

# Ground-breaking B-BBEE deal transforms Bell operations

**Bell Equipment has concluded a Broad-Based Black Economic Empowerment (B-BBEE) agreement, effective 1 January 2020, that empowers our South African manufacturing subsidiary, Bell Equipment Company South Africa (BECSA) and further empowers the South African sales and distribution subsidiary, Bell Equipment Sales South Africa (BESSA).**

Commenting on the empowerment transaction, Bell Equipment Group Chief Executive Officer, Leon Goosen, said that both BECSA and BESSA are now effectively 51% black owned and aligned with Government's economic transformation policies. This will improve the B-BBEE scorecards of both entities and position the group more competitively in the South African market in addition to a number of other significant benefits.

"BECSA, as a 51% black owned entity, will benefit from continued access to Automotive Production and Development Programme (APDP) funding, the ability to increase manufacturing throughput and encourage the drive for greater industrialisation. We estimate BECSA to achieve a Level 3 B-BBEE recognition.

"This transformation is also advantageous to Bell customers as BESSA is a 51% black owned and 30% black women owned entity, with an estimated Level 1 B-BBEE recognition, allowing our customers to maximize the benefit of their procurement spend from BESSA. In addition, an improved B-BBEE level, coupled with our local manufacturing, is aligned with the goals of the 2018 Mining Charter and SANRAL's transformation goals," explained Leon.

BESSA became 30% black women owned in April 2017 when shares were sold to BEE shareholders - 22,5% to Sibi Capital (Pty) Ltd, a 100% Black women owned and managed company, with Sindisiwe Mabaso-Koyana and Bharti Harie as the ultimate shareholders, and 7,5% to a B-BBEE trust,

the Bell Equipment Foundation, which benefits black female beneficiaries. Both Sibi Capital and the Foundation participate in the current empowerment transaction with a direct shareholding of 7,5% each in BECSA. "Our partnership with Sibi Capital and the Foundation has proven successful as they are aligned to our business and we have a solid foundation on which to build a long-term relationship that can add value to our business," said Leon.

## **Black management shareholders**

A black management company, comprising of current Bell executives, Avishkar Goordeen, Dominic Chinnappen, Duncan Mashika, Bruce Ndlela and Niraj Andhee as well as the Bell Foundation hold an effective 36% share in BECSA and a 21% share in BESSA.

"The Bell management team making up the BEE management company are a well-balanced and highly qualified team with years of institutional knowledge. They bring together the necessary manufacturing expertise, new business development focus, sales and distribution skills and are able to continue to spearhead interactions with the private and public sectors. Provision has also been made through the structure to allow for future managers to participate," said Leon.

"This B-BBEE transaction reflects our commitment to South Africa and we wish our partners well in their new roles as we begin a new chapter of the Bell legacy together. We are excited about the future of our country and believe that our entities are now optimally positioned to continue to deliver our premium product range and comprehensive support network for the maximum benefit of our customers," concluded Leon.

**At the signing ceremony were (seated from left): Bruce Ndlela (Business Development Director, BESSA), Duncan Mashika (Managing Director, BESSA), Dominic Chinnappen (Managing Director, BECSA), Niraj Andhee (General Manager: SA Manufacturing & Material Planning, BECSA), Diana McIlrath (Company Secretary, Bell Equipment Group); Karen van Hagt (CFO, Bell Equipment Group), Avishkar Goordeen (Chief Strategy Officer, Bell Equipment Group), Bharti Harie (Sibi Capital), Sindi Mabaso-Koyana (Sibi Capital), Zinhle Dlamini (Bell Equipment Foundation Trust beneficiary); (standing from left): Gary Bell (Chairman, Bell Equipment Group), Tiisetso Masimula (Transcend Capital), Xolisa Beja (Beja Attorneys Inc.), Bruce Hunt (Transcend Capital), Leon Goosen (CEO, Bell Equipment Group) and Craig Brown (Finance Director, BECSA).**

