

The background of the cover features a hand pointing at a futuristic digital interface. The interface displays various data visualizations, including a pie chart, a map of Indonesia, and several line graphs. Floating above the interface are icons representing global connectivity (globe), wireless signals (curved lines), and a house with a signal tower, symbolizing seamless connectivity. The overall color scheme is dark blue with glowing light blue and white elements.

# Telkom

Seamlessly  
connecting our  
customers to a  
better life

The Group's remuneration policy and implementation ensure equitable, fair and justifiable remuneration to reward and stimulate a culture of high performance.

Telkom SA SOC Ltd

## Remuneration Report

For the year ended  
31 March 2025

# Telkom's reporting suite

Welcome to the integrated report of Telkom SA SOC Ltd (Telkom or the Group) for the financial year ended 31 March 2025 (FY2025 or the year).

We are committed to providing stakeholders with transparent, relevant and integrated information to support informed decision-making about Telkom.

Our reporting suite caters to the diverse needs of stakeholders and is available on our Group website under investor relations: <https://group.telkom.co.za/ir/>

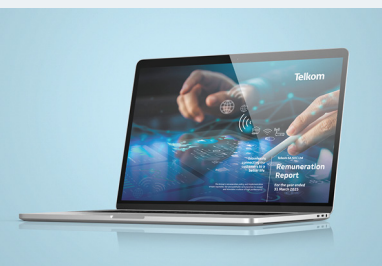
## 1 Integrated report

Our integrated report is our primary means of communication to stakeholders. It provides a holistic view of how our strategy, its implementation and operational performance contribute to value creation, preservation or erosion over the short, medium and long term period, and in relation to the six capitals.

It also summarises our impact on the economy, society and the environment, including our contribution to the United Nations Sustainable Development Goals (SDGs).

### Key frameworks and standards applied:

- Integrated Reporting Framework (<IR> Framework)
- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)<sup>1</sup>
- South African Companies Act, 71 of 2008, as amended (Companies Act)
- Johannesburg Stock Exchange (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements



## 2 Financial information

- Audited annual financial statements
- Annual results announcement
- Annual results presentation

Our audited annual financial statements provide detailed information on the Group's financial performance. The annual results information is a summary of the year's performance.

### Key frameworks and standards applied:

- International Financial Reporting Standards (IFRS® Accounting Standards)
- JSE Listings Requirements
- Companies Act
- King IV

## 3 Governance, risk management and assurance

- Remuneration report
- King IV application report
- Board charter and Committee terms of reference
- Declarations of conflict of interest
- Ethics pledges

Governance and risk information is included in our integrated report. It is supplemented by information relating to policies and practices of the Board and a detailed remuneration report.

### Key frameworks and standards applied:

- King IV
- JSE Listings Requirements and Debt and Specialist Securities Listings Requirements
- Companies Act

## 4 Risk management, compliance and assurance

- Enterprise risk management principles
- Assurance statement

Risk information in the integrated report is supplemented by the enterprise risk management principles.

The assurance statement provides a moderate independent opinion on selected non-financial key performance indicators (KPIs), performed in accordance with the AA1000AS Type II requirements.

### Key frameworks and standards applied:

- ISO 31000 Risk Management Guidelines
- AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

## 5 Shareholder information

- Notice of annual general meeting (AGM)
- Form of proxy

This provides shareholders with information regarding resolutions to be voted on. The hybrid AGM will be held on 21 August 2025.

### Key frameworks and standards applied:

- JSE Listings Requirements and Debt and Specialist Securities Listings Requirements
- Companies Act
- King IV

## 6 Other reports to society

- Carbon Disclosure Project (CDP) climate change report
- Telkom Foundation annual report
- Sustainability fast read

The CDP climate change report outlines our initiatives, strategies and performance related to climate change mitigation and adaptation, as disclosed on the CDP platform.

The Telkom Foundation's annual report highlights how Telkom contributes to transforming disadvantaged communities through sustainable development programmes.

The inaugural sustainability fast read offers a concise overview of key sustainability initiatives and outcomes for FY2025.

<sup>1</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.



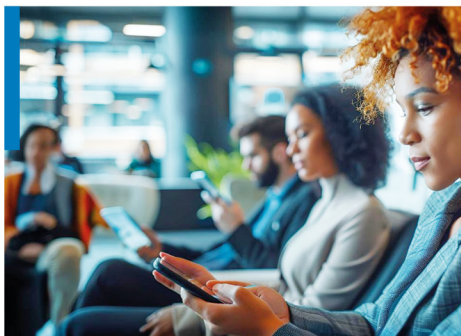
## Our approach

Telkom is pleased to present the Group remuneration policy and implementation report for FY2025.

This report aims to provide our stakeholders with transparent remuneration information that demonstrates good governance and ethical, fair and sustainable remuneration decisions.

The remuneration report is for the financial year from 1 April 2024 to 31 March 2025 (FY2025 or the year) and should be read together with our FY2025 integrated report.

The report focuses on Telkom SA SOC Ltd, representing Telkom Group (Telkom or the Group), which comprises Telkom Company and its subsidiaries. Telkom Company comprises the Corporate Centre (now including Gyro) and a division, Telkom Consumer. Telkom's operating subsidiaries are Openserve and BCX.



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## Board approval

The Board of Directors (the Board) acknowledges its responsibility for the integrity of Telkom's remuneration report.

The Board confirms that the report leveraged the assurance obtained from Telkom's internal and external assurance providers.

The Board approved the report on 15 July 2025.

|   |   |  |   |
|---|---|--|---|
| Mvuleni<br>Geoffrey<br>Qhena<br>Board Chairperson | Serame<br>Taukobong<br>Group Chief<br>Executive Officer<br>(GCEO) | Nonkululeko<br>Dlamini<br>Group Chief<br>Financial Officer<br>(GCFO) |   |
| Sibusiso<br>Sibisi<br>Non-executive<br>Director   | Ethel<br>Matenge-<br>Sebesho<br>Non-executive<br>Director         | Ipeleng<br>Selele<br>Non-executive<br>Director                       | Keith Rayner<br>Non-executive<br>Director |
| Olufunke<br>Ighodaro<br>Non-executive<br>Director | Brian<br>Kennedy<br>Non-executive<br>Director                     | Prudence<br>Lebina<br>Non-executive<br>Director                      | Mlamli Booï<br>Non-executive<br>Director  |
| Sibusiso Luthuli<br>Non-executive<br>Director     | Herman<br>Singh<br>Non-executive<br>Director                      | Mand'lesilo<br>Msimang<br>Non-executive<br>Director                  | Sung Yoon<br>Non-executive<br>Director    |

## Feedback



### We value stakeholder feedback.

Please share your experience with this report by contacting our investor relations team at [telkomir@telkom.co.za](mailto:telkomir@telkom.co.za)

# Chairperson's background statement

1

The Remuneration Committee (Remco or the Committee) enables the Board to execute its mandate by ensuring a competitive, equitable, transparent and responsible remuneration strategy and policy. We aim to attract, retain and engage the talent required for sustainably achieving the Group's strategic objectives.

Our remuneration policy was positively received by shareholders at the 2024 AGM. It remains fit for purpose to attract and retain the talent needed to drive short- and long-term Group performance and create value for our stakeholders.

Remco is satisfied that the Group's remuneration policy achieved its objectives in FY2025.



Remco reviews the remuneration strategy and management of the Group's remuneration practices in line with its terms of reference<sup>1</sup> and annual work plan.

The Committee provides strategic oversight to ensure that:

- Transparent disclosure enables stakeholders to reasonably assess that business strategy outcomes and the implementation of the Group's remuneration and governance policies are aligned
- The Group adheres to the Companies Act, King IV principles on remuneration governance, and JSE Listings Requirements

<sup>1</sup> The Committee's terms of reference is available online.

"On behalf of Remco and the Board, I am pleased to present this report outlining our remuneration policy and implementation outcomes for FY2025.

In line with the Telkom PIVOT Strategy, Remco focused on the achievement of sustainable business performance and strong financial performance to create value for shareholders and employees."

## Shareholder engagement

I thank all shareholders for your continued engagement, feedback and support throughout the year. Your active interest and thoughtful contributions play a vital role in shaping our approach to executive remuneration and governance.

We value the trust you place in us and are committed to ensuring that our remuneration policies are fair, transparent and aligned with the long-term interests of our shareholders, employees and the business as a whole.

As we move forward, we will continue to listen to your views and strive to uphold the highest standards of accountability and performance. Your engagement strengthens our governance framework and reinforces our shared commitment to sustainable value creation. Please direct comments and queries to our Company Secretary via email at [secretariat@telkom.co.za](mailto:secretariat@telkom.co.za).

## Material shareholder concerns

The Board Chairperson and I engaged extensively with shareholders on remuneration matters ahead of our 2024 AGM.

Shareholders raised concerns regarding:

- Short-term incentive (STI) targets
- Forfeitable share plan (FSP) considerations
- The Companies Amendment Act, 16 of 2024

As in previous years, we sought to address their feedback in our evolving practices and disclosures. This sometimes required us to balance diverse shareholder views.

We considered the outcome of the FY2024 shareholder concerns benchmark study and will implement its recommendations in FY2026. On the following page, we summarise shareholder concerns, benchmarking outcomes and next steps.

Remco confirms that the benchmark report was properly considered and shareholder concerns swiftly acted upon.





**Shareholder feedback****Next steps**

In response to shareholder concerns, an independent benchmark study was conducted by advisory partner Deloitte on behalf of Remco. It involved peer group benchmarking, a review of the FY2025 STI Group and GCEO scorecards, long-term incentive (LTI) plan, and consideration of the Companies Amendment Act.

**Short-term incentives**

Shareholders raised the following concerns:

- The weighting of financial metrics in the Group scorecard was reduced from 60% in FY2024 to 50% in FY2025
- Return on invested capital (ROIC) should be included in the STI and LTI scorecards to focus management on improving returns on invested capital and assets
- Governance metrics should be excluded from environmental, social and governance (ESG) considerations as they should happen during the normal course of business

The following changes were approved and will be implemented in the FY2026 Group and GCEO scorecards:

**Group performance areas**

- Financial: Weighting increased to 65% (FY2025: 50%)
- Customer: Weighting unchanged at 15% due to the strategic focus on growing customer subscriptions and prioritising high-touch client accounts
- Strategic execution: Weighting reduced to 10% (FY2025: 20%)
- ESG: Removed Governance metrics and the weighting is reduced to 10% (FY2025: 15%)

**Financial metrics**

- Group profit after tax (PAT): Weighting increased to 25% (FY2025: 20%)
- Group revenue: Weighting increased to 20% (FY2025: 10%)
- Group free cash flow (FCF): Weighting is unchanged at 20%

Remco noted that ROIC has a significant weighting in the LTI scorecard. This should focus management on improving returns over the medium term.

**GCEO scorecard**

- Strategic execution increased to 60% (FY2025: 40%)
- Leadership decreased to 20% (FY2025: 40%)
- ESG weighting unchanged at 20%

**Long-term incentives**

Shareholders raised two concerns:

- Share plan participants earn dividends on unvested shares
- The GCEO's minimum shareholding requirement (MSR) should increase from 200% of guaranteed pay (GP) to 300%

**LTI plan (dividend eligibility)**

- The Telkom share plan rules provide limited flexibility on voting rights and dividends. The 2023 LTI plan and scheme were reviewed and approved in FY2024, and the first allocation under the plan was made in December 2024 (FY2025). As the plan and scheme are new, Remco will assess the performance outcomes of the first three years before making changes
- In future, Remco will consider reviewing the LTI plan and scheme in accordance with governance processes to consult and obtain shareholder approval for new share plan rules

**Minimum shareholding requirement**

- Remco is of the view that the approved MSR build-up of 200% is market-related for a GCEO leading a company like Telkom
- In future, Remco will review the MSR in line with the GCEO's market target pay rate and on-target LTI opportunities

## FY2024 remuneration voting outcomes

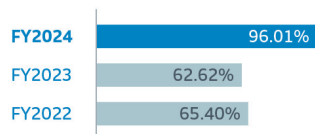
The remuneration policy and implementation report are subject to non-binding advisory votes at the AGM. The graph below shows the percentage of votes received in favour, and the approval for Non-executive Directors' fees. The strong support indicates that shareholders were satisfied with the FY2024 remuneration policy and implementation report.

We will continue to improve and address shareholder concerns.

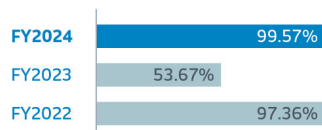
### Remuneration policy



### Implementation report



### Non-executive Directors' fees



We will present our FY2025 remuneration policy and implementation report for separate non-binding votes at the AGM on 21 August 2025, with the resolutions included in the FY2025 notice of AGM.

Should either the policy or the implementation report receive 25% or more dissenting votes, the Group will:

- 1 Issue an announcement on the AGM voting results on the JSE's Stock Exchange News Service (SENS).
- 2 Invite dissenting shareholders to engage formally with Remco.
- 3 Schedule collective or individual shareholder engagements to determine the reasons for the dissenting votes and take reasonable steps to resolve legitimate shareholder concerns.
- 4 Respond formally to participating shareholders, noting concerns raised and providing detailed responses where changes are made to address concerns.

**We have progressed in our remuneration philosophy, principles and practices over the past three years.**

## Access to information and advisors

Remco Members have access to the information required to inform their independent judgement on remuneration-related matters, including risk, regulation, compliance, the control environment, and conduct.

Deloitte is an independent advisor to Remco, advising on our remuneration strategy framework, external market trends and practices, fit-for-purpose remuneration, retention strategies and executive remuneration. Their advice was objective and unbiased. Deloitte does not provide remuneration advisory services to management.

REMchannel<sup>®</sup> provides market benchmarking data and general reward advisory services to management. Internal control functions, including Group Human Capital, Group Finance, Risk, Compliance and Group Internal Audit, provide Remco with supporting information and documentation.

Group Finance is actively involved in the formulation and measurement of metrics for the short-term and long-term incentives and related determination and distribution of the pools and vesting outcome.

## A performance year to remember

FY2025 was a year of exceptional progress, resilience and achievement. Telkom's strong financial results were fuelled by commitment, innovation and shared purpose. Remco engaged effectively to ensure sustainable performance growth that creates shared value for shareholders and employees.

By meeting financial targets, realising operational efficiencies, advancing strategic priorities and strengthening our culture, we have laid a foundation for sustained success.

The following are some of the highlights:

- Enhanced customer experience: Revenue grew by 3.3% (FY2024: 1.5%)
- Improved operational efficiency: Cost-to-income ratio reduced to 75.1% (FY2024: 78.4%)
- Steered sustainable Group profitability: Earnings before interest, tax, depreciation and amortisation (EBITDA) margin of 26.9% (FY2024: 22.2%)
- Strengthened our balance sheet: Concluded the disposal of Swiftnet, realising cash proceeds of R6.6 billion
- Improved cash generation: FCF increased by 555.2% to R2.8 billion (FY2024: R424 million)

- FY2025 share price growth was 83.05% compared to an average of 7.38% growth over the past three years.

### Share price growth – 5 years



### Share price detail

|                      |             |
|----------------------|-------------|
| Closing price        | 4 320.00    |
| 52-week high         | 4 421.00    |
| 52-week low          | 2 156.00    |
| 5-day average volume | 969 967     |
| Beta value           | 0.83        |
| Currency             | ZAc         |
| Shares outstanding   | 499 million |

### Percentage change

|                             |       |
|-----------------------------|-------|
| 1 day                       | 7.77  |
| 5 days                      | 6.18  |
| 3 months                    | 23.24 |
| 6 months                    | 18.79 |
| Month to date               | 10.73 |
| Year to date                | 23.31 |
| Year to date relative index | 7.28  |

Our collective efforts have positioned us for even greater impact going forward. We are humbled by what we have accomplished and energised by the opportunities that lie ahead.



FY2025 key performance considerations

Challenging macro-economic factors had both direct and indirect impacts on Telkom's ability to achieve its short- to long-term strategic objectives. Remco continues to monitor this through business and people risks.

Direct macro-economic headwinds included low average GDP growth (0.6%), average inflation between 3% and 6%, interest rates and the weakening rand. These negatively impacted consumer spending, employees' cost of living and the Group's operational costs. High unemployment and retrenchments further strained both consumers and employees.

We continued to uphold operational efficiency and effectiveness across the Group, guided by our operating model. This also guided our ongoing review of headcount and cost management. BCX embarked on a second round of restructuring to reduce employee costs. This process was concluded in December 2024, resulting in a 4% reduction in Group headcount, which led to cost savings of 6% for FY2025.

Remuneration strategy framework

- The remuneration strategy framework is benchmarked annually by Deloitte. This ensures that:
- Our total remuneration policy and performance conditions are clearly defined and linked to Telkom's strategy
  - Our ESG objectives are embedded to drive accountability for their achievement

We applied best practices and fit-for-purpose governance principles in developing the remuneration strategy framework. This framework enables us to attract and retain diverse talent to drive the Group strategy through the shared values of OneTelkom. This cultivates a high-performance culture and enables effective succession planning and leadership development.

The table below and the key principles alongside outline the Group's remuneration strategy framework.

| Philosophy  | Principles  | Pay mix     |  |   |
|---|---|-------------|--|---|
|   |   | Components  | What we offer  | Outcome (why)   |
| Retain remuneration and a hybrid work model as key elements of our employee value proposition<br><br>Ensure a stable and effective leadership team        | Set remuneration at levels that are competitive with the rest of the market       | GP          | Market-related salaries  | Enables the Group to attract, motivate and retain diverse talent with the right mix of skills |
| Enable the sustainable achievement of the Group strategy by annually setting clear, weighted financial, non-financial and ESG metrics and stretch targets | Reward eligible participants for achieving the Group's short-term stretch targets | STI         | Reward stretch performance meaningfully  | Encourages achievement of targeted performance levels.<br>Promotes a high-performance culture |
| Align participants' interests with those of shareholders  | Motivate and retain key talent  | LTI         | Full-value share awards. Full shareholder rights, including rights to distributions and voting | Rewards sustainable long-term performance.<br>Promotes a high-performance culture             |
| Incorporate individual, business unit and Group recognition in the recognition framework  | Embody our shared values  | Recognition | Monetary and non-monetary recognition awards   | Recognises individuals for exceptional efforts  |

Target setting

Designing strategy-aligned scorecards as part of the annual remuneration strategy review.

Line of sight

Driving line of sight through stretch performance outcomes at Group, business unit and individual levels.

Linking pay to desired outcomes

- The STI scheme only rewards exceptional and sustainable individual and collective business results.
- The LTI scheme parameters create meaningful shared value and effectively manage underperformance.



## FY2025 summary of remuneration policy changes

The remuneration policy is a critical part of our employee value proposition, enabling the Group to mitigate people risks while embedding a high-performance culture.

The shareholder engagements, together with our annual assessment, resulted in the following changes to the policy:

- Benchmarked Executive Directors' remuneration and the pay mix of Group Prescribed Officers' for on-target performance relative to the market
- Increased alignment with Group strategy through the Group, business unit and individual scorecards
- Reviewed and tested the STI and LTI schemes to ensure they drive sustainable growth and strategic performance achievement over the short and long term
- Continued to ensure that ESG metrics are integrated into the performance conditions of the STI and LTI schemes
- Conducted a fair pay analysis and introduced a fair pay policy to further guide remuneration decisions that are ethical, fair and responsible ([page 11](#))

## Governance and key decisions

### Committee composition and meeting attendance

The Committee's composition and Members' attendance at the four regular and three special meetings<sup>1</sup> held in FY2025 are shown below. All Members achieved 100% attendance.

| Name                   | Designation | Meeting dates |       |       |       |       |       |       | Total attendance |
|------------------------|-------------|---------------|-------|-------|-------|-------|-------|-------|------------------|
|                        |             | 26/04         | 24/05 | 10/06 | 12/11 | 09/12 | 21/02 | 18/03 |                  |
| <b>B Kennedy</b>       | Chairperson | Yes           | Yes   | Yes   | Yes   | Yes   | Yes   | Yes   | 100%             |
| <b>O Ighodaro</b>      | Member      | Yes           | Yes   | Yes   | Yes   | Yes   | Yes   | Yes   | 100%             |
| <b>P Lebina*</b>       | Member      | N/A           | N/A   | N/A   | Yes   | Yes   | Yes   | Yes   | 100%             |
| <b>MG Qhena</b>        | Member      | Yes           | Yes   | Yes   | Yes   | Yes   | Yes   | Yes   | 100%             |
| <b>LL Von Zeuner**</b> | Member      | Yes           | Yes   | Yes   | N/A   | N/A   | N/A   | N/A   | 100%             |

\* Ms Lebina joined Remco in August 2024. She is a seasoned senior executive, and we are already benefiting from her contributions.

\*\* Mr Von Zeuner stepped down from Remco at the 2024 AGM following his retirement from the Board. We are grateful for his contribution to Remco over several years, including his role as Risk Committee Chairperson.

<sup>1</sup> The following special meetings were required to obtain approvals for key deliverables:

26/04: Approval of the Group and business unit scorecards.

10/06: Approval of the FY2024 STI payments and LTI vesting.

09/12: Approval of the FY2025 LTI share award allocation.

## Remco priorities and key decisions

### Average GP increase

Executive Directors, Group Prescribed Officers and management received a 5.5% increase, aligned with the Group's financial affordability and individual performance outcomes (targeted band).

The Group implemented a wage settlement for bargaining unit employees for the period from 1 April 2023 to 31 March 2026. The FY2025 and FY2026 conditions are both for a 5% salary increase, calculated on the 50th percentile of market functional areas. The wage settlement agreement's terms and conditions do not apply to BCX, as governed by the recognition agreement.

### FY2025 STI scheme rules

The STI scheme remains unchanged. Remco approved:

- The STI plan: Provides the mechanics for STI self-funding. The plan is linked to the predetermined financial business plan and performance targets at both Group and business unit levels. The plan targets are set at threshold, target and maximum for the year.
- The Group and business unit scorecard structure: The scorecards for the Group and business units focus on financial and non-financial metrics, as outlined on [page 12](#). These short-term performance metrics are reviewed annually and benchmarked against a market peer and comparator group.

Subject to the performance achieved, the maximum STI pool provision is capped at 20% of PAT. The pool may be triggered at the minimum threshold provision of 25% to the maximum cap of 150% of the performance achieved. The FY2025 STI pool provision is R711 million, based on the R3 630 million PAT achievement. This provides employees with a 14.3% profit share.





## Retention strategy and scheme

Remco approved a focused retention strategy and scheme to ensure we are agile in addressing people-related risks in line with our long-term strategic objectives. The retention strategy considers macro talent challenges, the business strategy, and the remuneration strategy framework.

The retention scheme consists of both a cash and LTI component as part of the approved variable pay scheme. It aims to attract and retain the critical, scarce and core talent needed to achieve long-term business objectives and deliver shareholder value and returns. The scheme will be implemented in FY2026.

### Retention strategy

#### Competition for skills in the South African labour market:

In an already challenging employment market, demand for our talent poses a significant risk to attracting and retaining critical and scarce skills.

**Leadership stability:** The business recently went through a period of significant change and disruption. As Telkom continues to restore competitiveness, leadership stability is critical to ensure we operate profitably and sustainably.

**Employee value proposition:** Telkom has a significant task to mature its employee value proposition. There must be no compromise on the capability and talent we recruit and retain in the business.

**Repositioning Telkom:** The business transformation ahead will call for a more engaged workforce. Adopting a business owner mindset and executing the turnaround strategy will support the retention of critical and talented employees to deliver on our strategic objectives.

### Retention scheme

The retention scheme is self funded within the approved STI plan and LTI FSP rules to ensure financial sustainability and long-term business

performance achievement. The scheme offers once off allocations per identified employee, and considers the following:

**Performance conditions** linked to the performance scorecard and vesting conditions.

**The scheme awards short-term and long-term performance** achievement in line with the current approved scheme rules

- STI subject to performance condition outcome, eligible employees may receive an on target STI of 30% to a maximum of 100%
- LTI subject to performance condition outcome, eligible employees may receive an on target LTI of 20% to a maximum of 100%

**Identified eligible employees** will be approved by the Board.

### Share vesting outcomes

In line with the FSP, share awards for the long-term incentive plan (LTIP) and employee share ownership plan (ESOP) vested according to the scheme rules and subject to the evaluation of performance conditions. The vesting took place on 1 July 2024.

The shares vested as follows:

**2019 LTIP share award:** 55% of the third and final tranche (20%) of shares vested, based on partial achievement of the performance conditions.

**2021 LTIP share award:** 50% of the first tranche (50%) of shares vested, based on partial achievement of the performance conditions.

**2021 ESOP share award:** 50% of the shares awarded vested, based on partial achievement of the performance conditions.

### FY2025 LTI awards

5 682 320 forfeitable shares under the LTIP were awarded to critical talent in line with the scheme rules in December 2024. The allocated

shares will be subject to performance conditions and a three-year cliff vesting.

Details of the performance vesting conditions and achieved targets for Executive Directors and Group Prescribed Officers are outlined on [page 28](#).

### Approval of 2020 talent share award vesting

The talent share award (TSA) vested in June 2023 and was paid after the closed period in 2024. 66.67% of the performance conditions were achieved in line with the rules of the LTI scheme.

Details of the performance vesting conditions and achieved targets for Executive Directors and Group Prescribed Officers are outlined on [page 29](#).

### Non-executive Directors' fees

Remco recommended a 5% increase in the all-inclusive fee structure for Non-executive Directors (NEDs) to shareholders at the 2024 AGM. Refer to [page 39](#).

## FY2026 Committee focus areas

We will continuously assess our total remuneration against external market trends and internal parity, and integrate fit-for-purpose best practice. This will be underpinned by governance to ensure our policies and structures support the sustainable achievement of Telkom's strategic objectives.

To achieve the strategic objectives, the Group scorecard leads and aligns the business unit and individual scorecards, promoting integration and providing a consistent framework for performance across the Group. The performance measures consider the broader Group and business unit strategies, and integrate Telkom's ESG strategy as part of running our business.

As part of the Group total remuneration offering, we aim to:

**Drive a high-performance culture by monitoring the implementation of the retention strategy and scheme.**

**Improve remuneration decisions, with ESG metrics/performance conditions included in the STI and LTI scheme rules.**

**Review the remuneration policy to ensure it aligns with the Companies Amendment Act and is fit for purpose to attract and retain talent.**

**Balance the remuneration mix for Executive Directors and Group Prescribed Officers to continuously align their interests with those of shareholders.**

### Fair and responsible pay objectives

We will continue to enhance our remuneration disclosures in line with regulatory requirements and best practices. This will ensure that our shareholders and other stakeholders can assess the effectiveness of our remuneration practices and provide us with constructive feedback.

## Appreciation

It is in Telkom's best interests to consider and balance all stakeholders' legitimate and reasonable needs, interests and expectations relating to our remuneration strategy, policy and practices.

We value our shareholders' perspectives and will encourage open engagement and transparent dialogue at the upcoming AGM.

I thank the Board, my fellow Committee Members, our advisors and management for their support and hard work during the year.

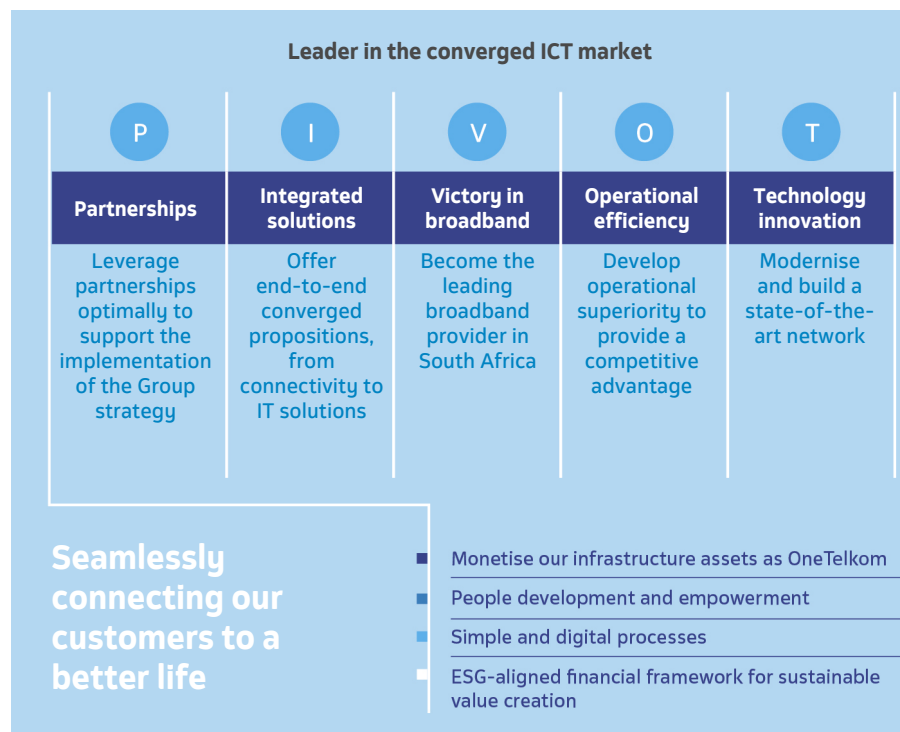
**Brian Kennedy**  
Chairperson  
Remuneration Committee

# Remuneration policy

## 2

### Remuneration and strategy

Telkom's ambition is to lead in the converged information and communications technology (ICT) market by seamlessly connecting our customers to a better life. To achieve this, the Group pursues various objectives under the five pillars of its PIVOT Strategy. To ensure long-term sustainability for our stakeholders, all remuneration elements are linked to the PIVOT Strategy.



Remco ensures that Telkom's remuneration policy and practices align with the Companies Act, [King IV](#) principles and guidance notes, and the [JSE Listings Requirements](#). This policy should be read with reference to these and other regulatory and governance frameworks related to people management.

Shareholders will be asked to cast a non-binding advisory vote on the remuneration policy, as outlined in this section. Refer to Ordinary Resolution Number 5.1 in the [Notice of AGM](#) for details.









## Role of Remco

Remco supports the Board in fulfilling its responsibilities to stakeholders regarding the appointment, remuneration, development and succession of Executive Directors and Group Prescribed Officers.

In line with the Group's fair and responsible pay principles, the Committee considers the remuneration of all employee levels relative to that of Executive Directors and Group Prescribed Officers. Remco further provides a channel of communication between the Board and management on remuneration matters.

Remco's role and responsibilities include:

|   |   |  |
|---|---|--|
|    | <b>Reward strategies</b>                                  | <ul style="list-style-type: none"> <li>- Ensuring competitive reward strategies and programmes are in place to facilitate the recruitment, motivation and retention of high-performing employees at all levels in support of corporate objectives and shareholder interests</li> <li>- Ensuring remuneration is competitive, fair, equitable and responsible</li> </ul>  |
|    | <b>Employment terms and salary structures and schemes</b> | <ul style="list-style-type: none"> <li>- Reviewing and recommending to the Board the terms upon which Executive Directors are employed and remunerated, and approving such terms for Group Prescribed Officers</li> <li>- Reviewing the design and management of salary structures, policies and variable pay schemes to drive line of sight through stretch Group, business unit and individual performance outcomes aligned with the Group strategy</li> <li>- Recommending the total remuneration of Executive Directors to the Board, and approving the remuneration of Executive Directors and Group Prescribed Officers</li> </ul> |
|  | <b>Compliance</b>   | <ul style="list-style-type: none"> <li>- Ensuring compliance with the applicable policies, rules, regulatory and disclosure requirements</li> </ul>  |
|  | <b>Other human capital matters</b>                        | <ul style="list-style-type: none"> <li>- Considering and making recommendations on all human capital matters related to business transformation</li> <li>- Recommending the succession planning policy and procedures for the Group Executive Committee (Exco) – other than Executive Directors – and the extended executive team to the Board</li> </ul>  |

The Committee also recommends NEDs' fees to the Board for shareholder approval. Further details of the Committee's terms of reference, which should be read in conjunction with this policy, are available online.

## Governance and risk management

Our remuneration structure aligns with the Group strategy and agreed risk appetite framework. It seeks to reward performance fairly, responsibly and transparently. We review remuneration risk to ensure remuneration decisions enable the achievement of strategic business objectives and reflect the interests of all stakeholders.

Remco ensures the remuneration policy is transparent and reviews incentive plans annually for ongoing relevance and competitiveness. The variable remuneration includes malus and clawback provisions that apply to STIs and LTI shares.

### Annual STI provision

Remco considers the audited Group financial results annually to determine STI outcomes before any payments are made to Executive Directors, Group Prescribed Officers and eligible employees.

### LTIP vesting

The Committee reviews the tested performance conditions for shares to vest with reference to the Group's audited financial results before vesting is approved.

Group Internal Audit and our internal review assessed the STI and LTI performance achievements.

The Committee has the discretion to adjust the final STI payment and LTI vesting if circumstances warrant this.



Authority levels

Remco acts under the delegated authority of the Board to determine and recommend remuneration levels, except for the fees payable to NEDs that are subject to the approval of shareholders at the AGM. The authority levels are set out below.

| Item  | GCEO      | Remco     | Audit Committee | Board     | Shareholders |
|---|-----------|-----------|-----------------|-----------|--------------|
| Executive Directors' remuneration                                   |           | Recommend | Recommend       | Approve   |              |
| Group Prescribed Officers' remuneration                             | Recommend | Approve   |                 | Note      |              |
| Annual remuneration/salary review mandate for the rest of the Group | Recommend | Approve   |                 | Note      |              |
| Performance awards and targets for STI and LTI schemes              | Recommend | Approve   |                 | Note      |              |
| Remuneration policy and implementation report                       | Propose   | Recommend |                 | Approve   | Endorse      |
| NEDs' fees  | Propose   | Recommend |                 | Recommend | Approve      |

Fair, equitable and responsible pay

Telkom applies the principles of fair and responsible remuneration based on the complexity and the relative worth of jobs according to regulations governing equal pay for work of equal value. Our remuneration policy follows the same fundamental principles to ensure fair and responsible pay for all employees. We aim to ensure that remuneration is externally competitive and internally equitable.

To achieve this, we regularly review our practices to ensure that:

- Remuneration is appropriate for all levels across the Group's business units and functional areas
- Employees are paid according to their seniority, skills, competence and performance
- Pay differentiation is justified, non-discriminatory, fair and responsible

In addition, we will review our policy and practices to ensure they comply with the requirements of the Companies Amendment Act, 16 of 2024 and the Companies Second Amendment Act, 17 of 2024.

”

Fair remuneration acknowledges that all workers should receive a minimum level of remuneration that enables them to participate in the economy.

What is fair and responsible pay?

Telkom follows King IV's definition of fair and responsible pay. King IV defines this as remuneration that is aligned with the organisation's strategy and promotes sustainable value creation while ensuring internal equity.

According to King IV, executive pay should be justifiable relative to the broader employee population to address potential income disparities. Remuneration should be market-related, performance-linked and governed transparently to ensure oversight by the Board.

Furthermore, King IV recommends ethical, balanced and accountable pay practices that support long-term success and social fairness.

Equal pay for work of equal value guidelines

Equal pay for work of equal value, or pay equity, is a fundamental right in the workplace. It is enshrined in the Equal Remuneration Convention, 1951 (No 100) (International Labour Organization, 2003), which was ratified by South Africa.

Equal pay for work of equal value applies to employees of the same employer and is defined in two categories:

Fair pay (ethics)

- Impartial and free from discrimination, self-interest, prejudice or favouritism
- Rational, i.e. not based on irrational feelings or emotions
- Addresses inequality (current and/or historic)

Responsible pay (economics)

- Linked to sustainable value creation or positive outcomes
- Approved by the appropriate authority
- Subject to independent oversight





## Fair pay policy

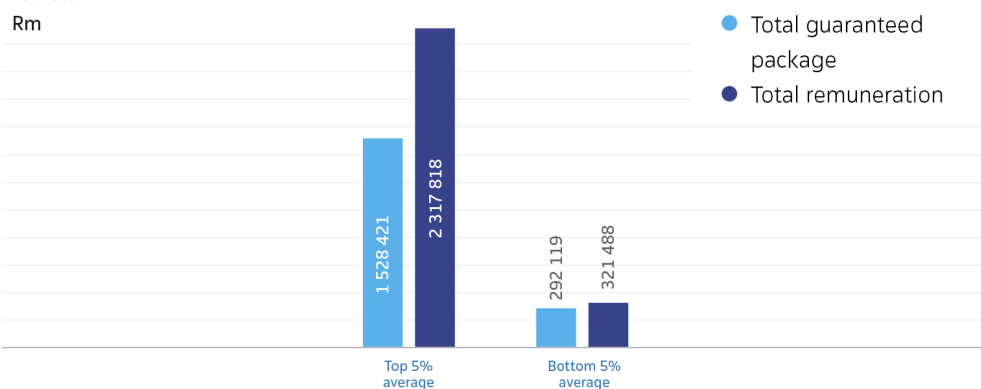
Remco approved the fair pay policy, which captures Telkom's fair pay philosophy. This policy will serve as the basis of the remuneration policy, ensuring it:

- Establishes a structure for fair and responsible pay practices that align with our Group values
- Supports our business objectives
- Meets the expectations of stakeholders in a sustainable manner

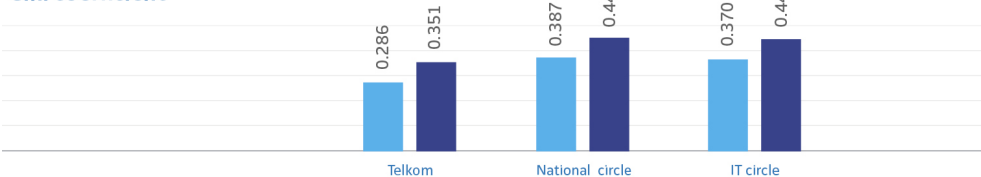
The policy principles will ensure that our pay decisions are fair and responsible.

### Telkom

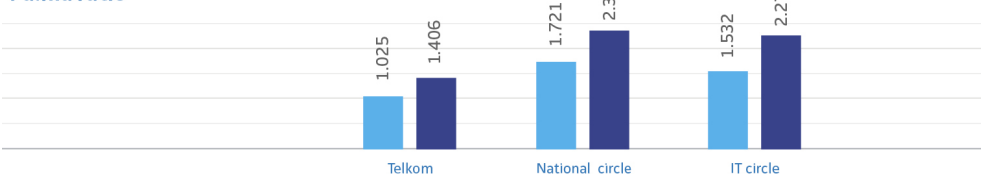
Rm



### Gini coefficient



### Palma ratio



## FY2025 fair pay analysis

We conducted a detailed fair pay analysis through REMchannel<sup>®</sup> to compare Telkom's wage gap with a comparator peer group in the ICT sector and national market. The aim was to ensure employees are compensated equitably, reflecting their value to the Group and aligning with internal and external benchmarks.

The analysis considered horizontal and vertical pay trends based on on-target and actual performances over three years. It considered the following remuneration ratios:

- Gini coefficient
- Palma ratio
- 5:5 (top 5% versus bottom 5%)

This analysis provided Remco with material insights to arrive at a balanced overall view of fair pay in the context of the wage gap.

The above ratios and tables indicate that Telkom compares favourably with the national market and ICT sector.

The fair pay policy will support our remuneration policy framework in ensuring that fair, ethical and responsible pay principles are applied consistently across the Group.

## External advice, benchmarking and comparator group review

As part of our annual review, we benchmark the remuneration of Executive Directors, Group Prescribed Officers and NEDs against the market median of the defined peer group using market benchmarks, best practice and other strategic factors.

The approved comparator group aligns with our business and competitor landscapes. It mainly comprises companies in the consumer business sector. Similar-sized companies from different sectors within the broader sectoral grouping are also included.

## Benchmarking remuneration with the market

- We consider business strategy, affordability, best practice, market conditions, skills requirements and shareholder feedback to set appropriate remuneration levels
- In addition to this, guaranteed packages and variable pay benefits on each grading level are benchmarked annually against the ICT sector and national market
- Jobs are matched to similar jobs in the market based on job scope, qualifications and years of experience to ensure accurate matching
- Remuneration is generally positioned at the market median. High-performing, critical and talented employees may be remunerated up to the upper quartile of the market to mitigate flight risk
- Independent advisors assist with the benchmarking to ensure decisions are objective and fair. They also provide general advice, including leading market practices. The Group uses Deloitte and REMchannel<sup>®</sup> to benchmark the remuneration of management and bargaining unit employees. The Committee is satisfied that they were independent and objective.

## Non-executive Directors, Executive Directors and Group Prescribed Officers

- NEDs' fees are periodically benchmarked independently by Deloitte. Remco considers the benchmark outcome among other factors to recommend annual fee reviews to the Board. The Board presents these for shareholder approval at the AGM
- Deloitte benchmarked the remuneration mix of Executive Directors and Group Prescribed Officers against Telkom's peers to ensure alignment with the market and shareholders' interests

### Aligned to the Group's PIVOT Strategy

**Guaranteed pay** enables the Group to attract, motivate and retain diverse talent with the right mix of skills through competitive pay that reflects the right size, scope and complexity of the roles required to deliver on the business strategy.

|                     |   |           |  |           |   |           |  |   |           |
|---------------------|---|-----------|--|-----------|---|-----------|--|---|-----------|
|                     | <b>STI</b><br>Encourages discretionary effort by rewarding the achievement of exceptional performance outcomes relative to annual performance targets set to drive strategy execution. Three scorecards are used for STI: Group, business unit and individual scorecards. |           |  |           |   |           | <b>LTI</b><br>Enables the achievement of exceptional and sustainable long-term results by creating value-sharing opportunities for all employees. There are separate Group performance conditions for the LTI. |   |           |
|                     | Group scorecard   |           | Business unit scorecard  |           | Individual scorecard  |           | Group performance conditions – LTI   |   |           |
| Strategy priorities | KPIs  | Weighting | KPIs   | Weighting | KPIs  | Weighting | Strategy priorities  | KPIs                                      | Weighting |
| Financial           | <ul style="list-style-type: none"><li>- Group PAT before STI (Rm)</li><li>- Group revenue (Rm)</li><li>- Group FCF (Rm)</li></ul>   | 65%       | <ul style="list-style-type: none"><li>- External revenue (Rm)</li><li>- EBITDA before STI (Rm)</li><li>- FCF (Rm)</li></ul>  | 50% - 55% | Financial performance   | 100%      | Profit   | Headline earnings per share (HEPS) growth | 30%       |
| Strategic execution | <ul style="list-style-type: none"><li>- Business transformation</li></ul>   | 10%       | <ul style="list-style-type: none"><li>- Execute in line with the FY2026 approved business plan and scorecard</li></ul>   | 15% - 20% | Execution <ul style="list-style-type: none"><li>- Business unit and function specific</li></ul>   |           | Share value  | Total shareholder return (TSR)            | 30%       |
| Customers           | <ul style="list-style-type: none"><li>- Mobile subscriber growth</li><li>- Fibre subscriber growth</li><li>- Fibre to the home connected premises</li><li>- Revenue growth in the eight priority high-touch client accounts</li></ul>                                     | 15%       | <ul style="list-style-type: none"><li>- Improve customer experience</li><li>- Increase pre-paid performance</li><li>- Achieve customer satisfaction through digital channels and interaction net promoter score (iNPS)</li><li>- Revenue growth in the eight priority high-touch client accounts</li></ul> | 15%       | Leadership <ul style="list-style-type: none"><li>- People strategy</li><li>- Culture transformation</li><li>- Broad-based black economic empowerment (B-BBEE)</li></ul> |           |  | ROIC                                      | 25%       |
| ESG                 | <ul style="list-style-type: none"><li>- Annual CO<sub>2</sub> emissions reduction</li><li>- Culture transformation: Improve employee engagement</li><li>- Women in leadership (M5 and above)</li></ul>  | 10%       | <ul style="list-style-type: none"><li>- Improve employee engagement</li><li>- Compliance with assurance providers' findings</li><li>- Annual CO<sub>2</sub> emissions reduction</li></ul>  | 15% - 20% | <ul style="list-style-type: none"><li>- Systemic risk management</li><li>- Energy interventions</li></ul>   |           | ESG  | Business strategy                         | 15%       |

**FY2026 Executive Directors' and Prescribed Officers' individual scorecard is 20%, adding up to the Group and business unit weighted score of 100% (refer to the performance scorecard table on page 20 & 21).**

## Internal grading framework

Telkom uses a customised internal grading framework based on an approved job evaluation system to assess the relative worth and complexity of jobs. The framework considers the Employment Equity Act, equal pay for work of equal value principles, and achievement of strategic imperatives. The Group job grading framework is as follows:

| Hierarchical structure | GCEO       | GCFO/Group Prescribed Officers* | Group executives/Managing executives | Executives | Senior managers/Managers | Operational managers/Supervisors | Operational | Support |
|------------------------|------------|---------------------------------|--------------------------------------|------------|--------------------------|----------------------------------|-------------|---------|
| Grade/level            | M0         | M1                              | M2                                   | M/S3       | M/S4/M/S5                | M/S6                             | OP1         | OP2/A   |
| Category               | Management |                                 |                                      |            |                          | Bargaining unit employees        |             |         |

\* Refer to [page 14](#).

## Remuneration elements

Remuneration is balanced between GP and variable incentive schemes (STI and LTI) to align employee and shareholder interests over the long term.

Our remuneration mix aligns with the Group strategy, stimulating a high-performance culture and embedding OneTelkom's shared values.

Variable remuneration consists of STIs and LTIs. It is defined as pay-at-risk as it fully depends on and closely aligns with the achievement of strategic Group and business unit performance targets. Performance targets are set within the Group's overall risk appetite as challenging but realistic to achieve value creation and outperformance.

### Total remuneration and pay mix



### Pay mix

#### Guaranteed pay

Basic salary and benefits for all employees.

#### Short-term incentives

STI scheme for management, Executive Directors and Group Prescribed Officers.

Performance Pays scheme and 14th cheque for bargaining unit employees. Financial targets and weightings are set to ensure a pool will be available for performance at threshold, target and maximum for each participant level.

#### Long-term incentives

Forfeitable share plan (FSP) for management, Executive Directors and Group Prescribed Officers.

ESOP for bargaining unit employees.



## Pay mix applicability guide

## Applicability

| Policy element         |                 | GCEO | GCFO and Group Prescribed Officers | Management | Bargaining unit employees               |
|------------------------|-----------------|------|------------------------------------|------------|---|
| GP                     |                 | ✓    | ✓                                  | ✓          | ✓                                       |
| Benefits               |                 | ✓    | ✓                                  | ✓          | ✓                                       |
| STI                    |                 | ✓    | ✓                                  | ✓          | 14th cheque and Performance Pays scheme |
| LTI                    | Conditional FSP | ✓    | ✓                                  | ✓          | N/A                                     |
|                        | ESOP            | N/A  | N/A                                | N/A        | ✓                                       |
| Performance management |                 | ✓    | ✓                                  | ✓          | ✓                                       |



## Details of each pay element

## Guaranteed pay and benefits

The Group's fixed salaries and benefits are set at levels that are competitive with the rest of the market. There were no changes to this pay element from FY2024.

## Guaranteed pay

GP enables the Group to attract, motivate and retain diverse talent with the right mix of skills. It is competitive and reflects the size, scope and complexity of the roles required to deliver on the business strategy.

- GP is influenced by the scope of the role and the knowledge, skills and experience it requires
- Fixed GP comprises a basic pensionable salary, retirement provision and flexible benefits
- Salaries are paid monthly
- GP is reviewed as part of the Group's annual salary review, and approved increases are typically effected from 1 April each year
- The annual salary review considers several factors, including affordability, business performance, individual performance, market competitiveness, and economic indicators such as inflation, benchmark outcomes and other market movements
- Annual salary reviews for bargaining unit employees are subject to the outcomes of wage negotiations with recognised unions
- The Group's reference for GP is the median of the national market and/or ICT sector

## Benefits

## Medical aid

This is not compulsory but is strongly encouraged. The Company's contribution is included as part of the GP of employees. Bestmed, Discovery Health and Bonitas are recognised schemes.

## Retirement funding

- The Telkom Retirement Fund (TRF) is a defined contribution pension scheme, and participation is compulsory for permanent employees
- Management-level employees, Executive Directors and Group Prescribed Officers must participate in the Telkom Management Provident Fund, which is also a defined contribution scheme
- Contributions are based on the pensionable salary, and employees can choose their company TRF contribution level that ranges from 10% to 16%
- Company contributions are included as part of the GP of employees
- An investment option is determined based on each employee's risk profile
- The normal retirement age is 65 for all employees

**Benefits  
(continued)****Group life insurance (death benefit)**

- Employees who joined the TRF before 1 August 2018 are eligible for a death benefit calculated at three times the employee's annual basic pensionable salary plus spouse's and children's pensions over and above the lump sum payment
- Employees who joined the TRF from 1 August 2018 onwards are eligible for a death benefit calculated at five times the employee's annual basic salary payment

**Disability cover**

- Covers permanent and temporary disability
- The temporary disability income benefit is equal to 100% of the employee's monthly pensionable salary at the date of disability, subject to the rules of the scheme

**Reward and recognition framework**

The recognition policy was approved and implemented on 1 April 2024. The policy incorporates individual, business unit and Group recognition. It acknowledges and rewards employees for embodying our shared values and recognises them for exceptional efforts.

**Funeral benefit**

- Administered by the insurer, Guardrisk
- Monthly premiums are paid by the Company and are taxable

**Work-life balance**

- Our employees can maximise their work-life integration and balance without compromising their ability to thrive

**Career path**

- Employees can plot a career path and work towards achieving it with the help of a range of development options

**Internal career mobility**

- Career mobility is supported, as employees can move between our diverse business portfolios

**Governance**

- Remco considers the annual salary review proposals for Executive Directors and recommends these to the Board for approval. Remco approves the salary review proposals and mandates for Group Prescribed Officers, management and bargaining unit employees
- Non-performing Executive Directors, Group Prescribed Officers and management-level employees do not qualify for an annual salary increase
- Bargaining unit employees' salary increases and benefits are guided by wage agreements concluded between Telkom and recognised unions
- The Group considers salary adjustments outside the annual salary review process only in exceptional circumstances. These are subject to approval by the Board, Remco or GCEO based on employee level, and require a business and talent risk motivation

**Short-term incentives****STI scheme for Executive Directors, Group Prescribed Officers and senior management**

The STI is an annual cash incentive award made to eligible participants at the end of the financial year. It is determined based on the achievement of individual and Group performance targets.

**Purpose**

To reward eligible participants for achieving the Group's short-term stretch targets.

**Objectives**

- Setting metrics and targets that drive short-term imperatives sustainably
- Focusing on Group, business unit and individual performances based on each participant's line of sight and the behaviours required to drive Telkom's strategy
- Rewarding stretch performance more meaningfully

**Outcomes to be rewarded**

- Outstanding business performance
- Teamwork and collaboration among participants, encouraging them to work together towards shared objectives outlined in the Group and business unit scorecards
- Achieving or exceeding targeted performance levels annually
- Contributing to a high-performance culture that does not tolerate underperformance

STI scheme principles

The scheme enables the measurement of sustainable performance against financial and non-financial targets set out in the annual business plan and scorecards.

The short-term performance scorecard consists of the Group, business unit and individual key performance areas (KPA's) that ensure line of sight of the overall business objectives.

The scheme is self-funding through the provision of PAT capped at 20%, underpinned by the STI plan.

Should the Group or business unit perform below threshold, no STI will be payable, regardless of individual performance.

Targets for threshold, on-target and maximum are aligned with the Board-approved STI plan rules.

Financial targets and weightings are set out to measure performance achievement against target.

A

GP x Target Incentive %

X

B

(GS x W1 + BS x W2 + IS x W3)

X

C

Modifier

=

D

GS - Group scorecard

W1 - Weighting one

BS - Business unit scorecard

W2 - Weighting two

IS - Individual scorecard

W3 - Weighting three

The STI scheme formula is **A X B X C = D** where:

A – Eligible participant's GP multiplied by the on-target incentive percentage linked to their level

B – Percentage of target earned determined by actual performance achieved against agreed metrics and targets weighted for Group, business unit and individual performances

C – Modifier that can be applied to adjust for affordability or other relevant factors. Remco may modify incentives downwards by 15% for once-off events or to ensure affordability

D – Payable STI

**Governance**

Remco annually reviews and recommends the STI plan to the Board for approval.



STI scorecard

| Group performance           | Business unit performance           | Individual performance           |
|-----------------------------|-------------------------------------|----------------------------------|
| Group scorecard Weighting % | Business unit scorecard Weighting % | Individual scorecard Weighting % |

STI weightings

The short-term performance scorecard outlines the approved predetermined targets aligned to the business strategy. The scorecard is evaluated annually, and if the predetermined targets are achieved, this triggers the STI reward.

STI performance metrics

The performance scorecard consists of the following financial and non-financial metrics:

| Project focus area          | FY2026 Group weighting | FY2026 business unit weighting |
|-----------------------------|------------------------|--------------------------------|
| Financial                   | 65%                    | *50% - 55%                     |
| Strategic project execution | 10%                    | *15% - 20%                     |
| Customer appreciation       | 15%                    | 15%                            |
| ESG                         | 10%                    | *15% - 20%                     |
| Total                       | 100%                   | 100%                           |

\* The business unit weighting differs from the Group weighting in line with the approved FY2026 scorecard.

The table below shows the performance scorecard structure and how the STI is calculated based on the scorecard.

| Level | Role                       | Group weighting | Business unit weighting | Individual weighting |
|-------|----------------------------|-----------------|-------------------------|----------------------|
| M0    | GCEO                       | 80%             |                         | 20%                  |
| M1    | GCFO/CHRO/GCDO/CoCA/CCPO** | 80%             |                         | 20%                  |
| M1    | Business unit CEOs         | 60%             | 30%                     | 10%                  |
| M2    | Business unit              | 30%             | 40%                     | 30%                  |
| M3    | Executives                 | 20%             | 45%                     | 35%                  |
| M4/M5 | Senior managers/Managers   | 10%             | 50%                     | 40%                  |

\*\* Chief Human Resources Officer, (CHRO), Group Chief Digital Officer (GCDO), Chief of Corporate Affairs (CoCA), Chief Capital Projects Officer (CCPO).



## STI performance threshold

**Threshold:** The threshold payment will be set at R1 above approved budgeted PAT. This means the bonus pool provision commences at R1 above budgeted PAT.

**Target:** If target is achieved, a 100% factor is applied.

**Maximum/stretch:** If maximum is achieved, a 150% factor is applied.

Threshold per participating level (% of GP)

| Level                     | Grade | Title                                   | On-target |
|---------------------------|-------|---|-----------|
| Executive Directors       | M0    | GCEO                                    | 100%      |
|                           | M1    | GCFO                                    | 80%       |
| Group Prescribed Officers | M1    | Business unit CEOs and corporate chiefs | 80%       |
| Management                | M2    | Group executives/ Managing executives   | 55%       |
|                           | M3    | Executives                              | 30%       |
|                           | M4/M5 | Senior managers/ Managers               | 20%       |

## STI for bargaining unit employees

The STI scheme for the bargaining unit is called the Performance Pays scheme. It includes a 14th cheque and is applicable to employees at levels A to M/S6.

The table alongside summarises the mechanics of the Performance Pays scheme and the 14th cheque.

## Performance Pays scheme and 14th cheque

|                                     |  |
|-------------------------------------|--|
| <b>Purpose and link to strategy</b> | <ul style="list-style-type: none"> <li>- To encourage and reward discretionary effort that yields exceptional results</li> <li>- Measured against quarterly and annual Group, business unit and individual performance targets that illustrate execution of the strategy at operational employee level</li> </ul>  |
| <b>Principles</b>                   | <ul style="list-style-type: none"> <li>- Bargaining unit employees are eligible for a quarterly incentive, Performance Pays</li> <li>- Payment is linked to Group, business unit and individual performances</li> <li>- Net revenue achieved serves as the trigger for payment</li> <li>- Bargaining unit employees are further eligible for 14th cheques, subject to the Group achieving its annual financial targets and individuals meeting the annual targets outlined in their performance contracts</li> <li>- No incentive or 14th cheque is payable to employees who do not meet their individual performance outputs</li> </ul> |

## Long-term incentives

### LTI scheme for Executive Directors, Group Prescribed Officers and senior management

#### Purpose

- To reward sustainable long-term performance
- To attract, motivate and retain key talent
- To align participants' interests with those of shareholders
- To drive a high-performance culture within the Group

#### Principles

- Long-term share-based scheme
- Participants receive full-value share awards
- Employee level determines the value and the plan in which the employee participates
- Participants receive full shareholder rights, including rights to distributions and voting rights

#### Long-term incentive plan

- Full-value share awards are made to permanent employees in senior management roles
- Vesting of the share awards is subject to achieving the predetermined performance conditions
- Vesting occurs in full on the third anniversary of the award date

## LTI award amounts and target setting

The LTIP design ensures sufficient leverage between on-target and stretch performances to align shareholder and executive interests. Value creation by management can be rewarded to a maximum vesting opportunity of 200% of target vesting.

The share award is calculated using the volume-weighted average price (VWAP) of Telkom shares trading on the JSE on the approval date. The VWAP of Telkom shares is calculated from the first to the last day of the prohibited period.

## Weightings

| Level and description |                                 | Threshold<br>(if threshold is achieved, a 30% factor is applied) | Target<br>(if target is achieved, a 100% factor is applied) | Stretch<br>(if stretch is achieved this would be the maximum % of GP applied) |
|-----------------------|---------------------------------|--|---|---|
| <b>M0</b>             | GCEO, GCFO, Prescribed Officers | 45%  | 150%  | 300%  |
| <b>M1</b>             | Group/Managing Executives       | 30%  | 100%  | 200%  |
| <b>M2</b>             |                                 | 15%  | 50%   | 100%  |
| <b>M3</b>             | Executives                      | 9%   | 30%   | 60%   |
| <b>M4</b>             | Senior Managers                 | 4.5%   | 15%   | 30%   |
| <b>M5</b>             | Managers                        | 3%   | 10%   | 20%   |

## Vesting

A three-year cliff vesting approach is followed. This simplifies target setting and improves line of sight linked to decision-making time horizons.

## Minimum shareholding requirement

This encourages eligible participants holding shares in the Company to focus on ownership, reinforces alignment between executive and shareholder interests, and promotes a culture of long-term commitment to the Group.

MSRs for senior participants build up over five years. They are required to hold unencumbered shares expressed by number of shares equal to a multiple of GP. The MSR calculation is based on a multiple of the participant's GP, as follows:

- GCEO: **200%**
- GCFO and Group Prescribed Officers: **150%**
- Group executives/Managing executives: **15%**

## Malus and clawback

A separate malus and clawback policy covers the STI and LTI. Refer to [page 19](#).

## Determination of vesting % allocation

Remco annually approves the awards under the respective schemes, the related performance conditions, and the vesting of historical awards, subject to the outcomes of performance condition testing.

Remco assesses and reviews each Executive Director's and Group Prescribed Officer's compliance with the MSR policy annually, at the end of the build-up period, and every six months thereafter.

## Approved performance conditions framework for the LTI scheme

LTI performance targets cover revenue metrics, shareholder value and ESG:

- HEPS growth (30%): Relative to South African CPI and GDP growth
- TSR (30%): A peer group of companies comparison. The peer group was published in the FY2023 remuneration report and is unchanged
- ROIC (25%) relative to weighted average cost of capital: Measures the value created as the Group invests in profitable projects
- ESG metrics (15%):
  - Scope 1 and 2 emissions reduction over the next three years as per the ESG strategy (10%)
  - Promoting development projects and activities that support SMME procurement, job creation, entrepreneurship, creativity and innovation (5%)



## Employee share ownership plan

All permanent employees at levels A to M6 are eligible for full-value share awards. The vesting of these awards is subject to achieving predetermined performance conditions. Vesting occurs in full on the third anniversary of the award date.

The number of shares that will vest is based on the extent to which the performance conditions are met. The share vesting percentage is based on actual target achievement aligned with the predetermined performance conditions.

| Level   | Target achievement (%) | Share vesting (%) |
|---------|------------------------|-------------------|
| Stretch | 200                    | 200               |
| Target  | 100                    | 100               |
| Hurdle  | 30                     | 30                |
| <30%    | 0                      | 0                 |

The share allocation for bargaining unit employees is 1.67% of GP.

## Termination of employment in respect of all LTI schemes

The following conditions apply on termination of employment:

- **Resignation, dismissal and abscondment:** If a participant ceases to be employed by the Group before the vesting date for any of these reasons, they are no longer entitled to any rights associated with the award. The shares that are the subject of the award are forfeited
- **Death, redundancy, medical disability and retirement:** If a participant ceases to be employed by the Group before the vesting date for any of these reasons, a portion of the award will vest on the date of cessation of employment. The portion that vests will be pro-rated to reflect the number of full months that have lapsed at the cessation of employment relative to the total months of the performance period (with any remaining balance being forfeited). According to the shareholder-approved scheme rules, the performance condition will not apply to the vesting of the award

## Malus and clawback

The malus and clawback policy seeks to reinforce alignment between participants' and shareholders' interests. It acts as a safeguard to prevent excessive risk-taking from being unduly rewarded. It also provides a transparent mechanism for malus and/or clawback in case of a trigger event that impacts any incentive remuneration.

### Right to reduce or cancel incentive remuneration (malus)

When Remco becomes aware of an alleged trigger event, it will notify Telkom to stop any incentive remuneration from vesting or any due payment from being made.

Remco will determine the reduced incentive amount(s) and to whom this will apply.

### Right to recoup incentive remuneration (clawback)

When Remco becomes aware of an alleged trigger event following payment or settlement of incentive remuneration, it may require the participant to reimburse the Group with an amount equal to all or part of the amount paid to them.

Remco may request reimbursement from the participant up to 60 months from the payment and/or settlement date.

### A trigger event includes, but is not limited to, any of the following:

- A material error in the Group's financial or operational statements that results in a restatement
- When information used to determine the amount of incentive remuneration was based on an error or inaccurate or misleading information
- A material financial loss from actions or circumstances directly attributable to an employee, or which could have been avoided through reasonable actions by the employee
- The Group suffering a material downturn in financial performance or a material failure of risk management
- A severe breach of the Group's employment conditions
- Serious misconduct, incompetence, poor performance, negligence, or conduct that causes harm and results in reputational damage to the Group

## Performance management

A high-performance culture is founded on accountability, creativity and collaboration. It is the outcome of having several factors in place. These include performance management, effective communication and collaboration, autonomy and accountability, strong leadership capabilities, training and development, and a customer-centric strategy. Creating a high-performance culture is a key priority and requires enabling initiatives to build the skills needed to support such a culture.

Performance management processes apply to all employees, including setting and tracking clearly defined performance scorecards that include objectives and targets linked to the business strategy. Performance is measured against contracted objectives at Group, business unit and individual levels. Performance assessments allow us to take corrective action in areas that require improvement and to proactively address potential challenges for the future.

The following principles inform the design and development of our performance scorecards:

- Balancing Group priorities with a focus beyond just financial metrics
- Providing actionable measures of strategic vision, linking the overall strategy to business unit and individual goals, driving appropriate resource allocation, and motivating leaders to make the right trade-offs between short-term targets and long-term strategic goals
- Balancing desired business outcomes and business drivers, considering appropriate leading and lagging metrics that assist in monitoring performance against set objectives
- Scorecard measures should pass the SSMART test, i.e. be simple, specific, measurable, achievable, relevant, and time-bound

Half-year and year-end performance reviews are a key part of performance management. However, we apply a continuous approach that allows for ongoing as well as formal review processes. This includes ongoing career development and training.

## Overview of performance framework

| Balanced scorecard approach for output planning   | Success criteria   | Output/consequences   |
|---|--|---|
| <b>Business strategy, line manager and employee driven.</b><br><br>Performance contracting is aligned with the following elements: <ol style="list-style-type: none"> <li>1. Financial</li> <li>2. Strategic project execution</li> <li>3. Customers</li> <li>4. ESG</li> </ol> | <b>Five-point rating scale used:</b> <ol style="list-style-type: none"> <li>1. Exceptional</li> <li>2. Above standard</li> <li>3. On-target</li> <li>4. Requires improvement</li> <li>5. Unsatisfactory</li> </ol> | <b>GP</b> – No increases are awarded to management-level employees who do not meet individual performance outputs.<br><br><b>STI</b> – No STI/14th cheque is payable to employees who perform below the acceptable on-target performance.<br><br><b>LTI</b> – No shares are awarded to employees who perform below the acceptable on-target performance. No shares will vest if performance conditions are not met. |



## FY2026 performance conditions for the STI scheme

### Key principles

The STI scorecards focus on various aspects of financial and non-financial performance. These performance conditions are aligned with market practice and weighted accordingly. The scheme is self-funding and is linked to the upside of Group, business unit and individual performances. Targets are set to ensure a pool will be available for performance at threshold, target and maximum for the year.

For FY2026, the STI targets for threshold, on-target and maximum payout are aligned with the Board-approved Telkom budget.

### FY2026 Group and business unit scorecards

Telkom's business strategy centres on several focus areas that are crucial to its short- and long-term success. One of the priorities is financial performance to achieve revenue growth beyond the approved FY2026 budget, optimising PAT and increasing FCF. This requires a careful balance of cost management, revenue generation and investment in key areas.

**Telkom is committed to executing strategic projects that will drive inorganic revenue growth and create significant and sustainable value for the Group.**

Customer satisfaction is another priority and includes building and maintaining a strong reputation and brand. This requires us to deliver high-quality products and services, provide exceptional customer service, and build strong relationships with customers and other key stakeholders.

Telkom aims to achieve its ESG strategy objectives. These include reducing carbon emissions, increasing the number of women in leadership roles, enhancing our employer brand status, and fostering a strong risk and compliance culture.

By focusing on these key areas at both Group and business unit levels, as reflected in the table below, we will position Telkom for strong performance and sustainable growth over the long term.

| Performance measures               | Group scorecard weighting | Business unit scorecard weighting |
|------------------------------------|---------------------------|-----------------------------------|
| <b>Financial</b>                   | <b>65%</b>                | <b>50%</b>                        |
| PAT post STI                       | 25%                       | N/A                               |
| EBITDA before STI                  | N/A                       | 20%                               |
| Group revenue                      | 20%                       | 10%                               |
| FCF                                | 20%                       | 20%                               |
| <b>Strategic project execution</b> | <b>10%</b>                | <b>50%</b>                        |
| <b>Customer</b>                    | <b>15%</b>                |                                   |
| <b>ESG</b>                         | <b>10%</b>                |                                   |
| <b>Total</b>                       | <b>100%</b>               | <b>100%</b>                       |

Reference to [page 12](#).

## FY2026 Executive Directors' scorecards

The Group scorecard is cascaded to business units and individuals to align their contributions with the desired Group results. Line-of-sight weightings and metrics are tailored to business units, roles and circumstances. Individual scorecards focus on execution, leadership and ESG for which each leader is directly accountable.

The individual scorecards of Executive Directors aim to ensure that appropriate leadership and accountability are aligned with the successful execution of strategy and the achievement of both financial and non-financial outcomes defined at Group and business unit levels.

An overview of the Executive Directors' scorecards is provided below.

### GCEO

The GCEO will focus on executing strategic projects to generate value within the Group and drive the OneTelkom focus. Several initiatives were selected to assist the journey towards the OneTelkom shared values in FY2025. These align with the PIVOT Strategy and aim to improve incremental revenue, customer retention and service delivery.

The GCEO will drive Telkom's people strategy, transformation requirements and strategic workforce planning. This includes future succession planning, headcount management, and diversity and inclusion in the workplace.

The GCEO will also maintain an effective stakeholder management strategy and framework and promote an appropriate risk and compliance culture.

These focus areas are summarised as follows:

| KPAs                      | Strategic objectives                                | Weightings  |
|---------------------------|---|-------------|
| <b>Strategy execution</b> | Telkom Group business transformation                | 60%         |
|                           | Succession management for key positions (M0 and M1) |             |
|                           | Strategic workforce planning framework              |             |
|                           | Retention strategy                                  |             |
| <b>Leadership</b>         | Employee engagement: Value for employees            | 20%         |
|                           | OneTelkom culture transformation                    |             |
|                           | B-BBEE transformation                               |             |
| <b>ESG</b>                | Stakeholder management                              | 20%         |
|                           | Systemic risk management and regulatory compliance  |             |
| <b>Total</b>              |   | <b>100%</b> |

## GCFO

The GCFO's main priorities (with a 40% STI weighting) will be working capital management, FCF optimisation, efficient capital allocation, and investor relations. Managing costs, restructuring the balance sheet and enhancing Telkom's investment case to the market remain key priorities.




The GCFO will also focus on employees, culture transformation and risk management.

These focus areas are summarised as follows:

| KPAs               | Strategic objectives   | Weightings |
|--------------------|--|------------|
| Strategy execution | Treasury management  | 60%        |
|                    | FCF management   |            |
|                    | Capital allocation management  |            |
|                    | Balance sheet restructuring  |            |
|                    | PAT improvement  |            |
|                    | Stakeholder engagement   |            |
|                    | Enhance Telkom's investment case to the market, rating agencies and financial institutions |            |
| Leadership         | People strategy  | 20%        |
|                    | Plan for succession requirements   |            |
|                    | Retain key talent  |            |
|                    | OneTelkom culture transformation   |            |
|                    | Employee engagement  |            |
|                    | B-BBEE transformation  |            |
| ESG                | Systemic risk management   | 20%        |
|                    | Successful management of risk  |            |
|                    | Enterprise risk management (ERM), security, safety, forensics and insurance plan           |            |
| Total              |  | 100%       |

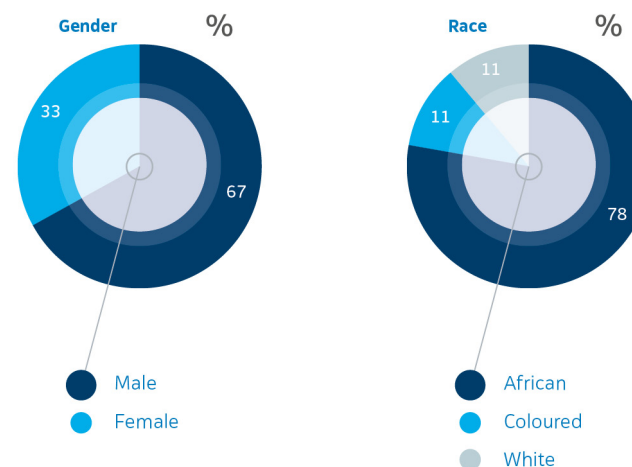
## Executive Directors and Group Prescribed Officers

| Role   | Group Prescribed Officers     |                               |                                     |                                |                             |                            |
|--------|-------------------------------|-------------------------------|-------------------------------------|--------------------------------|-----------------------------|----------------------------|
| Title  | Group Chief Executive Officer | Group Chief Financial Officer | Group Chief Human Resources Officer | Chief Capital Projects Officer | Group Chief Digital Officer | Chief of Corporate Affairs |
| Name   | Serame Taukobong              | Nonkululeko Dlamini           | Melody Lekota                       | Dirk Reyneke                   | Sello Mmakau                | Mpho McNamee <sup>1</sup>  |
| Gender | Male                          | Female                        | Female                              | Male                           | Male                        | Female                     |
| Race   | African                       | African                       | African                             | White                          | African                     | African                    |

| Role   | Group Prescribed Officers   |   |   |
|--------|---|---|---|
| Title  | CEO: Telkom Consumer  | CEO: Openserve (Pty) Ltd  | CEO: Business Connexion Group Ltd (Pty) Ltd (BCX)                                   |
|        |  |  |  |
| Name   | Lunga Siyo  | Althon Beukes <sup>2</sup>  | Jonas Bogoshi   |
| Gender | Male  | Male  | Male  |
| Race   | African   | Coloured  | African   |

<sup>1</sup> Mpho McNamee was appointed as Chief of Corporate Affairs on 15 July 2024.

<sup>2</sup> Althon Beukes resigned as CEO of Openserve effective 13 December 2024.



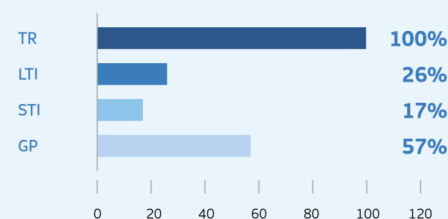
## Potential pay mix outcomes/scenarios

The remuneration policy on total remuneration (TR) for Executive Directors is illustrated below for threshold, on-target and maximum/cap performance levels.

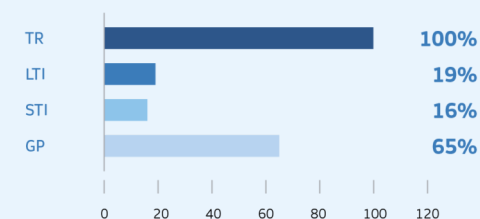
### Pay mix

|                       | GP                | STI                | LTI                | TR                 |
|-----------------------|-------------------|--------------------|--------------------|--------------------|
| <b>Threshold</b>      |                   |                    |                    |                    |
| <b>GCEO</b>           | <b>R9 922 500</b> | <b>R2 976 750</b>  | <b>R4 465 125</b>  | <b>R17 364 375</b> |
| % of Remuneration mix | 57%               | 17%                | 26%                | 100%               |
| <b>Threshold</b>      |                   |                    |                    |                    |
| <b>GCFO</b>           | <b>R6 825 000</b> | <b>R1 638 000</b>  | <b>R2 047 500</b>  | <b>R10 510 500</b> |
| % of Remuneration mix | 65%               | 16%                | 19%                | 100%               |
| <b>On-target</b>      |                   |                    |                    |                    |
| <b>GCEO</b>           | <b>R9 922 500</b> | <b>R9 922 500</b>  | <b>R14 883 750</b> | <b>R34 728 750</b> |
| % of Remuneration mix | 29%               | 29%                | 43%                | 100%               |
| <b>On-target</b>      |                   |                    |                    |                    |
| <b>GCFO</b>           | <b>R6 825 000</b> | <b>R5 460 000</b>  | <b>R6 825 000</b>  | <b>R19 110 000</b> |
| % of Remuneration mix | 36%               | 29%                | 36%                | 100%               |
| <b>Maximum</b>        |                   |                    |                    |                    |
| <b>GCEO</b>           | <b>R9 922 500</b> | <b>R14 883 750</b> | <b>R29 767 500</b> | <b>R54 573 750</b> |
| % of Remuneration mix | 18%               | 27%                | 55%                | 100%               |
| <b>Maximum</b>        |                   |                    |                    |                    |
| <b>GCFO</b>           | <b>R6 825 000</b> | <b>R8 190 000</b>  | <b>R13 650 000</b> | <b>R28 665 000</b> |
| % of Remuneration mix | 24%               | 29%                | 48%                | 100%               |

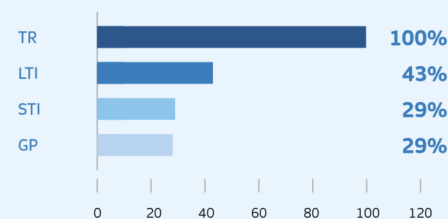
**GCEO - Threshold remuneration mix**



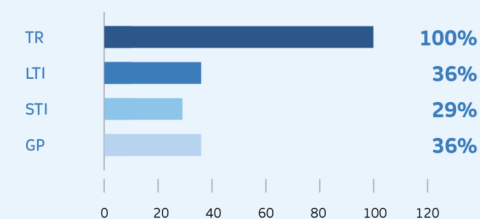
**GCFO - Threshold remuneration mix**



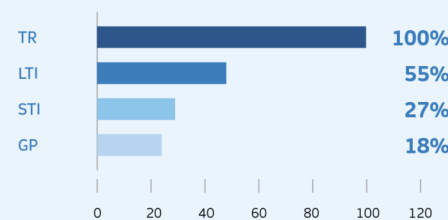
**GCEO - On target remuneration mix**



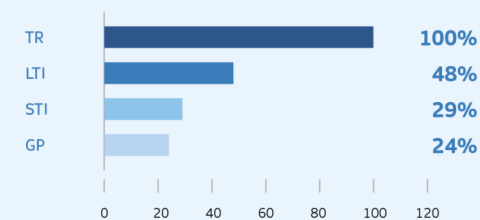
**GCFO - On target remuneration mix**



**GCEO - Maximum remuneration mix**



**GCFO - Maximum remuneration mix**





## Employment contracts

A summary of employment contracts for Executive Directors and Group Prescribed Officers is provided below. The retirement age for Executive Directors and Group Prescribed Officers is 65 years.

| Employee    | Notice period | Restraint agreement |
|-------------|---------------|---------------------|
| S Taukobong | 6 months      | 6 months            |
| NS Dlamini  | 6 months      | 6 months            |
| PJ Bogoshi  | 3 months      | 6 months            |
| AC Beukes   | 3 months      | 3 months            |
| LM Siyo     | 6 months      | 6 months            |
| M McNamee   | 6 months      | 6 months            |
| NM Lekota   | 3 months      | 3 months            |
| DJ Reyneke  | 3 months      | 3 months            |
| SE Mmakau   | 6 months      | 6 months            |

### Executive Directors

The GCEO and GCFO are full-time employees.

Should Telkom terminate the GCEO's services, he may be placed on garden leave or, if not required to work, paid full notice in lieu of the notice period.

No other obligations in the Executive Directors' employment contracts could give rise to payments on termination of employment or office.

### Group Prescribed Officers

All Group Prescribed Officers are employed on full-time employment contracts. All new Group Prescribed Officers have a six-month notice period and standard restraint agreements (without reward), to be effected on the termination date.

Group Prescribed Officers may be required to work notice, be placed on garden leave or, if not required to work, paid full notice in lieu of the notice period.

No other obligations in the Group Prescribed Officers' employment contracts could give rise to payments on termination of employment or office.

### External directorships

Executive Directors and Group Prescribed Officers may hold one external directorship following Board approval. All compensation earned from external directorships accrues to the Telkom Foundation.

## Non-executive Directors' remuneration policy

**NEDs do not have contracts of employment with Telkom.**

**Appointments are made in accordance with Telkom's memorandum of incorporation and are confirmed initially at the first AGM following their appointment.**

**Thereafter, they retire by rotation in accordance with the memorandum of incorporation.**

**NEDs are appointed subject to the provisions in their terms of appointment. These cover their duties and responsibilities, fees and other payments, and conditions related to termination of service.**

**NEDs are not eligible to receive any short-term or long-term incentives.**

NEDs' Board and Committee fees are benchmarked against a comparator group of JSE-listed companies. The approved NED fee policy and structure is based on the following principles:

- Telkom pays an all-inclusive annual retainer to the Board Chairperson, regardless of the number of Committees he may serve on except for the ad hoc Independent Board
- As per the 20 August 2024 AGM approval, an annual Board retainer and Committee meeting fees are consolidated into an all-inclusive annual Committee retainer fee for Board Members. This means that Board Members receive a Board retainer fee plus an annual Committee fee based on the Committees they serve on or chair
- If a Board Member's Committee membership changes, the appropriate amended monthly fee will be paid
- The overall fee is paid monthly in arrears in 12 equal instalments
- NEDs are reimbursed for official business travel expenses and other direct business-related expenses

# Implementation report

3

This section highlights the outcomes of implementing the approved remuneration policy. It includes remuneration disclosures for Executive Directors, Non-executive Directors and Group Prescribed Officers for FY2025.

This section also details the STI and LTI payments and vesting outcomes. It provides a summary of each Executive Director's and Group Prescribed Officer's performance and single-figure remuneration.

Shareholders are requested to cast a non-binding advisory vote on the remuneration implementation chapter of this report. Refer to [AGM](#) ordinary resolution 5.2 for details.

### Annual GP increases

Remco approved an average guaranteed pay increase of 5.5% for FY2025 for management-level and bargaining unit employees, Executive Directors and Group Prescribed Officers (refer to [page 6](#)).



### STI for FY2025

#### Approved STI plan for FY2025

The STI plan and targets and the Group, business unit and individual scorecards are annually reviewed and approved by Remco and/or the Board. The scorecard-focused targets and earning opportunities are as follows:

| Group and business unit performance focus and targets   | STI earning opportunities and criteria  |
|---|---|
| <p>The Group and business unit STI scorecards for FY2025 focused on the following performance conditions:</p> <ul style="list-style-type: none"><li>- Financial metrics</li><li>- Strategic execution metrics</li><li>- Customer appreciation</li><li>- ESG</li></ul> | <ul style="list-style-type: none"><li>- Group Exco and management (M0 to M/S5) permanent employees are eligible to participate in the scheme</li><li>- For STI calculation purposes, each participant is allocated an on-target incentive percentage linked to their level and to the Group scorecard and their respective business unit or Corporate Centre scorecard with appropriate weightings</li><li>- A threshold payment of 25% is applied for on-target STI performance aligned with the budget or business plan</li><li>- A participant should achieve an individual performance of at least 3 (threshold) to be eligible for an STI, subject to the Group and/or business unit achieving the set scorecard targets</li><li>- Should the Group and business unit achieve a performance rating below threshold, no STI will be payable, regardless of individual performance</li></ul> |

## Scorecards

| Group performance              | Business unit performance              | Individual performance              |
|--------------------------------|--|-------------------------------------|
| Group scorecard<br>Weighting % | Business unit scorecard<br>Weighting % | Individual scorecard<br>Weighting % |
| Performance focus area         | FY2025 Group weighting                 | FY2025 business unit weighting      |
| Financial                      | 50%                                    | 50%                                 |
| Strategic project execution    | 20%                                    | 15%                                 |
| Customer                       | 15%                                    | 15%                                 |
| ESG                            | 15%                                    | 20%                                 |
| <b>Total</b>                   | <b>100%</b>                            | <b>100%</b>                         |

| Level     | Description   | Group weighting | Business unit weighting | Individual weighting |
|-----------|---|-----------------|-------------------------|----------------------|
| M0        | GCEO  | 80%             | 0%                      | 20%                  |
| M1        | Business unit CEOs and Chief Capital Projects Officer   | 60%             | 30%                     | 10%                  |
| M1        | GCFO, Group Chief Digital Officer, Group Chief Human Resources Officer and Chief of Corporate Affairs | 80%             | 0%                      | 20%                  |
| M2        | Group executives/ Managing executives   | 30%             | 40%                     | 30%                  |
| M3        | Executives  | 20%             | 45%                     | 35%                  |
| M4/<br>M5 | Senior managers/ Managers   | 10%             | 50%                     | 40%                  |

## Overview of Group performance outcomes

- The Group's scorecards cover various aspects of financial and non-financial performance. These performance conditions are aligned with market practice and weighted accordingly
- Financial performance considerations include achieving significant revenue growth beyond budget, optimising PAT and increasing FCF. Telkom is also committed to strategic project execution, customer satisfaction, and ESG to ensure long-term sustainable growth
- Overall Group, business unit and individual performance directly impact the bonus pool that is approved for distribution
- Based on our FY2025 audited financial results, we exceeded PAT on-target performance by 27% against the approved STI scheme plan. The Board approved a profit sharing of 14.3%, which results in a bonus pool of R711 million that will be distributed to all eligible employees

The Group's actual achievements against the targets are reflected below:

| Performance measures   | Group scorecard weighting | Threshold (25%)   | On-target (100%)  | Stretch (150%)  | Actual achievement  | Actual achievement % |
|--|---------------------------|---|---|---|---|----------------------|
| <b>Group financial</b>   | 50%                       |   |   |   |   |                      |
| PAT before STI (Rm)  | 20%                       | R2 579  | R 3 185   | R4 302  | R3 630  | 119.9%               |
| Group revenue (Rm)   | 10%                       | R46 585   | R47 612   | R49 080   | R44 572   | —%                   |
| FCF (Rm)   | 20%                       | 1 918   | 2 525   | R3 642  | R2 778  | 111.3%               |
| <b>Strategic project execution</b>   | 20%                       | Key initiatives approved by the Board                             | 100% Key initiatives executed                                     | 100% Key initiatives exceeded and incremental revenue upliftment  | 3 (100% Key initiatives executed)   | 75%                  |
| <b>Customer</b>  | 15%                       | Customer metrics scorecards driven by Consumer, Openserve and BCX | Customer metrics scorecards driven by Consumer, Openserve and BCX | Customer metrics scorecards driven by Consumer, Openserve and BCX | 2 (Customer metrics scorecards driven by Consumer, Openserve and BCX)   | 127.8%               |
| <b>ESG</b>   | 15%                       |   |   |   |   |                      |
| <b>Environment;</b> Annual CO <sub>2</sub> emissions reduction   | 5%                        | 3.5%  | 4.2%  | 5.0%  | 5.5%  | 115%                 |
| <b>Social;</b> Improve in terms of:<br>1. Business unit as a good place to work<br>2. Products and services<br>3. Current work environment | 5%                        | 6 points overall average score improvement                        | 7-12 points overall average score improvement                     | 13 points and above overall average score improvement             | Good place to work - 17 basis points, Products and services - 61 basis points, Work environment - 10 basis points | 150%                 |
| Increased women in leadership (M5 and above)   |                           | 35.0%   | 36.0%   | 37.0%   | 35.5%   | 59.5%                |
| <b>Governance, compliance and assurance</b>  | 5%                        | 85%   | 90%   | 100%  | 100%  | 150%                 |
| <b>Total</b>   | <b>100%</b>               |   |   |   |   | <b>100.9%</b>        |



## FY2025 Executive Directors' scorecard performance achievement

### FY2025 Group CEO 20% scorecard achievement

S Taukobong

#### Strategy execution 40%

○ Achieved  
□ Achieved on target

| Strategic objective/KPA   | Weightings | On-target  | FY2025 Actual achievement |   |
|---|------------|--|---------------------------|---|
| Define and implement effective structures to enhance Group-wide synergy that aligns to the OneTelkom strategic intent | 25%        | R1.2 billion   | R2 billion                | ○ |
|   | 10%        | Deliver on the strategic key initiatives                 | □                         | ○ |
| Launch OneTelkom initiatives: Implement value creation projects that increase revenue and/or reduce cost              | 5%         | R35 million  | >R50 million              | ○ |
|   |            | R20 million  | R10 million               | ○ |
|   |            | 0% loss of revenue or customers due to unresolved issues | □                         | ○ |
|   |            | Delivering 100% of SLAs for target customers             | □                         | ○ |

#### Leadership 40%

|   |     |   |  |   |
|---|-----|---|--|---|
| Plan for future succession requirements   | 10% | 100% coverage                                   | 100%   | ○ |
| Headcount cost management                 | 10% | Improvement of achieved savings between 3% - 5% | Improvement of achieved savings between 3% - 5%                      | ○ |
| B-BBEE transformation                     | 10% | B-BBEE Level 2                                  | B-BBEE Level 1   | ○ |
| Culture transformation                    | 5%  | 7-12 point overall improvement                  | Good place to work 17, Products and services 61, Work environment 10 | ○ |
| Development of female leadership pipeline | 5%  | 36% - 36.99%                                    | 35.46%   | ○ |

#### ESG 20%

|                                       |      |  |  |   |
|---------------------------------------|------|--|--|---|
| Stakeholder management                | 10%  | Stakeholder management framework and strategy communicated | Stakeholder management framework implemented | ○ |
| Successful management of stakeholders |      |  |  |   |
| Systemic risk management              | 10%  | More than 90%  | 100%   | ○ |
|                                       | 100% |  |  |   |

### FY2025 Group CFO 20% scorecard achievement

NS Dlamini

#### Strategy execution 60%

| Strategic objective/KPA                        | Weightings | On-target  | FY2025 Actual achievement |   |
|--|------------|--|---------------------------|---|
| Treasury management                            | 5%         | R2.1 billion switch  | R2.1 billion              | ○ |
| FCF management                                 | 10%        | R1.759 billion   | R2.212 billion            | ○ |
| Capital allocation management                  | 10%        | 10% - 12%  | 13.2% - 13.8%             | ○ |
| Balance sheet                                  | 10%        | 1.3 times EBITDA   | 0.7 times EBITDA          | ○ |
| Group PAT                                      | 5%         | R3.186 billion   | R 3.237 billion           | ○ |
| Stakeholder engagement                         | 10%        | Quarterly market interactions  | R37.13/per share          | ○ |
|  |            | Two investor conferences per annum                                   |                           |   |
|  |            | Formal feedback reports to Group Exco after roadshows                |                           |   |
|  |            | Monitor analyst reports  |                           |   |
| Enhance Telkom's investment case to the market |            | Market feedback on an ongoing basis                                  |                           |   |
| Strategic key initiatives                      | 10%        | Deliver on the initiatives defined in FY2024 for execution in FY2025 | R7.115 billion            | ○ |

#### Leadership 20%

|   |    |   |  |   |
|---|----|---|--|---|
| Plan for future succession requirements | 5% | 100% coverage                                   | 100%   | ○ |
|   |    | 45% - 49% of succession pool female             | 41%  | ○ |
| Female leadership pipeline              |    | 36% - 36.99%                                    |  |   |
| Retain key talent                       |    | 96% - 99%                                       | 97%  | ○ |
| Headcount cost management               | 5% | Improvement of achieved savings between 3% - 5% | 7.6%   |   |
| Culture transformation                  | 5% | 7 -12 point overall improvement                 | Good place to work 17, Products and services 61, Work environment 10 | ○ |
| B-BBEE transformation                   | 5% | B-BBEE Level 2                                  | B-BBEE Level 1   | ○ |

#### ESG 20%

|   |      |                               |      |   |
|---|------|-------------------------------|------|---|
| Systemic risk management                            | 5%   | 90% - 99%                     | 100% | ○ |
| Successful management of risk                       | 5%   | 90% - 94%                     | 99%  | ○ |
| ERM, security, safety, forensics and insurance plan | 10%  | 90% - 95% executable coverage | 90%  | ○ |
|   | 100% |                               |      |   |

STI outcomes for Executive Directors and Group Prescribed Officers

Individual performance and the Group and business unit scorecards were evaluated and audited. The following payments were made to Executive Directors and Group Prescribed Officers:

| Initials and surname | Job title                           | Grade | GP         | On-target STI as % of GP | On-target STI | Scorecard weighting |               |            | Scorecard performance outcomes |               |                   |                  |                      | Final STI payable |
|----------------------|-------------------------------------|-------|------------|--------------------------|---------------|---------------------|---------------|------------|--------------------------------|---------------|-------------------|------------------|----------------------|-------------------|
|                      |                                     |       |            |                          |               | Group               | Business unit | Individual | Group                          | Business unit | Individual rating | Weighted outcome | Affordability factor |                   |
| S Taukobong          | Group CEO: Telkom                   | M0    | R9 922 500 | 100%                     | R9 922 500    | 80%                 | —%            | 20%        | 100.9%                         | —%            | 2                 | 105.7%           | 85.1%                | 10 000 000        |
| NS Dlamini           | Group CFO: Telkom                   | M1    | R6 825 000 | 80%                      | R5 460 000    | 80%                 | —%            | 20%        | 100.9%                         | —%            | 2                 | 84.6%            | 85.1%                | 6 142 461         |
| SE Mmakau            | Group Chief Digital Officer         | M1    | R4 250 000 | 80%                      | R3 400 000    | 80%                 | —%            | 20%        | 100.9%                         | —%            | 2                 | 84.6%            | 85.1%                | 3 940 910         |
| M McNamee            | *Chief of Corporate Affairs         | M1    | R4 000 000 | 80%                      | R3 200 000    | 80%                 | —%            | 20%        | 100.9%                         | —%            | 2                 | 84.6%            | 85.1%                | 2 740 642         |
| NM Lekota            | Group Chief Human Resources Officer | M1    | R4 656 161 | 80%                      | R3 724 929    | 80%                 | —%            | 20%        | 100.9%                         | —%            | 2                 | 84.6%            | 85.1%                | 4 190 767         |
| LM Siyo              | CEO: Telkom Consumer                | M1    | R6 001 338 | 80%                      | R4 801 070    | 60%                 | 30%           | 10%        | 100.9%                         | 79.9%         | 2                 | 77.6%            | 85.1%                | 5 679 695         |
| PJ Bogoshi           | CEO: BCX                            | M1    | R5 956 856 | 80%                      | R4 765 485    | 60%                 | 30%           | 10%        | 100.9%                         | 47.6%         | 3                 | 67.9%            | 85.1%                | 2 251 937         |
| DJ Reyneke           | Chief Capital Projects Officer      | M1    | R6 420 960 | 80%                      | R5 136 768    | 60%                 | 30%           | 10%        | 100.9%                         | 116.1%        | 2                 | 86.3%            | 85.1%                | 4 367 627         |

\* Note: STI payment is pro-rated for 8.5 months.  
For individual performance ratings, refer to [page 19](#).



## LTI vesting in FY2025

The LTIP aligns management's and shareholders' interests. The objectives are to motivate long-term sustainable performance and retain business-critical and talented employees.

### Vesting parameters for historical awards

The following graphs indicate the percentage target achievement used to determine the number of historical shares to vest for the respective schemes.

#### Vesting period: LTIP | LTIP (M0 – M3) %

Share award 100

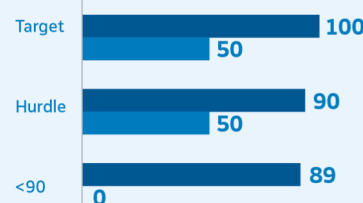


#### Vesting period: ESOP | ESOP (M4 – A) %

Share award 100



#### Share vesting percentage based on actual target achievement %



Vesting percentage of awards based on achievement versus target %

## LTI vesting of shares during FY2025

### Shares awarded in 2019, 2020 and 2021

In accordance with the 2013 approved scheme rules, the FSP vesting was based on tranche vesting and talent shares (TSA) and ESOP was based on cliff vesting. It should be noted that TSAs for Executive Directors and other insiders vested on 18 June 2024 at a share price of R25.29, and were exercised after the upliftment of the closed period. FSP and ESOP shares vested on 1 July 2024 at a share price of R24.46.

| Award        | Scheme | Vesting % | % of performance condition achieved | Actual performance condition vesting % | FY2025 shares to potentially vest based on vesting % | Total shares forfeited based on actual performance conditions vesting % | Total number of shares vested |
|--------------|--------|-----------|-------------------------------------|--|--|---|-------------------------------|
| 2019         | FSP    | 20        | 91                                  | 55                                     | 96 702   | 43 536  | 53 166                        |
| 2020         | TSA    | 100       | 90                                  | 67                                     | 9 280 180  | 4 299 943   | 4 980 237                     |
| 2021         | FSP    | 50        | 90                                  | 50                                     | 1 099 744  | 624 926   | 474 818                       |
| 2021         | ESOP   | 100       | 90                                  | 50                                     | 2 700 762  | 1 352 344   | 1 348 418                     |
| <b>Total</b> |        |           |                                     |  | <b>13 177 388</b>                                    | <b>6 320 749</b>  | <b>6 856 639</b>              |

Note: For Executive Directors, Group Prescribed Officers and other affected persons, the 2020 TSA vested on 18 June 2024 (after the closed period due to the Swiftnet transaction and financial closed period). In accordance with IFRS 2 requirements, the shares are disclosed in the annual financial statements. More details will be disclosed in the FY2026 implementation report.

## 20% vesting of the 2019 LTIP shares

Actual achievement was 91%, which translates to a 55% vesting. These performance conditions were all in the financial category.

|                              |           | Target   Rand value      |                          |                          |                          |                          | Achievement |
|------------------------------|-----------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------|
| Performance condition        | Weighting | FY2020                   | FY2021                   | FY2022                   | FY2023                   | FY2024                   |             |
| TSR                          | 50%       | Risk-free* + 4% (R33.29) | Risk-free* + 4% (R37.40) | Risk-free* + 4% (R42.02) | Risk-free* + 4% (R46.98) | Risk-free* + 4% (R52.40) | 41%         |
| Overall achievement (R)      |           | 20.53                    | 42.36                    | 44.48                    | 35.72                    | 30                       |             |
| <b>Achievement %</b>         |           | 61.67%                   | 113.26%                  | 105.85%                  | 76.03%                   | 57.25 %                  | 83%         |
| HEPS (cents per share (cps)) | 25%       | 400                      | 314                      | 506.7                    | 454.2                    | 58.9                     | 25%         |
| Overall achievement (cps)    |           | 208.1                    | 522.2                    | 575.3                    | -18.5                    | 358.6                    |             |
| <b>Achievement %</b>         |           | 52.03%                   | 166.31%                  | 113.54%                  | (4.10)%                  | 608.83 %                 | 187%        |
| ROIC %                       | 25%       | 10.50%                   | 6.10%                    | 8.10%                    | 6.60%                    | 3.20 %                   | 25%         |
| Overall achievement %        |           | 8.10%                    | 7.90%                    | 8.00%                    | 1.40 %                   | 8.40 %                   |             |
| <b>Achievement %</b>         |           | 77.14%                   | 129.51%                  | 98.77%                   | 21.20 %                  | 262.50 %                 | 118%        |
| <b>Total vesting</b>         |           |                          |                          |                          |                          |                          | <b>91%</b>  |

\* Risk-free rating is the appropriate government bond that matches the vesting period of the LTI scheme, which is three to five years.



## 50% vesting of the LTIP and 100% vesting of the 2021 ESOP share award

The actual achievement was 90%, which translates to a 50% vesting. These performance conditions were all in the financial category.

|                           |           | Target   Rand value         |                             |                             |             |
|---------------------------|-----------|-----------------------------|-----------------------------|-----------------------------|-------------|
| Performance condition     | Weighting | FY2022                      | FY2023                      | FY2024                      | Achievement |
| TSR                       | 50%       | Risk-free* + 4%<br>(R42.02) | Risk-free* + 4%<br>(R46.98) | Risk-free* + 4%<br>(R52.40) | 40%         |
| Overall achievement (R)   |           | 44.48                       | 35.72                       | 30                          |             |
| Achievement %             |           | 105.85%                     | 76.03%                      | 57.25 %                     |             |
| HEPS (cps)                | 25%       | 506.7                       | 454.2                       | 58.9                        | 25%         |
| Overall achievement (cps) |           | 575.3                       | -18.5                       | 358.6                       |             |
| Achievement %             |           | 113.54%                     | (4.10)%                     | 608.83 %                    |             |
| ROIC %                    | 25%       | 8.10%                       | 6.60%                       | 3.20 %                      | 25%         |
| Overall achievement %     |           | 8.00%                       | 1.40 %                      | 8.40 %                      |             |
| Achievement %             |           | 98.77%                      | 21.20 %                     | 262.50 %                    |             |
| Total vesting             |           |                             |                             |                             | 90%         |

\* Risk-free rating is the appropriate government bond that matches the vesting period of the LTI scheme, which is three to five years.

## 100% vesting of the 2020 TSA

The actual achievement was 90%. However, only a 66.67% vesting was approved. These performance conditions were all in the financial category, and TSR has a 100% weighting.

| Performance condition   | Target   Rand value         |                             |                             | Achievement |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-------------|
|                         | FY2021                      | FY2022                      | FY2023                      |             |
| TSR                     | Risk-free* + 4%<br>(R37.40) | Risk-free* + 4%<br>(R42.02) | Risk-free* + 4%<br>(R46.98) | 98.4%       |
| Overall achievement (R) | 42.36                       | 44.48                       | 35.72                       |             |
| <b>Achievement %</b>    | 113.26 %                    | 105.85%                     | 76.03%                      |             |
| <b>Total vesting</b>    |                             |                             |                             | <b>90%</b>  |

\* Risk-free rating is the appropriate government bond that matches the vesting period of the LTI scheme, which is three to five years. For the Executive Directors and Prescribed Officers, there was a delay in the vesting of the 2020 TSA share award due to the prolonged closed period brought about by the Swiftnet disposal, and therefore the shares were exercised on 18 June 2024, post the lifting of the closed period.

Remco was challenged by the average performance approach used to evaluate the TSR performance condition for vesting the TSA awards, given the underachievement against the set targets for the third year of the performance period (FY2023).

Remco opted to apply its discretion, as provided for in the TSA award letter. Instead of using average performance, it evaluated against the performance achievement for each year, with no recognition of over performance (years one and two) and no vesting in respect of year three. Accordingly, it recommended a 66.67% vesting, which the Board approved.

## Summary of vesting of shares for Executive Directors and Group Prescribed Officers

|                    | FSP 2019<br>(55% of 20%) | TSA 2020<br>(66.67% of 100%) | FSP 2021<br>(50% of 50%) | Total shares |
|--------------------|--------------------------|------------------------------|--------------------------|--------------|
| <b>S Taukobong</b> | 5 928                    | 424 693                      | 101 077                  | 531 698      |
| <b>DJ Reyneke</b>  | 1 639                    | 230 607                      | 27 036                   | 259 282      |
| <b>AC Beukes</b>   | 3 990                    | 337 058                      | 24 836                   | 365 884      |
| <b>PJ Bogoshi</b>  | 6 969                    | 345 349                      | 72 821                   | 425 139      |
| <b>LM Sigo</b>     | 4 081                    | 269 646                      | 42 762                   | 316 489      |
| <b>NM Lekota</b>   | 5 123                    | 253 890                      | 19 057                   | 278 070      |

Vesting took place upon the lifting of the closed period that was in force because of the Swiftnet transaction.





## Total shares awarded

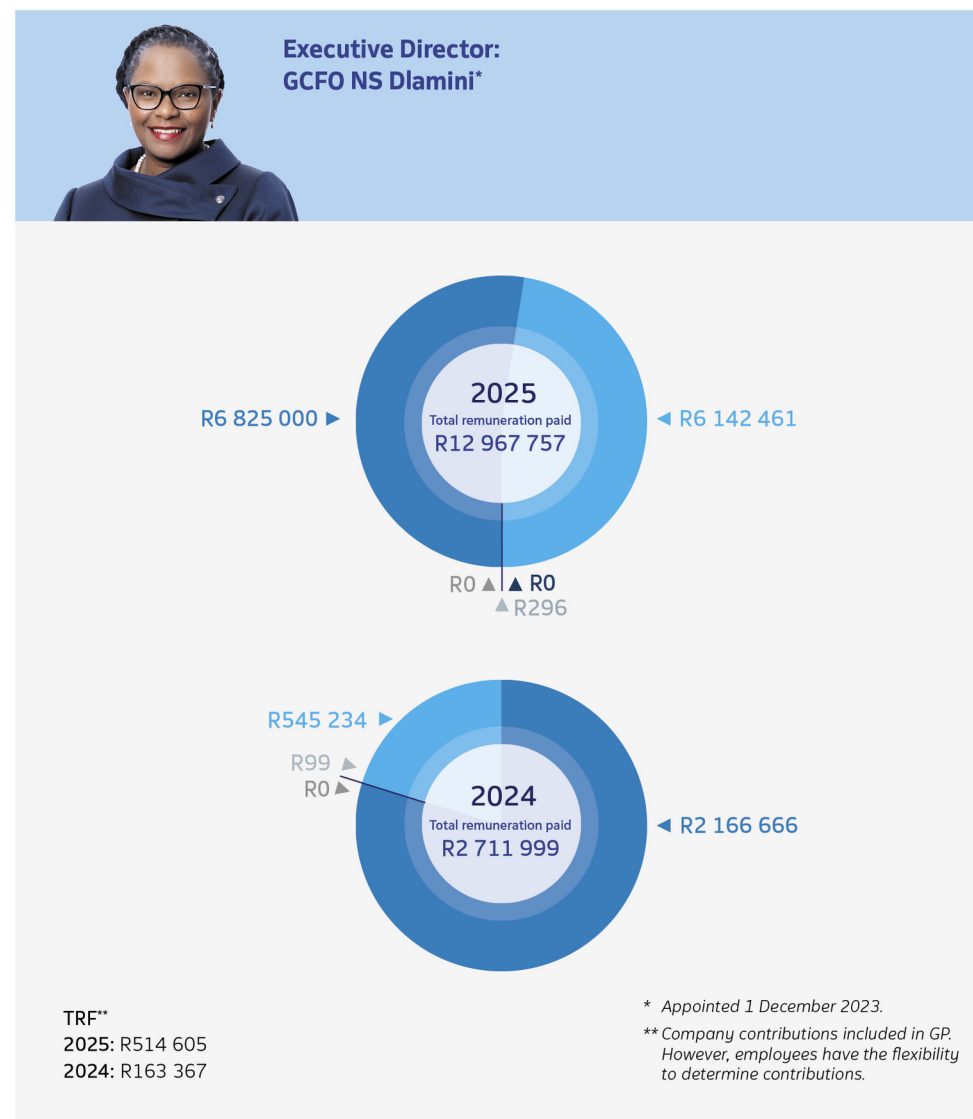
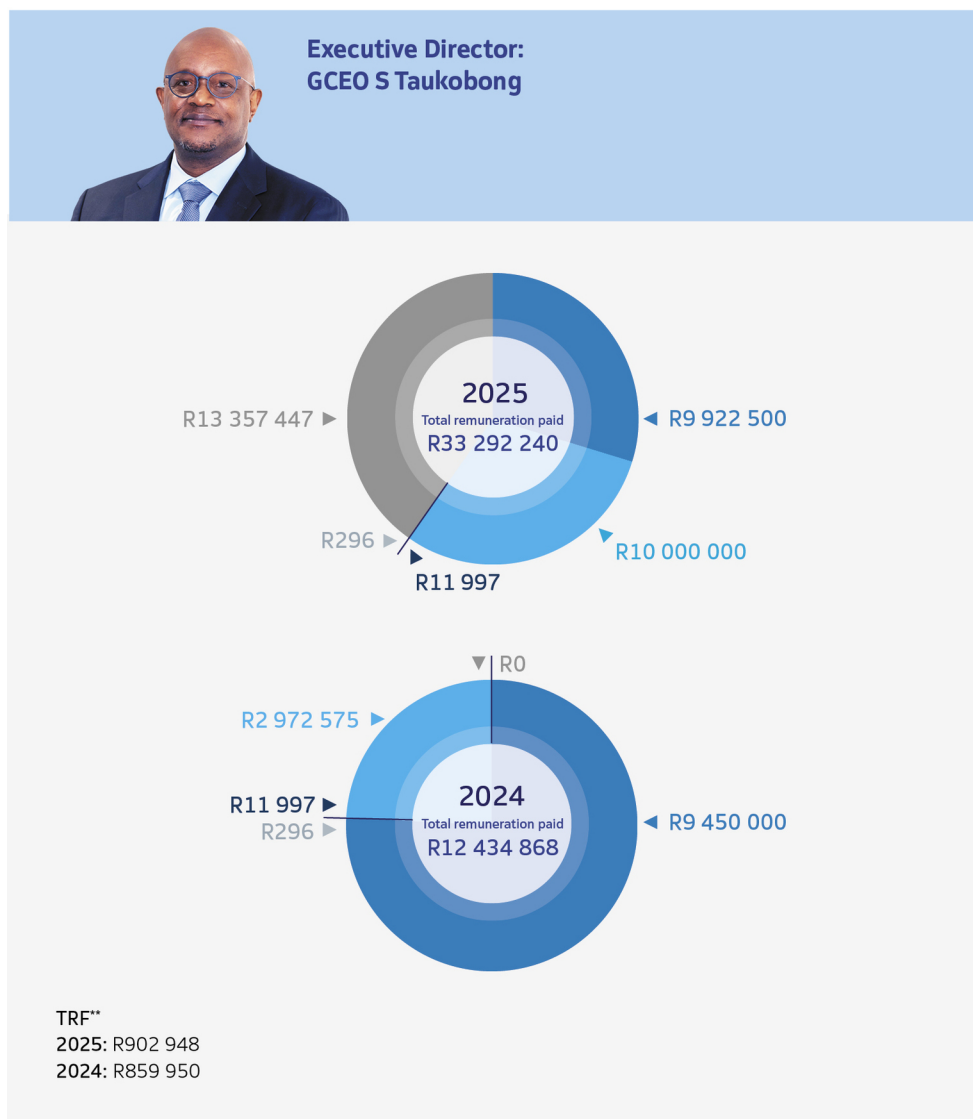
### Total number of shares issued up to 31 March 2025

| Year awarded  | Opening balance/<br>brought over | FY2019            | FY2020            | FY2021            | FY2022            | FY2023            | FY2024            | FY2025            |
|---|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Date awarded  | 2013 to<br>2017                  | 1/6/2018          | 1/6/2019          | 1/6/2020          | 1/6/2021          | 1/6/2022          | June<br>2023      | December 2024     |
| Total number of shares available:<br>26 039 195 available (5% of the number of issued shares) | 112 813 202                      | 17 136 387        | 14 420 912        | 14 467 165        | 17 371 645        | 20 737 014        | 21 255 561        | 21 255 561        |
| <b>Total number of shares awarded</b>   |                                  |                   |                   |                   |                   |                   |                   |                   |
| Telkom  | (26 130 550)                     | (4 690 718)       | (3 507 227)       | (9 280 180)       | (6 744 840)       | (6 401 483)       |                   | (5 044 862)       |
| Gyro  | (178 645)                        | (222 356)         | (129 830)         | —                 | (342 375)         | (348 666)         |                   | —                 |
| BCX   | (881 075)                        | (127 008)         | (1 404 181)       | —                 | (4 362 594)       | (1 638 096)       |                   | (637 458)         |
| Yellow Pages  | —                                | —                 | —                 | —                 | (59 051)          | (48 214)          |                   | —                 |
| <b>Subtotal</b>   | <b>85 622 932</b>                | <b>12 096 305</b> | <b>9 379 674</b>  | <b>5 186 985</b>  | <b>5 862 785</b>  | <b>12 300 555</b> | <b>21 255 561</b> | <b>15 573 241</b> |
| <b>Total number of forfeited shares</b>   |                                  |                   |                   |                   |                   |                   |                   |                   |
| Telkom  | 12 600 681                       | 1 206 039         | 1 507 412         | 4 184 660         | 3 423 329         | 991 228           |                   | 19 721            |
| Gyro  | 140 513                          | 111 638           | 70 439            | —                 | 219 562           | 100 040           |                   | —                 |
| BCX   | 535 581                          | 105 862           | 761 624           | —                 | 2 780 216         | 567 723           |                   | 19 532            |
| Yellow Pages  | —                                | —                 | —                 | —                 | 34 313            | 18 114            |                   | —                 |
| <b>Shares purchased</b>   |                                  |                   |                   |                   |                   |                   |                   |                   |
| Telkom  | 5 010 687                        | 901 068           | 1 688 016         | 8 000 000         | 8 416 809         | 7 000 000         |                   | —                 |
| Gyro  | —                                | —                 | —                 | —                 | —                 | 277 901           |                   | —                 |
| BCX   | —                                | —                 | 1 060 000         | —                 | —                 | —                 |                   | —                 |
| Yellow Pages  | —                                | —                 | —                 | —                 | —                 | —                 |                   | —                 |
| <b>Remaining shares available</b>   | <b>103 910 395</b>               | <b>14 420 912</b> | <b>14 467 165</b> | <b>17 371 645</b> | <b>20 737 014</b> | <b>21 255 561</b> | <b>21 255 561</b> | <b>15 612 494</b> |

## Single-figure remuneration

### Executive Directors

The following insights outlines the aggregate FY2025 total remuneration paid to Executive Directors.



## Group Prescribed Officers

The following table outlines the aggregate remuneration benefits paid and STIs for FY2025:

|                         | Group Prescribed Officers |             |             |             |             |            |            |                 |                 |
|-------------------------|---------------------------|-------------|-------------|-------------|-------------|------------|------------|-----------------|-----------------|
|                         | DJ Reyneke                | NM Lekota   | AC Beukes   | LM Siyo     | PJ Bogoshi  | SE Mmakau  | M McNamee* | FY2025<br>Total | FY2024<br>Total |
| GP                      | R6 420 960                | R4 656 161  | R5 985 000  | R6 001 338  | R5 956 856  | R4 250 000 | R2 855 244 | R36 125 559     | R27 601 534     |
| Motor car insurance     | R11 997                   | R0          | R11 997     | R11 997     | R0          | R0         | R2 999     | R38 990         | R37 990         |
| Funeral benefit         | R296                      | R296        | R296        | R296        | R296        | R296       | R0         | R1 776          | R1 554          |
| STI                     | R4 367 627                | R4 190 767  | R0          | R5 679 695  | R2 251 937  | R3 940 910 | R2 740 642 | R23 171 578     | R7 090 358      |
| LTI (vested shares)     | R6 533 339                | R7 012 235  | R9 229 178  | R7 964 960  | R10 685 255 | R0         | R0         | R41 424 967     | R10 732 525     |
| Separation              | R0                        | R0          | R6 901 595  | R0          | R0          | R0         | R0         | R6 901 595      | R2 214 864      |
| Leave payment           | R0                        | R0          | R552 462    | R0          | R0          | R0         | R0         | R552 462        | R112 350        |
| Sign-on                 | R0                        | R0          | R0          | R0          | R0          | R908 333   | R0         | R908 333        |                 |
| Total remuneration paid | R17 334 219               | R15 859 459 | R22 680 527 | R19 658 286 | R18 894 344 | R9 099 539 | R5 598 885 | R109 125 260    | R47 791 174     |
| TRF**                   | R726 211                  | R488 897    | R544 635    | R348 078    | R580 794    | R331 500   | R225 165   | R3 245 280      | R2 443 437      |


\* M McNamee joined on 15 July 2024.

\*\* Company contributions included in GP. However, employees have the flexibility to determine contributions.

Executives' and Group Prescribed Officers' emoluments are set out in the annual financial statements, which are available online.

## Vested and unvested LTI awards

The following tables outline the number of vested and unvested shares:



|                    | Year of award | Shares awarded   | Share award price R | Face value of award R | Vested shares  | Vesting date | Vesting price R | Value of vested shares R | Shares forfeited | Closing number |
|--------------------|---------------|------------------|---------------------|-----------------------|----------------|--------------|-----------------|--------------------------|------------------|----------------|
| <b>S Taukobong</b> |               |                  |                     |                       |                |              |                 |                          |                  |                |
| <b>FSP</b>         | <b>2018</b>   | 79 930           | 56.3                | 4 500 059             | 39 965         | 23/06/2021   | 45.04           | 1 800 024                | 15 986           | —              |
|                    |               |                  |                     |                       | 23 979         | 24/11/2022   | 34.23           | 820 801                  |                  |                |
| <b>TSA</b>         | <b>2018</b>   | 106 573          | 56.3                | 6 000 060             | 106 573        | 23/06/2021   | 45.04           | 4 800 048                | —                | —              |
| <b>FSP</b>         | <b>2019</b>   | 53 899           | 80.85               | 4 357 734             | 22 908         | 24/11/2022   | 34.23           | 784 141                  | 25 063           | —              |
|                    |               |                  |                     |                       | 5 928          | 01/07/2024   | 24.46           | 144 978                  |                  |                |
| <b>TSA</b>         | <b>2020</b>   | 637 007          | 19.78               | 12 599 998            | 424 693        | 18/06/2024   | 25.29           | 10 740 486               | 212 314          | —              |
| <b>FSP</b>         | <b>2021</b>   | 125 758          | 40.39               | 5 079 366             | 31 440         | 01/07/2024   | 24.46           | 768 910                  | 31 440           | 62 879         |
| <b>FSP</b>         | <b>2021</b>   | 278 552          | 43.08               | 12 000 020            | 69 638         | 01/07/2024   | 24.46           | 1 703 097                | 69 638           | 139 276        |
| <b>FSP</b>         | <b>2022</b>   | 329 651          | 43.00               | 14 174 993            | —              | —            | —               | —                        | —                | 329 651        |
| <b>FSP</b>         | <b>2024</b>   | 418 002          | 35.61               | 14 883 750            | —              | —            | —               | —                        | —                | 418 002        |
| <b>Total</b>       |               | <b>2 029 372</b> |                     | <b>73 595 980</b>     | <b>725 124</b> |              |                 | <b>21 562 485</b>        | <b>354 441</b>   | <b>949 808</b> |





|                   | Year of award (June) | Shares awarded | Share award price R | Face value of award R | Vested shares  | Vesting date | Vesting price R | Value of vested shares R | Shares forfeited | Closing number |
|-------------------|----------------------|----------------|---------------------|-----------------------|----------------|--------------|-----------------|--------------------------|------------------|----------------|
| <b>DJ Reyneke</b> |                      |                |                     |                       |                |              |                 |                          |                  |                |
| <b>FSP</b>        | <b>2018</b>          | 24 221         | 56.3                | 1 363 642             | 12 111         | 1/6/2021     | 48.02           | 581 570                  | 4 844            | —              |
|                   |                      |                |                     |                       | 7 266          | 24/11/2022   | 34.23           | 248 715                  |                  |                |
| <b>FSP</b>        | <b>2019</b>          | 14 900         | 80.85               | 1 204 665             | 6 333          | 24/11/2022   | 34.23           | 216 779                  | 6 928            | —              |
|                   |                      |                |                     |                       | 1 639          | 1/7/2024     | 24.46           | 40 084                   |                  |                |
| <b>TSA</b>        | <b>2020</b>          | 345 893        | 32.38               | 11 200 015            | 230 607        | 18/6/2024    | 25.29           | 5 832 051                | 115 286          | —              |
| <b>FSP</b>        | <b>2021</b>          | 108 146        | 40.39               | 4 368 017             | 27 036         | 1/7/2024     | 24.46           | 661 204                  | 27 037           | 54 073         |
| <b>FSP</b>        | <b>2022</b>          | 106 660        | 43.00               | 4 586 380             | —              | —            | —               | —                        | —                | 106 660        |
| <b>FSP</b>        | <b>2024</b>          | 108 198        | 35.61               | 3 852 576             | —              | —            | —               | —                        | —                | 108 198        |
| <b>Total</b>      |                      | <b>708 018</b> |                     | <b>26 575 295</b>     | <b>284 992</b> |              |                 | <b>7 580 403</b>         | <b>154 095</b>   | <b>268 931</b> |



|                  | Year of award (June) | Shares awarded | Share award price R | Face value of award R | Vested shares  | Vesting date | Vesting price R | Value of vested shares R | Shares forfeited | Closing number |
|------------------|----------------------|----------------|---------------------|-----------------------|----------------|--------------|-----------------|--------------------------|------------------|----------------|
| <b>NM Lekota</b> |                      |                |                     |                       |                |              |                 |                          |                  |                |
| <b>FSP</b>       | <b>2018</b>          | 46 542         | 56.3                | 2 620 315             | 23 271         | 1/6/2021     | 48.02           | 1 117 473                | 9 308            | —              |
|                  |                      |                |                     |                       | 13 963         | 14/6/2022    | 37.05           | 517 329                  |                  |                |
| <b>FSP</b>       | <b>2019</b>          | 46 583         | 80.85               | 3 766 236             | 19 798         | 1/7/2024     | 37.05           | 733 516                  | 21 662           | —              |
|                  |                      |                |                     |                       | 5 123          | 14/6/2022    | 24.46           | 125 290                  |                  |                |
| <b>TSA</b>       | <b>2020</b>          | 380 816        | 19.78               | 7 532 540             | 253 890        | 18/6/2024    | 25.29           | 6 420 878                | 126 926          | —              |
| <b>FSP</b>       | <b>2021</b>          | 76 230         | 40.39               | 3 078 930             | 19 057         | 1/7/2024     | 24.46           | 466 066                  | 19 058           | 38 115         |
| <b>FSP</b>       | <b>2022</b>          | 75 899         | 43                  | 3 263 657             | —              | —            | —               | —                        | —                | 75 899         |
| <b>FSP</b>       | <b>2024</b>          | 130 766        | 35.61               | 4 656 161             | —              | —            | —               | —                        | —                | 130 766        |
| <b>Total</b>     |                      | <b>756 836</b> |                     | <b>24 917 839</b>     | <b>335 102</b> |              |                 | <b>9 380 552</b>         | <b>176 954</b>   | <b>244 780</b> |



|                   | Year of award (June) | Shares awarded   | Share award price R | Face value of award R | Vested shares  | Vesting date | Vesting price R | Value of vested shares R | Shares forfeited | Closing number |
|-------------------|----------------------|------------------|---------------------|-----------------------|----------------|--------------|-----------------|--------------------------|------------------|----------------|
| <b>PJ Bogoshi</b> |                      |                  |                     |                       |                |              |                 |                          |                  |                |
| <b>FSP</b>        | <b>2018</b>          | 62 611           | 56.3                | 3 524 999             | 31 306         | 28/06/2021   | 44.27           | 1 385 917                | 12 522           | —              |
|                   |                      |                  |                     |                       | 18 783         | 14/06/2022   | 37.05           | 695 910                  |                  |                |
| <b>FSP</b>        | <b>2019</b>          | 63 364           | 80.85               | 5 122 979             | 26 930         | 14/06/2022   | 37.05           | 997 757                  | 29 464           | —              |
|                   |                      |                  |                     |                       | 6 969          | 1/7/2024     | 24.46           | 170 437                  |                  |                |
| <b>TSA</b>        | <b>2020</b>          | 517 998          | 19.78               | 10 246 000            | 345 349        | 18/6/2024    | 25.29           | 8 733 876                | 172 649          | —              |
| <b>FSP</b>        | <b>2021</b>          | 101 312          | 40.39               | 4 091 992             | 25 328         | 1/7/2024     | 24.46           | 619 433                  | 25 328           | 50 656         |
| <b>FSP</b>        | <b>2021</b>          | 189 972          | 43.08               | 8 183 994             | 47 493         | 1/7/2024     | 24.46           | 1 161 509                | 47 493           | 94 986         |
| <b>FSP</b>        | <b>2022</b>          | 100 872          | 43                  | 4 337 496             | —              | —            | —               | —                        | —                | 100 872        |
| <b>FSP</b>        | <b>2024</b>          | 83 648           | 35.61               | 2 978 428             | —              | —            | —               | —                        | —                | 83 648         |
| <b>Total</b>      |                      | <b>1 119 777</b> |                     | <b>38 485 888</b>     | <b>502 158</b> |              |                 | <b>13 764 839</b>        | <b>287 456</b>   | <b>330 162</b> |



|                  | Year of award (June) | Shares awarded | Share award price R | Face value of award R | Vested shares  | Vesting date | Vesting price R | Value of vested shares R | Shares forfeited | Closing number |
|------------------|----------------------|----------------|---------------------|-----------------------|----------------|--------------|-----------------|--------------------------|------------------|----------------|
| <b>AC Beukes</b> |                      |                |                     |                       |                |              |                 |                          |                  |                |
| <b>FSP</b>       | <b>2018</b>          | 24 636         | 56.3                | 1 387 007             | 12 318         | 1/6/2021     | 48.02           | 591 510                  | 4 927            | —              |
|                  |                      |                |                     |                       | 7 391          | 14/6/2022    | 37.05           | 273 837                  |                  |                |
| <b>TSA</b>       | <b>2018</b>          | 20 819         | 56.3                | 1 172 110             | 20 819         | 1/6/2021     | 48.02           | 999 728                  | —                | —              |
| <b>FSP</b>       | <b>2019</b>          | 36 275         | 80.85               | 2 932 834             | 15 417         | 14/6/2022    | 37.05           | 571 200                  | 16 869           | —              |
|                  |                      |                |                     |                       | 3 990          | 1/7/2024     | 24.46           | 97 581                   |                  |                |
| <b>TSA</b>       | <b>2020</b>          | 505 561        | 19.78               | 9 999 997             | 337 058        | 18/6/2024    | 25.29           | 8 524 197                | 168 503          | —              |
| <b>FSP</b>       | <b>2021</b>          | 99 344         | 40.39               | 4 012 504             | 24 836         | 1/7/2024     | 24.46           | 607 400                  | 24 836           | 49 672         |
| <b>FSP</b>       | <b>2022</b>          | 99 419         | 43                  | 4 275 017             | —              | —            | —               | —                        | —                | 99 419         |
| <b>Total</b>     |                      | <b>786 054</b> |                     | <b>23 779 469</b>     | <b>421 829</b> |              |                 | <b>11 665 453</b>        | <b>215 135</b>   | <b>149 091</b> |



|         | Year of award (June) | Shares awarded | Share award price R | Face value of award R | Vested shares | Vesting date | Vesting price R | Value of vested shares R | Shares forfeited | Closing number |
|---------|----------------------|----------------|---------------------|-----------------------|---------------|--------------|-----------------|--------------------------|------------------|----------------|
| LM Sigo |                      |                |                     |                       |               |              |                 |                          |                  |                |
| FSP     | 2019                 | 37 106         | 80.85               | 3 000 020             | 15 770        | 14/06/2022   | 37.05           | 584 279                  | 17 255           | —              |
|         |                      |                |                     |                       | 4 081         | 1/7/2024     | 24.46           | 99 807                   |                  |                |
| TSA     | 2020                 | 404 449        | 19.78               | 8 000 001             | 269 646       | 18/6/2024    | 25.29           | 6 819 347                | 134 803          | —              |
| FSP     | 2021                 | 80 218         | 40.39               | 3 240 005             | 20 055        | 1/7/2024     | 24.46           | 490 462                  | 20 055           | 40 109         |
| FSP     | 2021                 | 90 833         | 43.08               | 3 913 086             | 22 708        | 1/7/2024     | 24.46           | 555 363                  | 22 708           | 45 417         |
| FSP     | 2022                 | 97 827         | 43.00               | 4 206 561             | —             | —            | —               | —                        | —                | 97 827         |
| FSP     | 2024                 | 168 544        | 35.61               | 6 001 338             | —             | —            | —               | —                        | —                | 168 544        |
| Total   |                      | 878 977        |                     | 28 361 011            | 332 260       |              |                 | 8 549 257                | 194 821          | 351 897        |



|            | Year of award<br>(June) | Shares awarded | Share award price<br>R | Face value of award<br>R | Vested shares | Vesting date | Vesting price<br>R | Value of vested shares<br>R | Shares forfeited | Closing number |
|------------|-------------------------|----------------|------------------------|--------------------------|---------------|--------------|--------------------|-----------------------------|------------------|----------------|
| NS Dlamini |                         |                |                        |                          |               |              |                    |                             |                  |                |
| FSP        | 2024                    | 311 036        | 35.61                  | 6 825 000                | —             | —            | —                  | —                           | —                | 311 036        |
| Total      |                         | 311 036        |                        | 6 825 000                | —             | —            | —                  | —                           | —                | 311 036        |



|           | Year of award<br>(June) | Shares awarded | Share award price<br>R | Face value of award<br>R | Vested shares | Vesting date | Vesting price<br>R | Value of vested shares<br>R | Shares forfeited | Closing number |
|-----------|-------------------------|----------------|------------------------|--------------------------|---------------|--------------|--------------------|-----------------------------|------------------|----------------|
| M McNamee |                         |                |                        |                          |               |              |                    |                             |                  |                |
| FSP       | 2024                    | 112 338        | 35.61                  | 4 000 000                | —             | —            | —                  | —                           | —                | 112 338        |
| Total     |                         | 112 338        |                        | 4 000 000                | —             | —            | —                  | —                           | —                | 112 338        |



|           | Year of award<br>(June) | Shares awarded | Share award price<br>R | Face value of award<br>R | Vested shares | Vesting date | Vesting price<br>R | Value of vested shares<br>R | Shares forfeited | Closing number |
|-----------|-------------------------|----------------|------------------------|--------------------------|---------------|--------------|--------------------|-----------------------------|------------------|----------------|
| SE Mmakau |                         |                |                        |                          |               |              |                    |                             |                  |                |
| FSP       | 2024                    | 119 359        | 35.61                  | 4 250 000                | —             | —            | —                  | —                           | —                | 119 359        |
| Total     |                         | 119 359        |                        | 4 250 000                | —             | —            | —                  | —                           | —                | 119 359        |



## Executive Directors' and Prescribed Officers' MSR FY2025 build-up statement

### Good governance requirements

The requirement for MSR is laid down in the King IV governance code and has become an expectation from a shareholder perspective. It is not a retention mechanism. Its purpose is to encourage executives to hold shares in the Company, inculcate a focus on ownership, reinforce the alignment between executive and shareholder interests, and engender a culture of long-term commitment to Telkom.

### MSR policy requirements

In 2023, Remco approved a new MSR policy that includes purpose, applicability, scope and time to satisfy the target minimum shareholding. The policy applies to Executive Directors, Prescribed Officers and Group executives/Managing executives.

The target MSR for participating executives is defined as follows:

A multiple of the annual GP at the initial date, based on the role and level of the participant (target MSR), or a multiple of the annual GP at the initial date, based on the role and level of the participant divided by the fair market value at the first vesting date (target MSR). The participant's commitment to the policy will be based on the lower of the two values to protect the participant against significant share price increases and the Company against significant share price decreases.

The required MSR calculation will be based on a multiple of the participant's GP:

Group CEO: 200% of annual GP

Group CFO and Prescribed Officers: 150% of annual GP

Group executives/Managing executives: 15% of annual GP

## Executive Directors' and Prescribed Officers' MSR statement as of 31 March 2025 is as follows:

| Surname   | Name        | Job title     | MSR % | LTIP award % | Shares required to achieve MSR | Current shareholding | Unvested shares | MSR build-up report |        |
|-----------|-------------|---------------|-------|--------------|--------------------------------|----------------------|-----------------|---------------------|--------|
|           |             |               |       |              |                                |                      |                 | FY2025              | FY2026 |
| Taukobong | Serame      | GCEO          | 200 % | 150 %        | 557 336                        | 322 283              | 949 808         | 58%                 | 61%    |
| Dlamini   | Nonkululeko | GCFO          | 150 % | 100 %        | 287 515                        | —                    | 311 036         | 0%                  | 0%     |
| Bogoshi   | Jonas       | CEO: BCX      | 150 % | 100 %        | 250 943                        | —                    | 330 162         | 0%                  | 0%     |
| Lekota    | Melody      | CHRO          | 150 % | 100 %        | 196 149                        | 157 085              | 244 780         | 80%                 | 84%    |
| Siyo      | Lunga       | CEO: Consumer | 150 % | 100 %        | 252 817                        | 12 506               | 351 897         | 5%                  | 5%     |
| Mmakau    | Sello       | GCDO          | 150 % | 100 %        | 179 039                        | —                    | 119 359         | 0%                  | 0%     |
| McNamee   | Mpho        | CoCA          | 150 % | 100 %        | 168 507                        | —                    | 112 338         | 0%                  | 0%     |

## Non-executive Directors' fees

The NEDs provide independent oversight, strategic guidance and governance to the Group, and actively contribute to the success of the business. NEDs receive an all-inclusive annual retainer fee for attendance at Board meetings and an annual retainer fee based on the Committees on which they serve.

Telkom's memorandum of incorporation states that shareholders must approve these fees at the AGM. As part of our cost-containment initiatives, the NEDs' fees remained unchanged as per shareholder approval at the AGM held on 20 August 2024.

| Non-executive Directors' fees (rand per annum) |  | FY2024        | FY2025    |
|--|--|---------------|-----------|
| <b>Annual retainer</b>                         |  |               |           |
| <b>Board</b>                                   |  |               |           |
| Board Chairperson                              |  | 2 060 000     | 2 163 000 |
| Board Member                                   |  | 470 000       | 493 500   |
| International Board Member                     |  | 735 000       | 771 750   |
| <b>Annual Committee meeting retainer</b>       |  |               |           |
| <b>Audit Committee</b>                         |  |               |           |
| Chairperson                                    |  | 410 000       | 430 500   |
| Member   |  | 215 000       | 225 750   |
| <b>Nominations Committee</b>                   |  |               |           |
| Chairperson                                    |  | —             | —         |
| Member   |  | 110 000       | 115 500   |
| <b>Investment and Transactions Committee</b>   |  |               |           |
| Chairperson                                    |  | 250 000       | 262 500   |
| Member   |  | 150 000       | 157 500   |
| <b>Remuneration Committee</b>                  |  |               |           |
| Chairperson                                    |  | 250 000       | 262 500   |
| Member   |  | 150 000       | 157 500   |
| <b>Risk Committee</b>                          |  |               |           |
| Chairperson                                    |  | 250 000       | 269 351   |
| Member   |  | 150 000       | 157 500   |
| <b>Social and Ethics Committee</b>             |  |               |           |
| Chairperson                                    |  | 250 000       | 262 500   |
| Member   |  | 150 000       | 157 500   |
| <b>Technology Committee</b>                    |  |               |           |
| Chairperson                                    |  | 250 000       | 262 500   |
| Member   |  | 150 000       | 157 500   |
| Ad hoc fees per meeting                        |  | Approved fees |           |
| Ad hoc Board                                   |  |               | 25 000    |
| Ad hoc Committee/subcommittees                 |  |               | 25 000    |



Telkom pays all fees proportionately for the period in which Members are in office. Directors' emoluments are set out in note 11.1 of the [annual financial statements](#), which are available online.

## Abbreviations

|               |  |
|---------------|--|
| <b>AGM</b>    | annual general meeting   |
| <b>B-BBEE</b> | broad-based black economic empowerment   |
| <b>CCPO</b>   | Chief Capital Projects Officer   |
| <b>CoCA</b>   | Chief of Corporate Affairs   |
| <b>CPI</b>    | consumer price index   |
| <b>EBITDA</b> | earnings before interest, tax, depreciation and amortisation   |
| <b>ESG</b>    | environmental, social and governance   |
| <b>ESOP</b>   | employee share ownership plan  |
| <b>Exco</b>   | Executive Committee  |
| <b>FCF</b>    | free cash flow   |
| <b>FSP</b>    | forfeitable share plan   |
| <b>GCDO</b>   | Group Chief Digital Officer  |
| <b>GCEO</b>   | Group Chief Executive Officer  |
| <b>GCFO</b>   | Group Chief Financial Officer  |
| <b>CHRO</b>   | Chief Human Resources Officer  |
| <b>GDP</b>    | gross domestic product   |
| <b>GP</b>     | guaranteed pay   |
| <b>HEPS</b>   | headline earnings per share (the weighted average number of shares outstanding excludes treasury shares) |
| <b>ICT</b>    | information and communications technology  |

|              |   |
|--------------|---|
| <b>JSE</b>   | Johannesburg Stock Exchange   |
| <b>KPA</b>   | key performance area  |
| <b>KPIs</b>  | key performance indicators  |
| <b>iNPS</b>  | interaction net promoter score  |
| <b>LTI</b>   | long-term incentive   |
| <b>LTIP</b>  | long-term incentive plan  |
| <b>MSR</b>   | minimum shareholding requirement  |
| <b>NEDs</b>  | Non-executive Directors   |
| <b>PAT</b>   | profit after tax  |
| <b>Remco</b> | Remuneration Committee  |
| <b>ROIC</b>  | return on invested capital  |
| <b>SMMEs</b> | small, medium and micro enterprises   |
| <b>STI</b>   | short-term incentive  |
| <b>TGP</b>   | total guaranteed package  |
| <b>TR</b>    | total remuneration  |
| <b>TRF</b>   | Telkom Retirement Fund  |
| <b>TSA</b>   | talent share award  |
| <b>TSR</b>   | total shareholder return (combines share price appreciation and dividends paid to show the total return to shareholders, expressed as an annualised percentage) |

## Administration

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1991/005476/30

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**Telkom**  
Consumer

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**BCX**

**Gyro**