



10 December 2019

Company Secretaries, Sponsors & Designated Advisers

Johannesburg
Stock Exchange

One Exchange Square
Gwen Lane
Sandown, South Africa
Private Bag X991174
Sandton 2146

Tel: +27 11 520 7000
Fax: +27 11 520 8584

www.jse.co.za

GUIDANCE LETTER: REMUNERATION TARGETS

Pursuant to paragraph 3.84(k) of the JSE Listings Requirements (the “**Requirements**”) the remuneration policy and the implementation report of an issuer must be tabled every year for separate non-binding advisory votes by shareholders at the annual general meeting.

A question has been raised with the JSE whether the remuneration targets disclosed to shareholders as part of the remuneration policy pursuant to paragraph 3.84(k) of the Requirements will be treated as profit forecasts or profit estimates pursuant to paragraph 8.37(d) of the Requirements.

Paragraph 8.37(d) of the Requirements has been extracted for ease of reference:

When an applicant issuer clearly states in an announcement that it has certain future targets or objectives that it would like to achieve, such will not be interpreted as a profit forecast or estimate as referred to above, provided that the targets or objectives do not specifically relate to the current or next reporting period’.

In considering the wording and indeed intention of paragraph 8.37(d) of the Requirements, the paragraph speaks to certain future targets or objectives which the Issuer itself would like to achieve. This is very different from a performance remuneration target, which in itself will be a stretched target, aimed at its executives and employees in order to derive financial benefit through remuneration. Therefore, remuneration targets disclosed and forming part of the remuneration report will not be treated by the JSE as a profit forecast or estimate pursuant to paragraph 8.37(d) of the Requirements even if it is in respect of the current or next reporting period.

However, the JSE wishes to reiterate that pursuant to paragraphs 8.37(a) and 8.37(b) of the Requirements, any statement or information relating to -

- the future prospects of an applicant issuer that expressly states a figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period; or
- contains data from which a calculation of such a figure for profits or losses may be made,

Executive Directors: Dr L Fourie (Group CEO), A Takoordeen (CFO)

Non-Executive Directors: N Nyembezi (Chairman), ZBM Bassa, F Daniels, VN Fakude, Dr M Jordaan, Dr SP Kana, FN Khanyile, BJ Kruger, DM Lawrence, Dr MA Matooane

Alternate Director: JH Burke

Group Company Secretary: GA Brookes

will continue be treated as profit forecasts.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A F Visser', written over a light blue circular stamp.

**A F VISSER: GENERAL MANAGER
ISSUER REGULATION**