

# STAKEHOLDER ENGAGEMENT

The JSE and its stakeholder groups have a symbiotic relationship. Our experience is that, by working to create and contribute to an environment in which its stakeholders may be able to flourish, the Exchange supports its own long-term ability to continue creating value for these stakeholders.

**STAKEHOLDER**

**JSE LIMITED SHAREHOLDERS AND ANALYSTS**

**KEY INTEREST** ▶ JSE financial performance and how we create value

**WHAT THE JSE ENGAGES ABOUT**

- Performance
- Growth areas
- Company sustainability
- Costs
- Dividend policy
- Share schemes
- Prospects

**ISSUES**

- Requests for a capex roadmap for the year ahead and guidance regarding the total ITaC spend were dealt with during the announcement of the interim results 2015, which provided shareholders with total capex spend on ITaC by 2017

**STAKEHOLDER**

**JSE REGULATOR**

**KEY INTEREST** ▶ Areas of mutual and regulatory interest

**WHAT THE JSE ENGAGES ABOUT**

- Investment policy
- Regulatory issues
- Development of products and services
- Surveillance
- Investor and market protection mechanisms

**ISSUES**

- The JSE continues to engage the regulator on the progress being made towards the implementation of T+3 settlement in the local equities market
- The JSE continues to engage the FSB and SARB on anticipated changes to the regulatory framework following on from the anticipated implementation of a twin peaks regulatory model later

**STAKEHOLDER**

**CLIENTS**

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| <p><b>Issuers</b></p> <p><b>KEY INTEREST</b> ▶ Requirements to bring traded products on market</p> <p><b>WHAT THE JSE ENGAGES ABOUT</b></p> <ul style="list-style-type: none"> <li>• Listings Requirements</li> <li>• Additional capital raising</li> <li>• Ongoing disclosure obligations</li> <li>• Sustainability (environment, social and governance) issues and assessments</li> </ul> <p><b>ISSUES</b></p> <ul style="list-style-type: none"> <li>• Issues relate primarily to the flexibility around specific transaction structures, corporate actions and disclosure requirements and these are addressed through one-on-one engagement with issuers and their sponsors and through formal channels such as advisory committees</li> </ul>   | <p><b>Members</b></p> <p><b>KEY INTEREST</b> ▶ Ensuring the JSE understands member needs</p> <p><b>WHAT THE JSE ENGAGES ABOUT</b></p> <ul style="list-style-type: none"> <li>• Customer service, including trading systems, contract specifications and rules and directives</li> <li>• Customer expectations, including fee models, market practices, market and new product development</li> </ul> <p><b>ISSUES</b></p> <ul style="list-style-type: none"> <li>• Significant project spend under way, including the transition to T+3 settlement in the Equities Market and the implementation of the ITaC technology migration</li> <li>• Regular sessions are held with all stakeholders to provide updates and to obtain feedback. These issues are also addressed at the JSE's trading advisory committees, of which there is one for each main asset class</li> </ul> |
| <p><b>Investor community</b></p> <p><b>KEY INTEREST</b> ▶ Understanding the range of investment products available through the JSE and how to invest in them</p> <p><b>WHAT THE JSE ENGAGES ABOUT</b></p> <ul style="list-style-type: none"> <li>• Financial literacy and investor education</li> <li>• JSE markets and products</li> <li>• Aspects of JSE business</li> <li>• Responsible investing and the importance of understanding and factoring ESG matters into investment analysis and decision-making</li> </ul> <p><b>ISSUES</b></p> <ul style="list-style-type: none"> <li>• A challenge faced in pursuing the aim of including sustainability into investment decision-making is how to understand what companies are doing and how to assess these actions with regard to their impact on sustainability. The JSE attempts to bridge that gap by creating platforms for engagement between issuers and investors to foster better dialogue and understanding</li> <li>• SA Inc. is an issue for investors. The JSE addresses this by exposing them to South African government and corporate leaders</li> </ul> | <p><b>Sponsors and designated advisors (DAs)</b></p> <p><b>KEY INTEREST</b> ▶ Ensuring up-to-date information on Listings Requirements changes</p> <p><b>WHAT THE JSE ENGAGES ABOUT</b></p> <ul style="list-style-type: none"> <li>• General market conditions</li> <li>• Changes to the JSE Listings Requirements</li> <li>• Service levels and general conduct of staff</li> <li>• Feedback provided on performance and interaction with investor relations officers</li> </ul> <p><b>ISSUES</b></p> <ul style="list-style-type: none"> <li>• Issues relate primarily to the flexibility around specific transaction structures, corporate actions and disclosure requirements. These are addressed through one-on-one engagement with issuers and their sponsors and through formal channels, such as advisory committees</li> </ul>                                      |

STAKEHOLDER

EMPLOYEES



KEY INTERESTS ▶ Development and training  
Wellness programmes

WHAT THE JSE ENGAGES ABOUT

- Employee assistance programme
- Remuneration, benefits
- Employment equity
- Personnel and company financial performance
- Code of conduct and ethics
- Employee engagement
- Career options

ISSUES

- The JSE encourages divisions to send employees on training regularly
- Wellness programmes build a sense of camaraderie with co-workers
- There are various associated benefits with regard to remuneration, which are currently being benchmarked with the industry
- Engagement survey used to measure engagement levels: Sharing survey results and creating action plans involving all employees to raise awareness and engagement levels

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POTENTIAL EMPLOYEES



KEY INTEREST ▶ The JSE as an employer of choice

WHAT THE JSE ENGAGES ABOUT

- BBBEE
- Career opportunities
- JSE values

ISSUES

- Full disclosure regarding the JSE's BBBEE status is available on the JSE website
- Vacancies in the JSE are displayed on the JSE website as well as on LinkedIn and many other websites
- The JSE values are displayed and unpacked on the *Working at the JSE* web page



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SUPPLIERS



KEY INTERESTS ▶ Performance feedback  
Future requirements of company

WHAT THE JSE ENGAGES ABOUT

- Monitor performance
- Evaluations – Products and services
- Cost assessments
- Growth expectations and product and service developments
- Contractual agreements
- BBBEE vendor evaluations

ISSUES

- The JSE is working on an affirmative procurement policy. This will be published in 2016

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NATIONAL AND LOCAL GOVERNMENT



KEY INTEREST ▶ Areas of mutual interest (stakeholders include the National Treasury; the Department of Agriculture; the Department of Minerals and Energy; the South African Reserve Bank and the South African Revenue Service)

WHAT THE JSE ENGAGES ABOUT

- Financial sector legislative and regulatory framework
- CPSS-IOSCO compliance, G-20 and Financial Stability Board matters
- Exchange control matters
- Tax issues as they impact capital markets and clients e.g. tax-free savings accounts
- Financial Intelligence Act (FICA) matters
- Market structure considerations, particularly in relation to new products, where regulatory support is critical

ISSUES

- The JSE has made formal submissions to the National Treasury regarding concerns relating to twin peaks and the Financial Market Act regulations. The JSE's engagements with the National Treasury have been constructive and the JSE expects to find a positive way forward

STAKEHOLDER

EXTERNAL PANELS AND ASSOCIATIONS



KEY INTEREST ▶ Areas of mutual interest

WHAT THE JSE ENGAGES ABOUT

- Various ongoing initiatives during the year, dealing with service, expectations, prospects, strategies, sustainability and regulation

ISSUES

- The JSE focuses on issues specific to enhancing the business environment and engages with political parties and other interest groups about South Africa and Africa as a whole

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COMMUNITY



KEY INTERESTS ▶ Corporate social investment  
Education and awareness

WHAT THE JSE ENGAGES ABOUT

- Education initiatives including:
  - JSE Investment Challenge
  - Financial literacy initiatives (JEF)
- Healthcare and community development
- Sponsorships and donations
- JSE Benevolent Fund

ISSUES

- As the Investment Challenge is the JSE's flagship CSI initiative, the JSE wishes every high school learner in the country to participate. The JSE is working closely with the Department of Education to achieve this

STAKEHOLDER

MEDIA



KEY INTEREST ▶ To create awareness of investment products and to promote financial literacy

WHAT THE JSE ENGAGES ABOUT

- Performance
- Growth areas
- Company sustainability
- Dividend policy
- Share schemes
- Prospects
- Financial literacy and investor education
- JSE markets and products
- Aspects of JSE business

ISSUES

- Issues relate to the accessibility of senior leadership, the complexity of the JSE's business and the timing of results. The JSE regularly tries to address these ongoing issues.