NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

5 EMPLOYEES

5.1 EQUITY COMPENSATION BENEFIT

During the year, 10 031 219 (2025: 6 674 989) conditional shares were granted to qualifying employees (participant). The participant will forfeit the conditional shares if he/she ceases to be an employee of an employer company before the vesting date or if the specified performance conditions have not been met, unless otherwise specified by the rules or determined by the Board. In the event that the participant is not in the employ of the Group, or the performance conditions are not met, the shares allocated to the participant will be forfeited and will either be sold on the open market by the Escrow agent and the proceeds will be returned to the participating employer, or may be retained by the Group for future awards.

Dividends declared in respect of conditional shares are held in Escrow until such time as the performance conditions are met and the shares have vested. Shares forfeited during the vesting period will forfeit any dividends pertaining to such shares. A dividend of 43.56 cents per ordinary share was declared on 24 February 2026.

The performance conditions as at 31 May 2026 for the 15th award grant vested on 24 November 2025 were as follows:

		Group long-term incentive ("LTI") metrics*		
		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)			CPI + 2%	CPI + 4%
	Vesting %		30.0%	45.0%
Total shareholder return ("TSR") (30%) (performance against long bond compounded over three years plus spread)			Performance equal to three to five-year SARB nominal long bond rate +7.5%**)	125% of target
	Vesting %		30.0%	45.0%
Return on capital employed ("ROCE")*** (20%) (compared to weighted average cost of capital (WACC) over the three-year period not compounded)			ROCE greater than or equal to WACC +1% over three years	ROCE greater than or equal to WACC +2% over three years
	Vesting %		20.0%	30.0%
Environmental, social and governance ("ESG") (20%) (specific ESG metrics****)			Specific	No stretch
	Vesting %		20.0%	20.0%
ESG and Individual performance measures		Specific ESGs selected and KPIs		
	Vesting %	72.0%		

* *The Remuneration Committee ("Remco", "Committee")" may review metrics and targets post-FY2026 for new awards to ensure that they are relevant. The LTIP is calculated per metric. Values awarded will be a weighted average of scores attained versus target. All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis, save for the ESG metric which will be assessed on a binary basis.*

** *In setting the TSR target, consideration was given to utilise a risk-free rate that is aligned with a typical vesting and performance period of the award, consequently a 3-5 SARB nominal long bond rate was applied as the anchor in setting TSR targets, with an appropriate spread applied to this anchor in order to set realistic but stretching targets. In addition, TSR will be assessed based on growth in market cap as well as dividends distributed to shareholders over the performance period.*

*** *ROCE is calculated using the following formula:*
ROCE = Net operating profit (EBIT)/Capital employed. Capital employed = total assets - current liabilities (excluding interest-bearing borrowings). Remco will review any prior year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

**** *Remco removed the stretch component of the ESG KPIs in the LTIP as these measures are assessed on a binary basis and only provide for the achievement of target performance, with threshold performance being assessed on a pro rata basis relative to target.*

The performance conditions as at 31 May 2026 for the 16th and 17th award grants vesting on 31 August 2026 and 31 August 2027 respectively are as follows:

		Group LTI metrics*		
		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)		CPI	CPI + 2%	CPI + 4%
	Vesting %	21.6%	30.0%	45.0%
ROCE** (20%) (compared to WACC over the three-year period not compounded)		ROCE greater than or equal to WACC over three years	ROCE greater than or equal to WACC +1% over three years	ROCE greater than or equal to WACC +2% over three years
	Vesting %	21.6%	30.0%	45.0%
Strategic performance scorecard (20%)		Linked to strategic milestones	Linked to strategic milestones	Linked to strategic milestones
	Vesting %	14.4%	20.0%	30.0%
ESG (10%) (specific ESG metrics***)		Pro rata of target	Specific	No stretch
	Vesting %	7.2%	10.0%	10.00%
Personal performance (10%) (specific individual metrics***)		Pro rata of target	Specific	No stretch
	Vesting %	7.2%	10.0%	10.0%

* *Remco may review metrics and targets post-FY2026 for new awards to ensure that they are relevant. The LTIP is calculated per metric. Values awarded will be a weighted average of scores attained versus target. All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis save for the ESG, strategic and individual metrics which will be assessed on a binary basis.*

** *ROCE is calculated using the following formula:*
ROCE = Net operating profit (EBIT)/Capital employed. Capital employed = total assets - current liabilities (excluding interest-bearing borrowings). The Remco will review any prior-year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

*** *The stretch component of the ESG and Individual KPIs in the LTIP are assessed on a binary basis and only provide for the achievement of target performance, with threshold performance being assessed on a pro rata basis relative to target.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

5 EMPLOYEES CONTINUED

5.1 EQUITY COMPENSATION BENEFIT CONTINUED

The performance conditions as at 31 May 2026 for the 18th award grants vesting on 31 August 2028 are as follows:

		Group LTI metrics*		
		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)		CPI	CPI + 2%	CPI + 4%
	Vesting %	21.6%	30.0%	60.0%
ROCE** (20%) (compared to WACC over the three-year period not compounded)		ROCE greater than or equal to WACC over three years	ROCE greater than or equal to WACC +1% over three years	ROCE greater than or equal to WACC +2% over three years
	Vesting %	21.6%	30.0%	60.0%
TSR – relative TSR to JSE mid-cap index (J201)*** (10%)		= J201 (mid cap index)	= J201 Average + 3%	= J201 Average + 6%
	Vesting %	7.2%	10.0%	20.0%
TSR – absolute vs. CoE**** (10%)		TSR = CAGR vs CoE	TSR = CAGR vs CoE +1%	TSR = CAGR vs CoE +2%
	Vesting %	7.2%	10.0%	20.0%
Strategy and ESG-focused balanced scorecard***** (20%)		Rating of 2 (Threshold)	Rating of 3 (Target)	Rating of 5 (Exceptional)
	Vesting %	14.4%	20.0%	40.0%

* *The Committee may review metrics and targets post-2026 for new awards to ensure they are relevant. The LTIP is calculated per metric All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis.*

** *ROCE is calculated using the following formula:*
ROCE = (Net operating profit (EBIT) + associate earnings)/Capital employed. Capital employed = total assets – current liabilities (excluding interest-bearing borrowings). The Committee will review any prior year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

*** *Performance against the index:*
i. If BLU achieves a TSR CAGR equal to the CAGR of the index over the measurement period, a threshold vesting is achieved.
ii. If BLU achieves a TSR CAGR equal to the CAGR of the index + 3% over the measurement period, target vesting is achieved.
iii. If BLU achieves a TSR CAGR equal to the CAGR of the index + 6% over the measurement period, max vesting is achieved.

**** *Cost of Equity (COE):*
i. If BLU achieves a TSR CAGR equal to the average COE over the measurement period, a threshold vesting is achieved.
ii. If BLU achieves a TSR CAGR equal to their average COE + 1% over the measurement period, target vesting is achieved.
iii. If BLU achieves a TSR CAGR equal to their average COE + 2% over the measurement period, maximum vesting is achieved.

***** *Strategy and ESG-focused balanced scorecard.*

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In determining the number of conditional shares that will vest due to performance conditions being met, management assesses the attrition rates of staff based on the grades of staff that have been granted awards as well as the historic staff turnover.

Movements in the number of conditional shares outstanding during the year are as follows:

	Grant date	Vesting date	Number of shares	Fair value of grant R'000
AT 1 JUNE 2024			31 792 293	148 435
13th award			7 313 969	46 956
14th award			7 478 010	46 738
15th award			17 000 314	54 741
GRANTED DURING THE YEAR			6 674 989	32 908
17th award	29 November 2024	31 August 2027	6 674 989	32 908
SHARES FORFEITED DURING THE YEAR			(4 172 301)	(21 722)
14th award			(2 175 761)	(13 969)
15th award			(437 134)	(2 732)
16th award			(1 559 406)	(5 021)
SHARES VESTED DURING THE YEAR			(3 014 702)	(19 332)
14th award		31 August 2024	(2 882 727)	(18 507)
15th award		19 December 2024	(107 352)	(671)
15th award		22 May 2025	(24 623)	(154)
AT 31 MAY 2025			**31 280 279**	**140 289**
14th award*			**2 255 481**	**14 480**
15th award			**6 908 901**	**43 181**
16th award			**15 440 908**	**49 720**
17th award			**6 674 989**	**32 908**
GRANTED DURING THE YEAR			**10 031 219**	**84 206**
17th award**	27 November 2025	31 August 2027	**5 347 539**	**26 363**
18th award	28 November 2025	31 August 2028	**4 683 680**	**57 843**
SHARES FORFEITED DURING THE YEAR			**(2 906 441)**	**(12 649)**
15th award			**(382 143)**	**(2 389)**
16th award			**(1 277 934)**	**(4 115)**
17th award			**(1 246 364)**	**(6 145)**
SHARES VESTED DURING THE YEAR			**(8 782 239)**	**(55 272)**
14th award*		25 November 2025	**(2 255 481)**	**(14 480)**
15th award		24 November 2025	**(6 526 758)**	**(40 792)**
AT 31 MAY 2026			**29 622 818**	**156 574**
16th award			**14 162 974**	**45 605**
17th award			**10 776 164**	**53 126**
18th award			**4 683 680**	**57 843**

* *Although 2 255 481 shares vested to certain employees during the prior year in terms of the 14th scheme, the transfer and/or sale of these shares were restricted due to a closed period in terms of the JSE Listings Requirements. The shares were transferred on 25 November 2025 once the closed period had expired. The shares were included in treasury shares and management concluded that no agency relationship existed over the shares while the rights were restricted.*

** *Shares totalling 5 347 539 relating to the 17th award were not allocated to certain employees in the prior year because they were placed in a closed period. These shares were awarded on 27 November 2025 once the closed period had expired.*

Refer to note 5.2 for the expense recognised in the income statement relating to the equity compensation benefits.

The fair value of the shares is based on the open market closing price at grant date. The total number of conditional shares awarded to Executive Directors during the period is 4 503 326 (2025: Rnil). The share-based payment expense in relation to these Executive Directors is R14.0 million (2025: R13.4 million). Refer to note 5.3 for details of awards per Director.