Notes to the annual financial statements continued

for the year ended 31 March 2026

10. Employee benefits continued

10.7 Telkom Group employee share scheme

Summary of material accounting policies

The Group has a share-based payment compensation plan. The plan is an equity-settled plan, consisting of the long-term incentive plan (LTIP), the employee share ownership plan (ESOP) and an additional share award (ASA).

The expense relating to the services rendered by the employees, and the corresponding increase in equity, is measured at the fair value of the equity instruments at their grant date based on the market price at that date. This compensation cost is recognised over the vesting period, based on the best available estimate at each reporting date of the number of equity instruments that are expected to vest.

During the vesting period, participants have all the shareholders' rights, including the right to vote and share in any dividend distribution.

Telkom's shareholders approved the Telkom forfeitable share plan (FSP) and the ASA at the September 2013 AGM.

In the FSP, employees acquire shareholder rights on the grant date for the forfeitable shares (these include dividends and voting rights).

An employee turnover assumption of 3.1% to 7.0% has been used in calculating the expected number of shares that will vest. The turnover relates to the various entities within the Group.

The vesting timelines and principal assumptions used in calculating the expected number of shares that will vest for the Telkom share scheme are as follows:

	Vesting financial year				
Telkom LTIP grants	**2026**	**2027**	**2028**	**2029**	**2030**
Telkom LTIP - 2022 financial year					
Vesting timelines	30%	20%	–	–	–
Probability of meeting non-market-related criteria	92%	92%	–	–	–
Telkom LTIP 2 - 2022 financial year					
Vesting timelines	30%	20%	–	–	–
Probability of meeting non-market-related criteria	93%	93%	–	–	–
Telkom LTIP - 2023 financial year					
Vesting timelines	50%	30%	20%	–	–
Probability of meeting non-market-related criteria	94%	94%	94%	–	–
Telkom LTIP 2 - 2023 financial year					
Vesting timelines	50%	30%	20%	–	–
Probability of meeting non-market-related criteria	94%	94%	94%	–	–
Telkom LTIP - 2025 financial year					
Vesting timelines	–	–	–	100%	–
Probability of meeting non-market-related criteria	–	–	–	40%	–
Telkom LTIP - 2026 financial year					
Vesting timelines	–	–	–	–	100%
Probability of meeting non-market-related criteria	–	–	–	–	70%

Telkom ESOP grants					
Telkom ESOP - 2023 financial year					
Vesting timelines	100%	–	–	–	–
Probability of meeting non-market-related criteria	94%	–	–	–	–

Notes to the annual financial statements continued

for the year ended 31 March 2026

10. Employee benefits continued

10.7 Telkom Group employee share scheme continued

The vesting timelines and principal assumptions used in calculating the expected number of shares that will vest for the BCX share scheme are as follows:

	Vesting financial year				
BCX LTIP grants	**2026**	**2027**	**2028**	**2029**	**2030**
BCX grant - 2022 financial year					
Vesting timelines	30%	20%	–	–	–
Probability of meeting non-market-related criteria	92%	92%	–	–	–
BCX grant - 2023 financial year					
Vesting timelines	50%	30%	20%	–	–
Probability of meeting non-market-related criteria	94%	94%	94%	–	–
BCX grant 2 - 2023 financial year					
Vesting timelines	50%	30%	20%	–	–
Probability of meeting non-market-related criteria	94%	94%	94%	–	–
BCX grant - 2025 financial year					
Vesting timelines	–	–	–	100%	–
Probability of meeting non-market-related criteria	–	–	–	40%	–
BCX grant - 2026 financial year					
Vesting timelines	–	–	–	–	100%
Probability of meeting non-market-related criteria	–	–	–	–	70%

BCX ESOP grants					
BCX grant - 2023 financial year					
Vesting timelines	100 %	–	–	–	–
Probability of meeting non-market-related criteria	94 %	–	–	–	–

The vesting timelines and principal assumptions used in calculating the expected number of shares that will vest for the Trudon share scheme are as follows:

	Vesting financial year				
Trudon grants	**2026**	**2027**	**2028**	**2029**	**2030**
Trudon grant - 2023 financial year					
Vesting timelines	100%	–	–	–	–
Probability of meeting non-market-related criteria	94%	–	–	–	–

The vesting timelines and principal assumptions used in calculating the expected number of shares that will vest for the Gyro share scheme are as follows:

	Vesting financial year			
Gyro LTIP grants	**2026**	**2027**	**2028**	**2029**
Gyro grant - 2022 financial year				
Vesting timelines	30%	20%	–	–
Probability of meeting non-market-related criteria	92%	92%	–	–
Gyro grant 2 - 2022 financial year				
Vesting timelines	30%	20%	–	–
Probability of meeting non-market-related criteria	93%	93%	–	–
Gyro grant - 2023 financial year				
Vesting timelines	50%	30%	20%	–
Probability of meeting non-market-related criteria	94%	94%	94%	–

Gyro ESOP grants				
Gyro grant - 2023 financial year				
Vesting timelines	100%	–	–	–
Probability of meeting non-market-related criteria	94%	–	–	–

Notes to the annual financial statements continued

for the year ended 31 March 2026

10. Employee benefits continued

10.7 Telkom Group employee share scheme continued

The vesting timelines and principal assumptions used in calculating the expected number of shares that will vest for the Openserve share scheme are as follows:

	Vesting financial year				
Openserve LTIP grants	**2026**	**2027**	**2028**	**2029**	**2030**
Openserve grant - 2023 financial year					
Vesting timelines	**50%**	**30%**	**20%**	**–**	**–**
Probability of meeting non-market-related criteria	**94%**	**94%**	**94%**	**–**	**–**
Openserve grant - 2025 financial year					
Vesting timelines	**–**	**–**	**–**	**100%**	**–**
Probability of meeting non-market-related criteria	**–**	**–**	**–**	**40%**	**–**
Openserve grant - 2026 financial year					
Vesting timelines	**–**	**–**	**–**	**–**	**100%**
Probability of meeting non-market-related criteria	**–**	**–**	**–**	**–**	**70%**
Openserve ESOP grants					
Openserve grant - 2023 financial year					
Vesting timelines	**100%**	**–**	**–**	**–**	**–**
Probability of meeting non-market-related criteria	**94%**	**–**	**–**	**–**	**–**

The actuaries independently verified the probabilities.

Certain BCX employees were granted shares in terms of a BCX share scheme. Based on the BCX Group achieving the performance conditions, the shares will vest between the 2026 and 2030 financial years.

Certain Trudon employees were granted shares in terms of a Trudon share scheme. Based on Trudon achieving the performance conditions, the shares will vest in the 2026 financial year.

Certain Gyro employees were granted shares in terms of a Gyro share scheme. Based on Gyro achieving the performance conditions, the shares will vest between the 2026 and 2028 financial years.

Certain Openserve employees were granted shares in terms of an Openserve share scheme. Based on Openserve achieving the performance conditions, the shares will vest between the 2026 and 2030 financial years.

For the vesting to occur, the targets (including performance conditions) must be met. The targets are measured in each financial year after the grant date.

The weighted average remaining vesting period for all the shares outstanding as at 31 March 2026 is 1.52 years (31 March 2025: 0.54 years).

The following table illustrates the movement in the maximum number of shares that were granted to employees:

	Group		Company	
	31 March 2026	31 March 2025	**31 March 2026**	31 March 2025
	Number of shares	Number of shares	**Number of shares**	Number of shares
Beginning of the year	**12 118 701**	17 008 725	**7 562 095**	10 736 908
Vested shares during the year	**(580 675)**	(5 538 227)	**(499 509)**	(4 048 687)
Forfeited shares and other movements during the year	**(5 602 337)**	(5 034 117)	**(2 647 545)**	(3 146 632)
Shares granted during the year	**4 425 803**	5 682 320	**3 242 215**	4 020 506
Outstanding at the end of the year	**10 361 492**	12 118 701	**7 657 256**	7 562 095

In relation to market-related performance criteria, IFRS 2 requires a fair value to be placed on employee share grants/options. Fair value is measured as the market price of the entity's share grants/options adjusted for the terms and conditions applicable to the grant/option. Since employee share grants/options are not traded, there is no market price available. For this reason, the fair value of the grants/options must be determined by using an option pricing model.

Notes to the annual financial statements continued

for the year ended 31 March 2026

10. Employee benefits continued

10.7 Telkom Group employee share scheme continued

The following tables represent the assumptions used in the valuation of the share scheme:

Group and Company	Market share price (R)	Share price volatility	Future risk-free interest rate
Telkom			
Grant 9 (2022 financial year)			
- Vesting 30 June 2024	48.11	40%	4.98%
- Vesting 30 June 2025	48.11	40%	5.51%
- Vesting 30 June 2026	48.11	40%	6.01%
Grant 10 (2022 financial year)			
- Vesting 30 June 2024	47.12	45%	5.99%
- Vesting 30 June 2025	47.12	45%	6.53%
- Vesting 30 June 2026	47.12	45%	6.94%
Grant 11 (2023 financial year)			
- Vesting 30 June 2025	36.20	50%	7.09%
- Vesting 30 June 2026	36.20	50%	7.40%
- Vesting 30 June 2027	36.20	50%	7.69%
Grant 11 (2) (2023 financial year)			
- Vesting 30 June 2025	33.79	52%	7.82%
- Vesting 30 June 2026	33.79	52%	7.90%
- Vesting 30 June 2027	33.79	52%	8.04%
Grant 12 (2025 financial year)			
- Vesting 30 June 2028	36.30	53%	7.14%
Grant 13 (2026 financial year)[1]			
- Vesting 29 June 2029	48.85	44%	6.63%
BCX			
Grant 4 (2022 financial year)			
- Vesting 30 June 2024	48.11	40%	4.98%
- Vesting 30 June 2025	48.11	40%	5.51%
- Vesting 30 June 2026	48.11	40%	6.01%
Grant 5 (2023 financial year)			
- Vesting 30 June 2025	36.20	50%	7.09%
- Vesting 30 June 2026	36.20	50%	7.40%
- Vesting 30 June 2027	36.20	50%	7.69%
Grant 5 (2) (2023 financial year)			
- Vesting 30 June 2025	32.80	52%	7.96%
- Vesting 30 June 2026	32.80	52%	8.10%
- Vesting 30 June 2027	32.80	52%	8.25%
Grant 6 (2025 financial year)			
- Vesting 30 June 2028	36.30	53%	7.14%
Grant 7 (2026 financial year)[1]			
- Vesting 29 June 2029	48.85	44%	6.63%

[1] *On 1 December 2025, Telkom granted 4 425 803 shares to a certain group of employees in terms of the LTIP. The LTIP scheme provides for the granting of a fixed number of shares to eligible participating employees at the vesting date. The vesting date is 31 March 2029, at which point the award vests 100% if the performance conditions have been met and if the employee is still in the employment of the Telkom Group.*

Notes to the annual financial statements continued
for the year ended 31 March 2026

10. Employee benefits continued

10.7 Telkom Group employee share scheme continued

Group and Company	Market share price (R)	Share price volatility	Future risk-free interest rate
Trudon			
Grant 5 (2023 financial year)			
- Vesting 30 June 2026	**36.20**	**50%**	**7.09%**
Gyro			
Grant 3 (2020 financial year)			
- Vesting 30 June 2024	**93.82**	**35%**	**7.53%**
Grant 4 (2022 financial year)			
- Vesting 30 June 2024	**48.11**	**40%**	**4.98%**
- Vesting 30 June 2025	**48.11**	**40%**	**5.51%**
- Vesting 30 June 2026	**48.11**	**40%**	**6.01%**
Grant 5 (2022 financial year)			
- Vesting 30 June 2024	**47.12**	**45%**	**5.99%**
- Vesting 30 June 2025	**47.12**	**45%**	**6.53%**
- Vesting 30 June 2026	**47.12**	**45%**	**6.94%**
Grant 6 (2023 financial year)			
- Vesting 30 June 2025	**36.20**	**50%**	**7.09%**
- Vesting 30 June 2026	**36.20**	**50%**	**7.40%**
- Vesting 30 June 2027	**36.20**	**50%**	**7.69%**
Openserve			
Grant 1 (2023 financial year)			
- Vesting 30 June 2025	**36.20**	**50%**	**7.09%**
- Vesting 30 June 2026	**36.20**	**50%**	**7.40%**
- Vesting 30 June 2027	**36.20**	**50%**	**7.69%**
Grant 2 (2025 financial year)			
- Vesting 30 June 2028	**36.30**	**53%**	**7.14%**
Grant 3 (2026 financial year)[1]			
- Vesting 29 June 2029	**48.85**	**44%**	**6.63%**

[1] *On 1 December 2025, Telkom granted 4 425 803 shares to a certain group of employees in terms of the LTIP. This LTIP scheme provides for the granting of a fixed number of shares to eligible participating employees at the vesting date. The vesting date is 31 March 2029, at which point the award vests 100% if the performance conditions have been met and if the employee is still in the employment of the Telkom Group.*

The key performance indicators related to all the share scheme grants are headline earnings per share, free cash flow, return on invested capital, social impact, emissions and total shareholder return.

The share price volatility is based on the five-year average volatility observed for the Telkom share price.