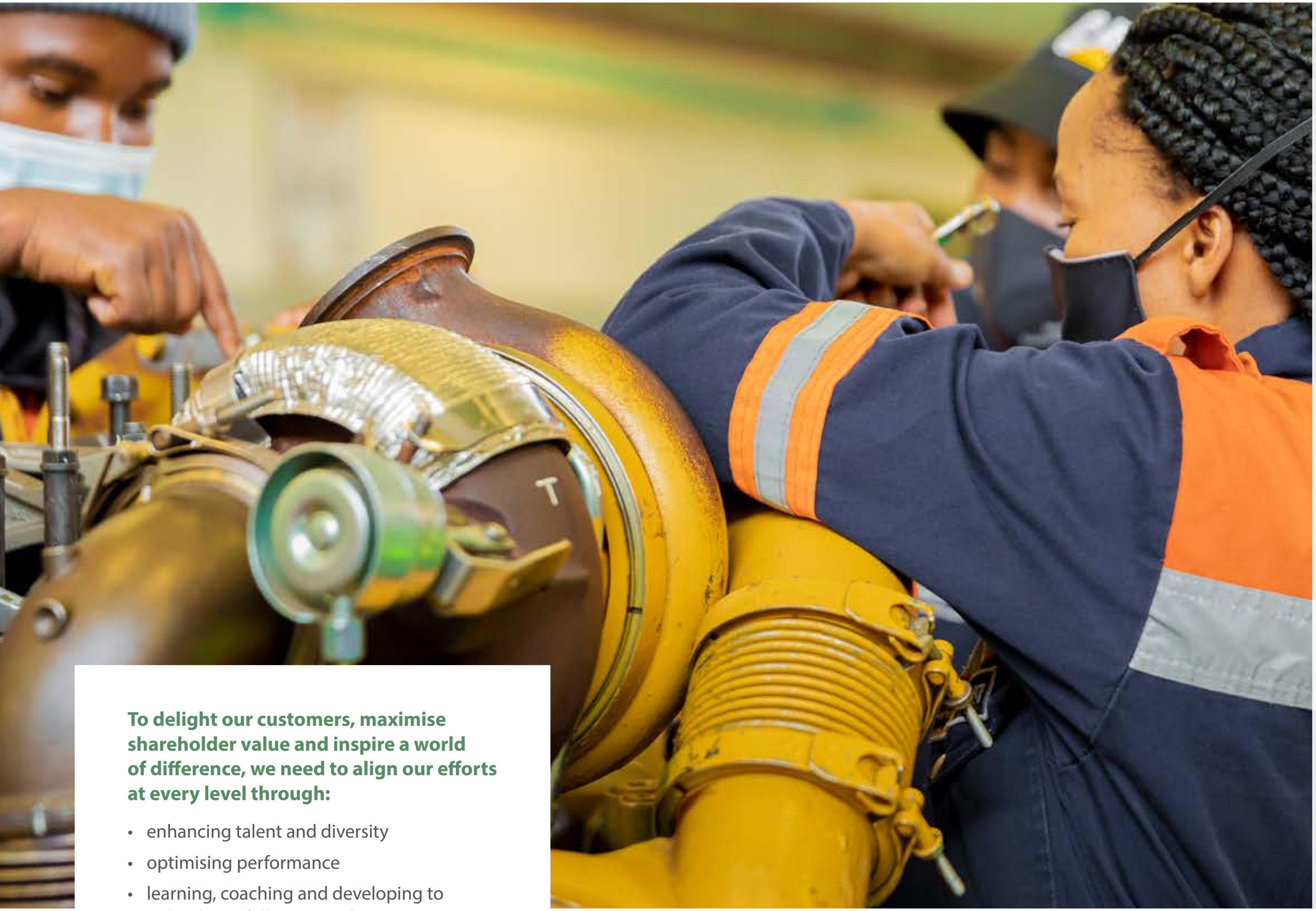
Khula Sizwe Property Holdings was established in 2019 when it purchased a portfolio of 57 commercial properties from Barloworld valued at R2.9 billion, which was at a 5% discount.

Funding of Khula Sizwe Property Holdings in 2019

Debt: 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



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.

5 GENDER EQUALITY

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.

The Social Ethics and Transformation Committee (SETC) as part of its mandate reviews, monitors and reports on preferential procurement (including spend on Female owned business), recognising that the group presents the greatest opportunity for preferential procurement from our beneficiaries, including prioritising procurement from women-owned businesses. The management of the enterprise development is done through Barloworld Siyakhula whose sole mandate 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;
- 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;
- create and implement a funding model to 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; and
- develop a beneficiary pipeline aligned to commodities through the beneficiary procurement spend.

Given availability of historical data, the key performance indicator linked to this strategy (outlined in more detail in Section 3.1 below) is focussed on increasing discretionary spend procurement from black women-owned businesses, as this is already measured as part of Barloworld's broader black economic empowerment reporting. However, the intention is for Barloworld to broaden this to provide support to all women-owned businesses in the supply chain, prioritising black women-owned businesses in line with our country's transformation imperative. Barloworld commits to measuring and reporting on discretionary spend procurement from all women-owned businesses as part of the annual reporting process defined in this framework in Section 4.4 below.

2

Barloworld's diversity and inclusion strategy and journey

A critical component of Barloworld's talent management strategy that will enable us to deliver on our strategic ambitions is diversity and inclusion (D&I). We aspire to become a company that instils a high-performance culture that reflects the demographics of the countries in which we operate. If we do not achieve this, our competitiveness and legitimacy will be negatively impacted, and we may lose our licence to trade in the respective region. To maintain the progress we have made with respect to D&I, which includes both gender and racial representation, our focus is on appointments, promotions and retentions. Outside South Africa, our D&I strategy focuses on limiting the number of expatriates in our teams and increasing representation of women at all levels.

Barloworld also recognises that the group presents the greatest opportunity for preferential procurement from our beneficiaries, including prioritising procurement from women-owned businesses, and that this can further support the participation of women-owned businesses in the economy.

2.1 Gender-Diversity

Barloworld's gender diversity targets are included as part of our non-financial sustainability focused objectives (to achieve a 50% female gender representation and Economically Active Population (EAP) Statistics by 2026), which help to ensure that we continue our progress towards creating a diverse and inclusive work environment.

These group and divisional targets set against EAP reports of the South African National Commission for Employment Equity (CEE) are set at group with the SETC approving on behalf of the board.

Barloworld takes a holistic view of D&I in all its facets from race, gender, age, religion, sexuality, thought and skills set. The drive towards recruiting female candidates is pursued through annual targets (EAP and gender targets) as well as equitable and fair remuneration that is aligned to pay policy. Investment in training and development initiatives is targeted at identifying females for both technical and leadership roles. Females in the succession pool are developed through various initiatives that include the following:

- Earmarking for chief of staff roles in CEO office or other executive offices as part of their business and leadership exposure
- Targeted recruitment of females in various young talent programmes such as CA Trainees, Apprenticeship training, engineers in training and interns
- Targeted promotion of females into operational leadership roles
- Inclusion of females in strategic project teams
- Established female mentorship circles.

This comprehensive view, we believe, sets us apart from our peers. In 2017, the gender diversity was 38.6% across all grades and the target was to have at least 40% female representation by 2020. In addition, the board set a target of 50% female representation at a board level. Both the broader gender diversity target of 40% and the board gender diversity target of 50% were exceeded in the 2021 financial year, with 46% and 60%, respectively being achieved.

Targets are set every year and other talent relevant policies are reviewed by the group executive and SETC at least every two years. The below referenced policies were last approved in 2020.

One Barloworld job evaluation policy

*Relevant policies:

Remuneration policy principles on fair and responsible pay
Recruitment Policy
Employment Equity Plan
D&I Targets

* Refer to Integrated Report

2.2 Procurement

Our active approach to our role as a responsible corporate citizen through investment in the future is aligned to the UN Sustainable Development Goals and the national development priorities of the countries in which we operate. Our supplier diversity and localisation initiatives create legitimacy and credibility in the eyes of our stakeholders. This is done through access to commercial opportunities, particularly for black and black women-owned enterprises, fair treatment and reasonable payment terms. We continue to engage emerging and black-owned service providers to drive diversity in our supply chain and provide them with access to the broader market through our enterprise and supplier development arm, Barloworld Siyakhula. Barloworld Siyakhula Incubation Hub targets black-owned Small Medium and Micro Enterprises (SMMEs), who are existing suppliers within the group, while also providing support to eligible SMMEs within our larger value chain. Since inception in 2007, we have indirectly supported job creation and provided comprehensive assistance to small and medium enterprises.

We have also engaged our various principals to advance the localisation of some of their products and services. Caterpillar will assist in increasing the local content in CAT equipment and supporting the national imperative of creating jobs and enhancing manufacturing capabilities, while assisting with our competitiveness in the market. The specific focus on increasing the proportion of women-owned businesses in the Barloworld supply chain, prioritising black females, will further support the participation of women-owned businesses in the economy.

Relevant regulations: *Department of Trade and Industry's code of good practice*

3

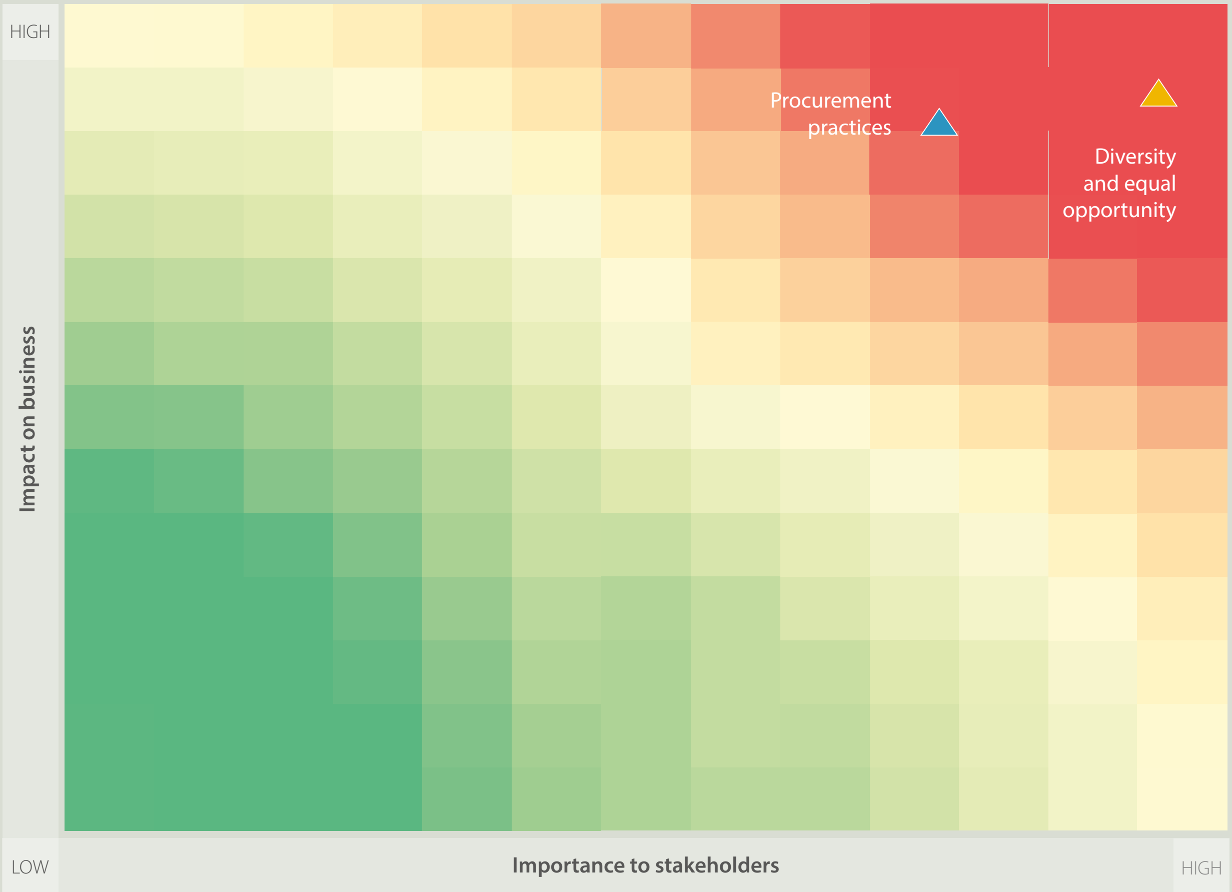
Barloworld's rationale for issuing a gender-linked bond

As reported in Barloworld's 2021 Integrated Report, our material matters were determined by assessing trends in our operating environment and our business content, interviewing our key external and internal stakeholders and evaluating the resources we rely on in the form of the six capitals and any other factors material to the short, medium and long-term enterprise value. The results were approved by the board. Diversity, equal opportunity and procurement practices were identified as being important to stakeholders and having a high impact on business. Improving gender mix and employee representation are key Human Capital priorities.

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.

D&I and procurement practices identified as material matters in the sustainability materiality assessment.



While South Africa ranks relatively well (18 of 156 countries) in the World Economic Forum's overall Gender Gap Score[1], its performance on Economic Participation and Opportunity subindex ranks only 92nd of 156 countries – an indication that more work is to be done to improve gender parity in the workplace. Barloworld is committed to playing an important role in the furtherance of gender diversity and equality in South Africa and ultimately across all our operating geographies. Necessary to better understanding the status quo in terms of gender equality is greater disclosure from companies, which is currently very limited in South Africa. We further recognise the role of sustainable finance in supporting this ambition and believe the issuance of a sustainability-linked bond with gender-specific key performance indicators and targets (gender-linked bond or GLB) will encourage other companies to, as a first step, improve their disclosure on gender-related metrics and then ultimately commit to targets for improvement in gender-diversity in their own businesses.

[1] https://www3.weforum.org/docs/WEF_GGGR_2021.pdf

4

Barloworld's GLB framework

This framework has been created to facilitate transparency, disclosure and integrity with regards to Barloworld's GLB issuances, as recommended by the sustainability-linked bond principles (SLBP) published by the International Capital Markets Association (ICMA) in June 2020.

The SLBP introduce voluntary process guidelines for best practices when issuing SLBs (which the GLB is classified as) and, in alignment with these, the framework is based on the following five pillars:

1. **Selection of Key Performance Indicator(s) (KPI(s))**
2. **Calibration of Sustainability (in this case gender) Performance Target(s) (GPT(s))**
3. **Bond Characteristics**
4. **Reporting**
5. **External Review**

GLBs are bonds where the financial and/or structural characteristics can vary depending on whether Barloworld achieves predefined, gender-specific objectives. GLBs are a forward-looking, performance-based instrument. As such, Barloworld is committing explicitly to future improvements in, and the maintenance of, gender diversity outcomes within a predefined timeline. These gender diversity outcomes are deemed to be relevant, core and material to Barloworld's overall business.

4.1 Selection of KPIs

Barloworld has already made significant progress in implementing our D&I strategy, and more broadly has actively enabled female participation in the South African economy through its preferential procurement practices. For the selection of the gender-linked KPIs, Barloworld considered both internal and external KPIs, that are relevant, material and significant in the furtherance our the D&I strategy, as well as the maintenance of progress already made. The KPIs are therefore designed to ensure Barloworld achieves and maintains their targets. These KPIs have been verified by an independent third party on a consistent methodological basis. The findings of the Second Party Opinion will be published on the company's website. In addition, progress against the KPIs will be published annually within our traditional Barloworld disclosures, including our integrated report and our response to the GRI Standards, also published on the company's website.

Barloworld's KPIs focus on South African operations as the majority of our employees and of our discretionary spend procurement are in or by the South African operations. However, the principles of all our policies are applicable group wide.

4.1 Selection of Key Performance Indicators (KPIs) continued

KPI #1: Gender Diversity in Leadership

Leadership is defined as "all Group or Divisional Board or Executive Committee members", within the GPT Boundary defined below and for the purposes of this KPI 1, an individual can be included on more than one Board or Executive Committee. As at 30 September 2021, Leadership totalled 69 members.

KPI #1:	% Female representation in Leadership
Reporting and GPT boundary	Permanent employees and / or non-executive board members at Barloworld's South African Continuing Operations[4] and Barloworld Limited Board
Baseline %	44.9%
Baseline date	30 September 2021
Aspiration	50.0% by 30 September 2025
Rationale	Gender diversity at the leadership level is strategically material as leadership drives the culture of the business and provides a reference point for junior employees. As detailed in 2.1 above, Barloworld has made significant progress on gender diversity at a board and broader employee level and has now set a more ambitious target for gender diversity in Leadership of 50%.
Materiality	Female employees from Barloworld's South African Continuing Operations comprise 74% of Barloworld's total female employees and Barloworld's South African Continuing Operations comprise 68% of Barloworld's total revenue, as at 30 September 2021. In addition, Leadership in Barloworld's South African Continuing Operations and Barloworld Limited Board comprise 78% of Barloworld's total Leadership. This KPI is therefore deemed material in the operating context of Barloworld's overall strategy and business.
SDG Alignment	UN SDG 5: Gender equality
Calculation methodology and benchmark	Female representation in Leadership is equal to the ratio of females in Leadership divided by the total number of people (female and male combined) in Leadership, expressed as a percentage. Barloworld's aspiration to achieve 50% female representation in Leadership is compared to the 2022 national Economically Active Population (EAP) diversity of 44.6% female. The Grant Thornton Women in Business 2022[5] survey further notes that the proportion of women in senior management in Africa has increased from 39% to 40% in 2022. The 2x Challenge[6] Criteria include 20% - 30% share of women in senior management or 30% women on the Board, and 30% - 50% share of women in the workforce. Additionally, the 30% Club[7] aims to increase female representation at the board and C-Suite level to at least 30%. Therefore, recognising that Barloworld's baseline is already in excess of local and global external benchmarks, Barloworld's target to increase further from this baseline, albeit at a lower annual rate of change than historical performance, is considered ambitious.

[4] Associates and joint ventures are equity accounted and thus not included in consolidated non-financial data. The consolidated data incorporates the company and all entities controlled by Barloworld South African operations as if they are a single economic entity. Operations classified as discontinued operations are not included in the consolidated continuing operations. Figures prior to 30 September 2021 have not been restated to reflect the acquisition of Ingrain.

[5] https://www.grantthornton.global/en/insights/wib-2022-campaign-landing-page/

[6] The "2X Challenge" was founded by the G7 and other development finance institutions to mobilize funding to provide women in developing country markets with improved access to quality employment and economic opportunity. The 2X Challenge defines the 2X Challenge Criteria which have become a global industry standard for gender-lens investing.

[7] https://30percentclub.org is a globally recognised, business-led campaign that has more than 1,000 board chairs and CEOs across more than 20 countries as members as aims to boost the number of women in board seats and executive leadership of companies all over the world.

KPI #2: Growing the proportion of black women-owned businesses in Barloworld's South African Operations' supply chain

Barloworld defines "Discretionary Spend" as total measured procurement spend excluding spend on imported capital goods (like Caterpillar for example). This is aligned with the calculation methodology used by the verification agencies when determining Barloworld's Black Economic Empowerment ("BEE") score in line with the Broad-Based Black Economic Empowerment Codes of Good Practice ("BBBEE Codes") which define a supplier as black women-owned if 30% or more of the outstanding shares of that supplier are owned by black women.

As aforementioned in section 1, the SETC, a subcommittee of the Barloworld Board, as part of its mandate reviews, monitors and reports on preferential procurement (including spend on women-owned business). Further to the SETC's oversight, the Barloworld divisional and group committees direct, oversee and monitor the procurement strategy execution. To ensure the successful execution and implementation of the procurement strategy each division has appointed an executive with the designated oversight and responsibility through the executive's balanced scorecard. Procurement systems have also been established to monitor spend on procurement with particular emphasis on black owned and women-owned companies.

KPI #2:	Discretionary Spend procurement from black women-owned suppliers as a % of total measured discretionary procurement spend
Reporting and GPT boundary	Procurement by Barloworld's South African Continuing Operations[4]
Baseline %	13.8%
Baseline date	30 September 2021
Aspiration	15.0% by 30 September 2025
Rationale	As detailed in 2.2 above, Barloworld recognises its ability to grow participation of black women-owned businesses in the economy through its supply chain, thereby supporting broader economic participation of women in the South African economy.
Materiality	Discretionary Spend procurement by Barloworld's South African Continuing Operations comprises 53% of Barloworld's total procurement. This KPI is therefore deemed material in the context of Barloworld's overall strategy and business.
SDG Alignment	UN SDG 5: Gender equality and UN SDG 8: Decent work and economic growth
Calculation methodology and benchmark	Discretionary spend procurement from black women-owned suppliers as a % of total measured procurement spend, as calculated in line with the BBBEE Codes. Preferential procurement from black-women owned businesses is not publicly disclosed by Barloworld's peers as it is just one component of Enterprise and Development in terms of the BBBEE Codes. The BBBEE Codes put forth a target of 12% of total procurement from black women-owned suppliers for full points (4.0). Barloworld has already achieved the BBBEE Codes target. Therefore, recognising that Barloworld's baseline already goes beyond compliance, and that Barloworld is targeting to increase further from this baseline, albeit at a lower annual rate of change than historical performance evidences Barloworld's GPT in relation to KPI 2 is suitably ambitious.

4.2 Calibration of Gender Performance Targets

KPI #1	Unit of measure-ment	Base-line	Base Year	GPT	Change from baseline	Target observation date
Gender diversity in Leadership	Percentage	44.9%	2021	Female representation in Leadership equals or exceeds 47.5%	+2.6 %	30 September 2023
				Female representation in Leadership equals or exceeds 48.7%	+3.8 %	30 September 2024
				Female representation in Leadership equals or exceeds 50%	+5.1%	30 September 2025
				Female representation in Leadership equals or exceeds 50%	+5.1%	30 September 2026

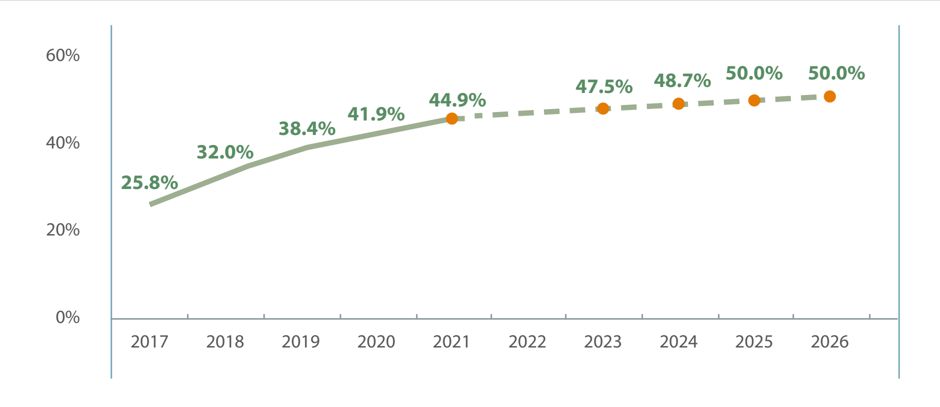


Figure 3: Gender diversity in leadership historical and forward-looking trajectory

Factors that support achievement of the target:

- Leadership commitment as these are included in each Senior executive's performance scorecards
- Continuous monitoring and evaluation of the outcome of this metric (SETC monitors this twice a year)
- Forms part of the short term incentives for the organisation

Risks to the target:

- Leadership commitment from an oversight perspective of human capital (Decentralised Model)
- Ability to retain females in Leadership given lack of senior female talent in the broader market
- Future changes in leadership or structural changes
- Future policy changes and regulatory reporting requirement
- Affordability from a group perspective

KPI #2	Unit of measure-ment	Base-line	Base Year	GPT	Change from baseline	Target observation date
Growing the proportion of black women-owned businesses in Barloworld's supply chain	Percentage	13.8%	2021	Procurement from black women-owned suppliers as a % of total measured procurement spend equals or exceeds 14.4%	+0.6%	30 September 2023
				Procurement from black women-owned suppliers as a % of total measured procurement spend equals or exceeds 14.7%	+0.9%	30 September 2024
				Procurement from black women-owned suppliers as a % of total measured procurement spend equals or exceeds 15.0%	+1.2%	30 September 2025
				Procurement from black women-owned suppliers as a % of total measured procurement spend equals or exceeds 15.0%	+1.2%	30 September 2026

4.2 Calibration of Gender Performance Targets continued

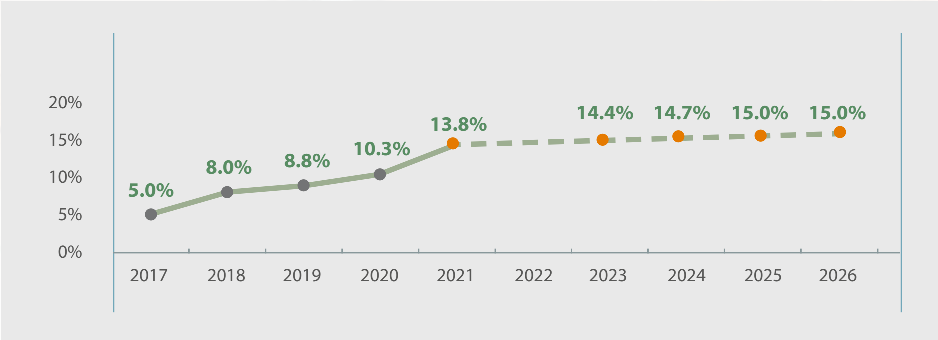


Figure 6: Growing the proportion of black women-owned businesses in Barloworld's supply chain historical and forward-looking trajectory

Factors that support achievement of the target:

- The metric is driven at the group level
- Improvement in the scorecards is beneficial to the Group's licence to trade
- Leadership commitment as this forms part of divisional and group's performance targets

Risks to the target:

- Future policy changes and regulatory reporting requirement
- Future changes in leadership or structural changes
- Growing sustainable, women-owned businesses requires investment and time which may limit ability to make further progress within defined period

4.3 Bond characteristics

The ICMA's SLBP state that the cornerstone of a performance incentive linked bond characteristics is that the bond's financial and/or structural characteristics can vary depending on whether the selected KPIs reach, or don't reach, the predefined GPTs. Furthermore, the principles state that the variation of the bond's financial characteristics should be commensurate and meaningful relative to the issuer's original bond characteristics.

Barloworld GLB(s) are expected to have sustainability-linked features that are aligned to the SLBPs and ensure both a coupon benefit (step-down) and penalty (step-up) are implemented in the relevant corresponding scenarios. The relevant KPI(s), GPT(s) and coupon adjustments will be specified in the relevant instrument's pricing supplement documentation. The GLBF includes targets that recognise the progress Barloworld has achieved to date and are suitably ambitious and aligned to Barloworld's strategy implementation.

Finally, in addition to the corresponding scenarios outlined in the relevant instrument's pricing supplement documentation, a penalty will be applicable if Barloworld fails to deliver the Sustainability Certificate and External Verification Report (both referenced in section 4.4 below) by the delivery date stipulated in the relevant instrument's pricing supplement documentation. The applicable penalty will also be detailed in the relevant instrument's pricing supplement documentation.

4.4 Reporting

Barloworld will publish annually and keep readily available and easily accessible on our website a GLB update. Barloworld expects to include the GLB updated within our traditional Barloworld disclosures, including our integrated report and our response to the GRI Standards.

In addition to the above the following additional disclosures will made on the Barloworld website until the last target observation period (save for the Applicable Pricing Supplement (APS) which will be made available at issuance):

- Sustainability Certificate (to be outlined in suitable form in the relevant instrument pricing supplement)
- External verification report (e.g. Limited Assurance Report)
- SENS Announcement regarding the assessment of performance against the relevant GPTs

Barloworld also undertakes to include in our annual JSE declaration, a statement that commits that the GLBs issued programmatically off this GLBF will remain in compliance with this framework and the JSE's sustainability segment debt listing requirements (applicable at the time of issuance). Attached to the declaration will be the sustainability certification (reflecting the performance against relevant GPTs) and the Limited Assurance Report.

Other information published may also include, where feasible and possible:

- Qualitative and/or quantitative explanation of the contribution of the main factors/drivers behind the evolution of the performance of the relevant KPI on an annual basis; and/or
- Illustration of the positive social (gender transformation) impacts of the performance improvement.

4.4.1 Adjustment Event

An adjustment event means any event (including, without limitation, any acquisition, disposal, merger, change to data availability, accuracy or discovery of historical errors in relevant data and board mandated operational requirements) that is likely to affect the calculation of a baseline, KPI, GPT and/or GPT realised value such that any determination of the respective baseline, KPI, GPT or GPT realised value following such event might reasonably be expected to yield a materially different result as compared to the result yielded had such event not occurred.

If such an event occurs with respect to any or all of the baselines, KPIs or GPTs, Barloworld will include within the relevant target observation period's sustainability certificate any re-assessment of or adjustment to the baseline, KPI, GPT and/or GPT realised value. The proposed changes or adjustments will be shared with the sustainability co-ordinator for approval prior to circulation via SENS to all investors.

4.4.2 Treatment of Acquisitions and Disposals

The baseline, KPI and associated GPT's shall continue to be measured on a like for like basis. Implications of this as follows:

- Acquisitions - Will not be considered in terms of the measurement of associated KPI's or adjustment of Baseline and GPT's
- Disposals - The baseline, KPI boundary and/or GPT's to be adjusted to exclude the disposed entity / asset based on its latest reported contribution to the baseline or GPT's. This will be excluded pro rata based on the date of disposal.

4.5 Verification

4.5.1 Second Party Opinion

Barloworld has obtained a Second Party Opinion (SPO) from IBIS Consulting, a suitably qualified and recognized external party possessing the necessary gender expertise to verify the alignment of the GLBF to the SLBP. The SPO will be published on Barloworld's website.

4.5.2 External Verification

Barloworld will request limited assurance from a suitably qualified licensed practitioner in South Africa (e.g. independent auditor or consultant) on the relevant performance against the GPTs for the applicable target observation period.

The report will be made available to the relevant sustainability coordinator by no later than the date stipulated in the relevant instrument's applicable pricing supplement and will then be made available via a SENS announcement by the Margin Notification Date (to be defined in the relevant instrument pricing supplement) to investors.

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)
("Barloworld" or the "company" or the "group")

Registered office and business address
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Directors
Non-executive
NN Gwagwa (Chairman), N Chiaranda**, FNO Edozien ^, HH Hickey, MD Lynch-Bell*, NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid,
^ Nigeria, * UK, ** Italy
Executive directors
DM Sewela (Group Chief Executive), N Lila (Group Finance Director)

Group Company Secretary
Vasta Mhlongo

Group Investor Relations
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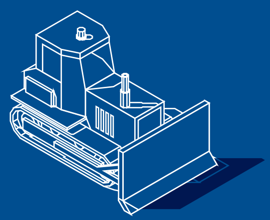

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