REPORT OVERVIEW

The JSE’s remuneration philosophy is founded on enduring principles, which are applied consistently each year. This philosophy seeks to engender a culture of enterprise, diligence and delivery throughout the Group, with an explicit linkage between pay and performance, in order to align the interests of employees with those of stakeholders.

REPORT OBJECTIVES

This report is intended for our shareholders. It aims to communicate the JSE Limited’s (the Group or the JSE) remuneration policy and how we implemented our remuneration policy and practices in 2019. It includes the remuneration impacts of executive leadership changes during 2019.

This report serves as the report-back to shareholders at the annual general meeting (AGM). The following remuneration-related resolutions will be tabled at the AGM on Thursday, 25 June 2020, the first two of which are advisory (non-binding) resolutions:

» Advisory vote on remuneration policy | AGM non-binding advisory resolution number 1. Refer to the remuneration policies overview page 6.

» Advisory vote on implementation of remuneration policy | AGM non-binding advisory resolution number 2. Refer to the implementation report page 20.

» Approval of non-executive director emoluments | AGM special resolution number 4. Refer to the implementation report page 20.

Various statutory disclosures, which are subject to independent audit, are contained in notes 21 and 25 of the JSE’s audited consolidated annual financial statements for the year ended December 2019. For a complete view of the JSE’s remuneration, shareholders are encouraged to reference these notes when reviewing this report.

The JSE strives to improve on the quality of our reporting. We welcome feedback from stakeholders on this report and invite you to contact ir@jse.co.za should you have any questions or recommendations.

SCOPE AND BOUNDARY

The information in this report covers the period from 1 January 2019 to 31 December 2019. It includes the five financial markets operated by the Group, and the investor protection funds1 associated with its markets.

The JSE’s remuneration reporting framework is informed by a range of local and international requirements, standards and guidance, including, but not limited to:

» South African Companies Act, 71 of 2008 (as amended) (Companies Act)

» JSE Limited Listings Requirements (Listings Requirements)

» King Code on Corporate Governance™ for South Africa, 2016 (King IV)2

ASSURANCE OVER THIS REPORT

The Board is responsible for the governance of remuneration at the JSE and sets the overarching remuneration philosophy for the Group. The Board is assisted in discharging its responsibility for remuneration matters by the Group Human Resources Committee.

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1 These funds consist of the JSE Guarantee Fund Trust, the JSE Derivatives Default Fund Trust, and the JSE Debt Guarantee Fund Trust.

2 Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.
REPORTING SUITE
Our full reporting suite is available at www.jse.co.za and comprises the following reports:

- **Annual financial statements**
  Sets out our financial results, with the Group Audit Committee (GAC) report, directors’ report and annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

- **Integrated annual report**
  Sets out how the JSE creates value in the context of our business model, strategy, operating context, governance and operational performance.

- **Notice of annual general meeting and proxy form**
  Sets out the notice of the JSE’s AGM of shareholders to be held on 25 June 2020, together with the summarised report containing the required financial disclosures.

- **Social value report (reporting on social value creation)**
  Sets out details of our journey towards delivering on our sustainability mandate and our impact on society, structured according to six areas of value creation.

- **Remuneration report (rewarding value creation)**
  Sets out the JSE’s remuneration philosophy and policy and how it was implemented in 2019. This report is subject to two non-binding advisory votes at our annual general meeting (AGM).
Dear Shareholder

I am pleased to present our remuneration report for the year ended December 2019, setting out the JSE’s remuneration policy and its implementation during 2019.

This report contains salient information needed to inform your view of the JSE’s performance and reward processes. Related remuneration information can be found in the integrated annual report, the notice of annual general meeting and the annual financial statements available online at www.jse.co.za.

Our organisation-wide remuneration policy should be read in the context of the integrated annual report for an appreciation of how the policy gives effect to the JSE’s overall business strategy.

2019 was a year of executive transition with the retirement of the Group Chief Executive, Ms Nicky Newton-King after a 23 year career with the JSE. We are grateful for the energy, commitment and leadership demonstrated by Nicky in growing the JSE into the successful business it is today. The Group Nominations Committee (GNC) working with the Group Human Resources Committee (GHRC) and the Board provided oversight of this executive transition and I am excited to welcome our new Group Chief Executive Dr Leila Fourie, who joined the JSE in October 2019.

REMUNERATION PHILOSOPHY

The JSE’s remuneration philosophy is founded on enduring principles, which are applied consistently each year. Our remuneration philosophy applies across the organisation and informs all our remuneration policies. This philosophy seeks to engender a culture of enterprise, diligence and delivery throughout the organisation, with an explicit linkage between pay and performance, in order to align the interests of staff with those of stakeholders. There has been no change in our remuneration philosophy during the year, nor to our remuneration policy or model.

This remuneration model comprises three core elements:

» guaranteed pay;
» annual incentives; and
» long-term incentives.

These are linked to performance to ensure that high levels of pay are awarded only for high performance and where there is sustained value creation for stakeholders.

OPERATING CONTEXT

The JSE’s business is impacted by the level of market activity. Market activity is influenced by economic performance, government policy and general financial market conditions globally and in South Africa. The 2019 operating environment has been challenging, owing to both local and international political and macro-economic factors. Political uncertainty was the order of the day in the run-up to the elections in May, followed by an unfortunate subsequent lack of clear policy and execution by government. Concerns about a lack of economic growth, fiscal consolidation and increasing levels of government indebtedness have reduced investors’ appetite for South African exposure. This manifested in a sell-down in South African assets and muted market activity. We also experienced a dilution in emerging market flows. The inclusion of Argentina and Saudi Arabia and the increased weighting of China in the MSCI and FTSE indices has resulted in a down-weighting of South Africa as an overall part of these indices.

Within this context we reported Group earnings before interest and tax (EBIT) decreased by 26% to R687 million (2018: R932 million) and net profit after tax (NPAT) declined by 23% to R695 million (2018: R904 million). Similarly, basic earnings per share (earnings per share (EPS) for continuing operations) decreased by 22%, to 820.5 cents (2018: 1 056.5 cents) and headline earnings per share (HEPS) decreased by 23% to 814.6 cents (2018: 1 055.4 cents) respectively.
Return on equity (ROE) is a key measure of financial performance as it combines all our critical drivers, including earnings growth and capital utilisation, into a single metric. Looking forward, our medium-term target ROE range is 16% to 23%. For the past three years, we have recorded average annual ROE of 21.8%.

Operating expenses increased off a low base, by 14% to R1.54 billion (2018: R1.35 billion), largely in three areas: first, technology costs and related depreciation from incremental costs increased following the implementation of the ITaC system in April 2019; second, we engaged in deliberate personnel recruitment to reach planned headcount levels (compared with the low base headcount throughout 2018) to ensure the JSE is appropriately resourced to deliver on its key business initiatives; third, the cost base includes once-off expenditures relating to the JSE’s executive leadership transition (R37 million) and the proposed acquisition of Link Market Services SA Proprietary Limited (Link SA) (R6 million).

The Group continues to be strongly cash generative, with net cash from operations of R880 million (2018: R913 million). The strong cash balance and the cash generated from operations have enabled us to progress the ordinary dividend. The Board declared an ordinary and special dividend for the year ended 31 December 2019 of 690 cents per share (2018: 655 cents) and 150 cents per share (2018: 185 cents), respectively. This represented a 5% increase in the ordinary dividend, and translated into a total dividend payout of R730 million (2018: R730 million).

In this context the GHRC approved increases to guaranteed remuneration of 6.5% for 2019 based on benchmarking and independent input (see page 20 for additional detail).

Corporate performance for 2019 was assessed as fair, the highlight being the successful implementation of the multi-year technology project for Integrated Trading and Clearing (ITaC), although tempered by the decline in financial performance. The committee awarded a bonus pool of R64 million, a reduction of 24% on the incentives awarded in 2018 and in line with the year-on-year decline in NPAT for 2019 (see page 32 in the online integrated annual report and page 23 of this report for further information). Long-term corporate performance was also assessed by GHRC, in determining the vesting of LTIS 2010 share awards originally granted in 2016 and 2017. These corporate metrics are weighted towards financial performance, particularly return on equity and earnings growth over the three and four-year vesting terms. For the two share allocations vesting for the period ended December 2019, only 54% and 47% of the shares vested in the hands of executives and scheme participants, given the decline in earnings and total shareholder return over this period. The balance of these shares were forfeited (our long-term schemes are detailed in both the policy overview and implementation sections later in this report.)

We continue to focus on the key elements underpinning our 2022 strategy, as follows:

- Partner to co-create for inclusive and sustainable growth
- Run trusted markets, products, and services
- Enhance the stakeholder experience
- Attract and retain diverse top talent
- Lead by example on the national agenda

Refer to page 23 in the integrated annual report for more information on the JSE’s strategy.

ENGAGEMENT WITH SHAREHOLDERS

In line with King IV, the remuneration policy and implementation report will be tabled annually for separate non-binding advisory votes by shareholders at the annual general meeting. The Group’s remuneration policy, implementation report and non-executive director’s emoluments were put to shareholder vote at the previous annual general meeting and endorsed with a majority (AGM on 22 May 2019: 86.18%, 83.39% and 98.39%, respectively).

To the extent that either the remuneration policy resolution or the implementation report resolution, or both, are voted against by 25% or more of the voting rights exercised at a shareholder meeting, the Board will engage with shareholders.

The Board will continue to encourage regular dialogue with shareholders to maintain a mutual understanding of performance and value creation by the Group and the link to the remuneration policy.

2019 FOCUS AREAS

During the year the GHRC has:

- Reviewed and endorsed the overall remuneration philosophy and policies without making any changes.
- Re-examined the LTIS metrics and targets considering the independent input from PwC and Bowman’s Law, and updated the metrics and targets for future allocations.
- Reviewed and monitored 2019 corporate and CEO (NF Newton-King) performance against financial and non-financial targets aligned with the Group’s strategic priorities, and determined the related discretionary bonus pool.
- Determined the vesting percentages for the long term incentive scheme 2010 based on corporate performance.
- Oversaw the remuneration impacts of the CEO leadership transition, and oversaw Exco leadership changes.
- Engaged with the senior leadership regarding talent management, including pipeline and succession planning for all divisions.
- Reviewed and supported the personal development plans and actions of high-potential talent, critical employees and senior leaders.
- Ensured the development and implementation of an action plan to address feedback from employee engagement survey taken in 2018.
- Monitored progress against three-year employment equity plan targets.
- Considered and approved the 2020 corporate scorecard which aims to address the material matters that impact our strategy.

The GHRC has engaged PwC as its remuneration consultant, and is satisfied that they are independent and objective and that PwC understands the JSE’s remuneration policy and the linkages to the JSE’s overall strategy. GHRC also engaged Bowman’s Law as specialist remuneration advisor on the on-going application of the JSE’s long term equity incentive scheme. The GHRC is satisfied that they are independent. Further, the GHRC is satisfied that the JSE’s remuneration policies are aligned with the overall remuneration philosophy, and that the policies have achieved their stated objectives for the year under review.
REMNUNERATION GOVERNANCE

The JSE’s remuneration governance is prescribed by the Companies Act, King IV Code, JSE Listings Requirements and the GHRC’s terms of reference.

Sound remuneration governance provides shareholders with the assurance that the JSE’s remuneration philosophy and policies translate into remuneration outcomes that are closely linked to Group performance. The Board and GHRC apply independent judgement in developing appropriate remuneration models and in evaluating and approving remuneration outcomes.

Terms of reference

- Sets the overarching remuneration philosophy for the Group
- Approves the remuneration policy
- Submits the remuneration policy and implementation report to two non-binding advisory votes by shareholders at every AGM
- Appoints the GHRC

Group Human Resources Committee

- **Terms of reference:** A formal Board-approved terms of reference is in place. There were no changes to the terms of reference.
- **Philosophy:** Ensures that the JSE consistently, throughout the Group, adheres to a remuneration philosophy based on enduring principles of fairness, transparency, competitiveness and reward for performance actually delivered.
- **Policy:** Ensures that remuneration policies and practices, and the implementation of those, directly support the achievement of the Group’s strategy and business goals, to the ultimate benefit of shareholders and other stakeholders.
- **Judgement:** Exercises discretion in such a way that the best interests of stakeholders are served and the appropriate calibre of management and employees are attracted, motivated and retained, rather than simply applying formulaic prescriptions.
- **Implementation:** Determines the structure and level of remuneration for executive management, assesses corporate and Group CEO performance over relevant measurement periods, and approves all annual incentives for executives and share allocations and vesting of share awards under the Group’s share incentive schemes.
- **Committee effectiveness:** GHRC performance was assessed as part of the overall annual Board performance self-review. The Board confirmed that the GHRC has discharged its mandate and the responsibilities delegated to it during 2019.
- **Composition:** Comprises a minimum of three non-executive directors of the JSE, appointed by the Board. The committee is required to meet a minimum of three times each calendar year. No members of the GHRC may have any day-to-day involvement in the management of the JSE. As at 31 December 2019, the committee comprised five non-executive directors, three of whom are independent.
- **Management involvement:** The Group CEO and the director of human resources attend GHRC meetings by invitation. Other senior management members attend meetings from time-to-time as required. The Group Company Secretary attends all Board committee meetings. No individual, irrespective of position, is present when their remuneration is discussed.

Voting

The JSE’s remuneration policy as set out in the Remuneration Policies Overview is subject to an advisory vote by shareholders at the AGM (non-binding advisory resolution number 1).

Refer to the Integrated Annual Report for more information on the JSE’s governance structures.

For terms of reference, refer [www.jse.co.za](http://www.jse.co.za).
GHRC composition as at 31 December 2019

<table>
<thead>
<tr>
<th>Member</th>
<th>Meeting attendance</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>VN Fakude (Chairman)</td>
<td>5/5</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>F Daniels</td>
<td>4/5</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>BJ Kruger</td>
<td>5/5</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>DM Lawrence</td>
<td>5/5</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>N Nyembezi</td>
<td>5/5</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Independence of committee: 60%

There were no changes during the year to the committee’s composition. Two of the five meetings during the year were special meetings to consider the long term equity incentive scheme, and performance management assessments.

Other invitees

<table>
<thead>
<tr>
<th>Meeting attendance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group CEO (NF Newton-King)</td>
<td>3/3</td>
</tr>
<tr>
<td>Group CEO (L Fourie)</td>
<td>1/1</td>
</tr>
<tr>
<td>Director: Human Resources</td>
<td>5/5</td>
</tr>
<tr>
<td>Group Company Secretary</td>
<td>5/5</td>
</tr>
</tbody>
</table>

1 Retired effective 30 September 2019.
2 Appointed effective 1 October 2019.
The JSE’s remuneration philosophy and policy governs the remuneration of executive management (executive directors and prescribed officers) and other employees. We are committed to observing the concept of fair and responsible remuneration for executive management in context of overall employee remuneration.

» Align pay to performance against corporate strategy
» Promote a culture that supports innovation, enterprise and the execution of Group strategy
» Align the interests of employees with attaining profitable (and sustainable) long-term growth of the business for the benefit of all stakeholders
» Offer an equitable remuneration mix that attracts, motivates and retains the appropriate calibre of executives and employees

» Reality of the JSE’s size and its significant role in the South African financial sector
» Nature of the business, its risk profile, the competitive environment and financial affordability
» Balancing of rewards with the funding of capital to maintain and grow the JSE, dividend payments to shareholders and payments to wider society (through taxation and corporate social responsibility)
Inherent in this philosophy is the linkage between pay and short and long-term performance (both at an individual and corporate level).

Remuneration is structured in a fair and reasonable manner, recognising individual contributions and collective results. There is a clear differentiation between executives and employees based on line-of-sight responsibility, accountability, competencies, work performance and scarcity of skills.

In order to drive a pay-for-performance approach, there is also an increasing element of variable pay at senior management levels.

This remuneration philosophy is expressed through a comprehensive remuneration policy, supported by specific remuneration practices.

**FAIR AND RESPONSIBLE REMUNERATION**

The following are factored into our remuneration policy and practices:

- **The principle of equal pay for work of equal value**
  - Guaranteed pay is determined based on clear role descriptions and validated by an independent remuneration advisor.
  - Pay levels are benchmarked against independent market data, and any unjustifiable income disparities (including race, gender and tenure) are subject to adjustment.

- **Overall pay ratios between executives and other employees are considered when determining annual salary increases.**

- **The JSE invests in employees through career pathing, talent mapping and providing skills development opportunities to promote progress within the JSE.**

- **Provision of financial education, debt counselling and training on basic financial education to assist employees in avoiding over-indebtedness.**

Our philosophy creates sustainable value as it is:

- **Aligned with stakeholder interests**
- **Congruent with strategic priorities and values**
- **Linked to corporate and individual performance**
- **Competitive with market norms and benchmarks**
- **Transparent and understandable**
Our remuneration model comprises three core elements – guaranteed pay, annual incentives and long-term incentives. These are linked to performance to ensure that high levels of pay are awarded only for high performance and where there is sustained value creation for shareholders.

<table>
<thead>
<tr>
<th>Element</th>
<th>Guaranteed pay and benefits</th>
<th>Annual incentives</th>
<th>Long-term incentives</th>
</tr>
</thead>
</table>
| Characteristics          | ➢ Set around median for the specific role  
➢ Based on the premise of equal pay for work of equal value  
➢ Provides a guaranteed level of earnings | ➢ Payable for the financial year  
➢ Rewards high performance  
➢ Linked to corporate financial performance, delivery of strategic priorities and personal performance | ➢ Payable in respect of sustained corporate performance over three to four years  
➢ Attract and retain high-performing talent and critical and scarce skills  
➢ Create a “share ownership culture” among senior employees  
➢ Measured against pre-set financial and strategic targets |
| Component                | ➢ Basic salary  
➢ Defined contribution pension plan  
➢ Medical aid benefits | ➢ Discretionary cash bonus scheme | ➢ Performance share schemes:  
➢ – LTIS 2010: Scheme closed with final allocation awarded in 2017. Remaining allocations will vest over time until 2021  
➢ – LTIS 2018: First allocation awarded in 2018 and will vest from 2021  
➢ – Critical skills cash scheme | |
| Purpose                  | ➢ Compensate employees for work performed  
➢ Attraction and retention | ➢ Reward employees for the specific financial year’s corporate financial performance, delivery of strategic priorities and personal performance  
➢ Attraction and retention | ➢ LTIS 2010/2018: Incentivise corporate performance and long-term shareholder value creation  
➢ Critical skills cash scheme: Retention of senior employees with scarce or critical skills | |
| Eligibility              | ➢ All employees | ➢ All employees | ➢ LTIS 2010/2018: Senior leadership group involved in strategic decision-making  
➢ Critical skills cash scheme: Key employees with scarce or critical skills (that do not participate in LTIS 2010/2018) | |
**Fixed pay**

- Guaranteed pay and benefits
  - Structured on a total cost-to-company basis
  - Benchmarked against independent market data
  - Reflects scope and depth of role, experience required, level of responsibility and individual performance

*Benchmarks*
Financial services industry and general corporate benchmarks are used to determine competitive guaranteed pay levels for all roles. The PwC Remchannel database is used with input from independent specialists to ensure all roles are correctly sized and graded as part of the salary benchmarking process.

The policy aims to move base salaries towards median, although cost considerations sometimes do not allow this. In certain instances – either for historical reasons or to retain scarce skills – salaries above median are paid.

- Annual incentives
  - GHRC determines the discretionary bonus pool based on its assessment of annual corporate performance
  - Individual discretionary bonus awards are linked to seniority, individual performance and contribution to corporate performance
  - Performance is rewarded as follows:
    - Group CEO receives a discretionary bonus cash award of up to 200% of guaranteed pay based on GHRC performance assessment
    - Exco members receive discretionary bonus cash awards of up to 150% of guaranteed pay based on performance as assessed by the Group CEO and subject to GHRC oversight
    - Employees rated as ‘top performers’ receive discretionary bonus cash awards of between 16% and 50% of guaranteed pay
    - Employees rated as ‘meeting expectations’ receive a discretionary bonus cash award of approximately one month’s guaranteed pay
    - All permanent employees can receive an award of JSE Limited ordinary shares (known as bonus shares) based on GHRC discretion (historically, no more than 6% of the discretionary bonus pool)

- Long-term incentives
  - LTIS 2010/2018 are annual awards of JSE ordinary shares; future vesting is linked to corporate performance measured over three and four years
  - Critical skills cash scheme is an annual cash award up to 25% of the participant’s annual salary; future vesting is linked to continued employment and performance

**Variable pay**

**Element**

**Guaranteed pay and benefits**

- Not applicable

**Annual incentives**

- Fully discretionary based on GHRC assessment of annual corporate performance
- Discretionary bonus pool is only awarded if pre-set financial and strategic targets are achieved (see pages 21 and 22).

**Long-term incentives**

- LTIS 2010/2018: continued employment and achievement of corporate performance targets
- Critical skills cash scheme: continued employment, JSE’s overall corporate performance and individual performance
PAY MIX AND POTENTIAL REMUNERATION

This pay mix varies with seniority, with an increasing element of variable pay at senior levels. The Group CEO and Exco members have the largest proportion of total annual package being subject to performance hurdles. This is intended to create a significant degree of alignment with shareholder interests, with the aim of driving sustainable value creation over a longer-term horizon.

The graphs that follow depict the potential pay mix of the Group CEO (L Fourie) and CFO (A Takoordeen) for 2020, in line with the 2019 remuneration policy. The graphs represent the potential outcomes for below target, on-target and maximum performance levels.

Group CEO

Actual annual incentives paid to the previous CEO (NF Newton-King) over the last three years 2017 to 2019, have averaged 146% of guaranteed pay. Similarly, the long-term share awards have vested at an average of 73% over the same period.

Group CFO

Actual annual incentives paid to the CFO over the last three years 2017 to 2019, have averaged 92% of guaranteed pay. Similarly, the long-term share awards have vested at an average of 73% over the same period.

1 Refer to the corporate performance section on page 21 of this report.
GUARANTEED PAY AND ANNUAL INCENTIVES

The JSE’s guaranteed pay consists of basic salary, defined contribution pension plan and medical aid benefits. We operate an annual incentive scheme (discretionary bonus scheme) that applies to permanent employees and cash awards vary with seniority. There were no changes to the guaranteed pay and annual incentives models during 2019. The details of both elements are set out in the remuneration model on page 8.

LONG-TERM INCENTIVES

The LTIS 2010 scheme was approved by shareholders at the April 2010 AGM, and closed in December 2018 after eight years, in accordance with the scheme rules. The final allocation under LTIS 2010 was awarded in 2017, with final vesting due in 2021 subject to corporate performance. The LTIS 2018 scheme, modelled on the same basis as the 2010 scheme, was approved by shareholders at the May 2018 AGM.

These LTIS schemes are full-value, performance share schemes. Scheme participants receive an award of JSE Limited ordinary shares on an annual basis. Vesting of the awards is linked to continued employment (or be a “good leaver” as defined) and the JSE achieving corporate performance targets over each vesting period. Scheme participants have immediate beneficial ownership from the date of the award, but subject to restrictions.

Share awards are forfeited if either the employment requirement or the corporate performance targets are not met. All participants are subject to malus and claw-back provisions in respect of awards granted under these schemes, as well as minimum shareholder requirements. For more detail on the schemes, refer to the remuneration model on page 8.

The LTIS corporate performance metrics are designed to incentivise management to pursue balanced, sustainable growth in shareholder value with due regard for the JSE’s wider responsibilities to the South African financial markets. A basket of four metrics was selected by the GHRC and endorsed by the Board, which metrics are aimed at driving earnings growth, encouraging an optimal balance sheet structure, generating returns for shareholders and focusing management on strategic business development objectives.

### Earnings growth (HEPS)

Return on equity (ROE)

Threshold, on-target and above-target levels for each annual allocation are determined by the GHRC. These targets are specifically set at levels that recognise the JSE’s wider responsibilities to the financial markets, and take into account the business cycle and medium-term outlook. HEPS targets require average earnings growth of CPI plus a premium. ROE targets are based on a premium over cost of capital.

### Total shareholder return (TSR)

Evaluated against the FINI 15 Index constituents and a selection of global exchange groups (comparator group). For the full allocation to vest, the JSE is required to achieve top-quartile performance over the vesting period for each allocation.

Threshold awards equate to median performance against the comparator group while above-target performance awards equate to top quartile performance against the comparator group.

During the year the GHRC considered the relevance of the peer group for measuring TSR performance, based on advice from the Company’s remuneration advisors. For future LTIS 2018 allocations, TSR performance will be measured against the growth in the capped SWIX index over the vesting period.

### Strategic metrics

Targets aimed at transformational business efforts. The strategic targets vary for each annual allocation. This allows the GHRC to focus management’s attention on fundamental strategic actions that might not have an immediate financial payoff but are nevertheless critical to future business success, long-term financial performance and value creation for stakeholders.

### Vesting

Each share award vests in two tranches – 50% vests over three years and 50% over four years. Performance metrics are identified and disclosed at grant date, with automatic forfeiture should targets not be achieved, and with no retesting in subsequent periods. Vesting takes place on a straight-line basis between the threshold and above target levels.

The Board remains satisfied that a three to four-year vesting horizon is appropriate for the JSE business and is in line with competitive practice in South Africa.
In order to make the share awards, the LTIS 2010 and 2018 Trusts acquire a specific number of JSE Limited ordinary shares in the open market on behalf of participants. These Trusts are funded by the JSE and there is no fresh issue of shares (nor any gearing). GHRC is mindful of the schemes’ dilutive effect and that they represent a transfer of value from shareholders to employees (as would any incentive scheme). Accordingly, various limits apply to the schemes in order to restrict the size of awards, both in aggregate and to individual participants.

<table>
<thead>
<tr>
<th>LTIS 2010/2018 limit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aggregate limit: number of shares</strong></td>
<td>Over any rolling four-year period, dilution may not be more than 2.5% of issued share capital or 0.625% per annum.</td>
</tr>
<tr>
<td>0.625% of JSE’s issued share capital (per annum)</td>
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</tr>
<tr>
<td><strong>Aggregate limit: cash cost</strong></td>
<td>The Board is mindful of the cash cost of the scheme, and exercises discretion on the cash cost of each aggregate annual allocation.</td>
</tr>
<tr>
<td>Aggregate rand value of awards is limited</td>
<td></td>
</tr>
<tr>
<td>to no more than 10% of prior year’s net profit after tax (NPAT).</td>
<td></td>
</tr>
<tr>
<td><strong>Annual award individual limit</strong></td>
<td></td>
</tr>
<tr>
<td>■ Group CEO allocation limit of 150% of guaranteed pay (2018: 150%)</td>
<td></td>
</tr>
<tr>
<td>■ Exco allocation limit of 80% of guaranteed pay (2018: 80%)</td>
<td></td>
</tr>
<tr>
<td>■ Senior employee allocation limit of 45% of guaranteed pay (2018: 45%)</td>
<td></td>
</tr>
</tbody>
</table>
**LTIS 2010**

The following table sets out the performance metrics and the weighting and targets for awards that vested in 2019, or have unvested allocations at December 2019.

The change in the EBIT growth targets for allocations 7 and 8 reflects the expected slowdown in economic activity in the medium term. This was offset by a marginal increase in the ROE threshold target from 15% to 16%.

Achieving threshold targets for any metric, results in 20% of the relevant number of shares vesting, on-target performance results in 70% vesting while 100% vests when maximum target is achieved.

**Performance targets per allocation**

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>ROE (average per annum)</th>
<th>EBIT (compound growth per annum)</th>
<th>TSR (comparator group quartile)</th>
<th>Strategic metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighting</td>
<td></td>
<td></td>
<td></td>
<td>GHRC discretion</td>
</tr>
<tr>
<td>Allocation 6 (awarded 2015; first 50% vested in 2018, second 50% vested in 2019)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Threshold target</td>
<td>15%</td>
<td>CPI+2%</td>
<td>Median</td>
<td>ITaC technology project 1 delivered</td>
</tr>
<tr>
<td>On-target</td>
<td>21.28%</td>
<td>CPI+4.5%</td>
<td>65th percentile</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>28%</td>
<td>CPI+6%</td>
<td>Upper quartile</td>
<td></td>
</tr>
<tr>
<td>Allocation 7 (awarded 2016; first 50% vested in 2019, second 50% will vest in 2020)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Threshold target</td>
<td>16%</td>
<td>CPI+1%</td>
<td>Median</td>
<td>ITaC technology project 2 delivered</td>
</tr>
<tr>
<td>On-target</td>
<td>21.63%</td>
<td>CPI+2.88%</td>
<td>65th percentile</td>
<td>Minimum new revenue target from new business lines</td>
</tr>
<tr>
<td>Maximum</td>
<td>25%</td>
<td>CPI+4%</td>
<td>Upper quartile</td>
<td></td>
</tr>
<tr>
<td>Allocation 8 (awarded 2017; to vest in 2020 and 2021)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Threshold target</td>
<td>16%</td>
<td>CPI+1%</td>
<td>Median</td>
<td>Achievement of non-equity transactional business diversification</td>
</tr>
<tr>
<td>On-target</td>
<td>21.63%</td>
<td>CPI+2.88%</td>
<td>65th percentile</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>25%</td>
<td>CPI+4%</td>
<td>Upper quartile</td>
<td></td>
</tr>
</tbody>
</table>
**LTIS 2018**

The following tables set out the performance metrics and the weighting and thresholds for first two allocations of LTIS 2018. The GHRC adjusted the metrics, weightings and targets to better reflect the importance of the financial metrics (specifically ROE) in assessing the JSE’s long term performance. This is to better align with shareholder interests. The GHRC considered independent advice from PwC and Bowman’s Law in making these adjustments.

**Performance targets per allocation**

<table>
<thead>
<tr>
<th>Allocation criteria</th>
<th>Non-discretionary</th>
<th>Non-discretionary</th>
<th>Non-discretionary</th>
<th>GHRC discretion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allocation 1 (awarded 2018; to vest in 2021 and 2022)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighting</td>
<td>ROE (average per annum)</td>
<td>EBIT (compound growth per annum)</td>
<td>TSR</td>
<td>Strategic metrics</td>
</tr>
<tr>
<td>Threshold target</td>
<td>16%</td>
<td>CPI+1%</td>
<td>Median</td>
<td>Deliver a future-fit JSE assessed against various requirements relating to culture, structure and operations.</td>
</tr>
<tr>
<td>On-target</td>
<td>21.63%</td>
<td>CPI+2.88%</td>
<td>65th percentile</td>
<td></td>
</tr>
<tr>
<td>Above target</td>
<td>25%</td>
<td>CPI+4%</td>
<td>Upper quartile</td>
<td></td>
</tr>
</tbody>
</table>

| Allocation 2 (awarded 2019; to vest in 2021 and 2022) | | | | |
| Weighting | ROE (average per annum over measurement period) | HEPS (average per annum over measurement period) | TSR (average per annum over measurement period) | Strategic metrics |
| Threshold target | 16% | CPI | 10% | Equal to average growth in capped SWIX\(^7\). Straight line between threshold and above target. At least one standard deviation over average historical return in capped SWIX. |
| On-target | 20% | CPI+1.71% | | |
| Above target | 23% | CPI+3% | | |

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\(^7\) Capped version of the all share index.
Minimum shareholding requirement

All LTIS participants are bound by a minimum shareholding requirement (MSR) policy aligned with the level of awards granted under the LTIS scheme. LTIS participants must hold a minimum number of JSE Limited ordinary shares (unencumbered) in a beneficial capacity. Share awards granted under any JSE share incentive scheme can only be applied towards the MSR if those shares have fully vested and are held unencumbered by the participant after the vesting date.

The MSR has to be met by 31 December 2021 (or later date if employed after 1 January 2017) with a certain minimum value per year. LTIS participants must build-up steadily towards the minimum shareholding over a five-year period.

Malus and clawback

Share awards are subject to malus and clawback provisions, including:

» Material failure or error that was caused by or ought reasonably to have been prevented by management
» An event or facts that negatively impacted the JSE in a material manner that was caused by or ought reasonably to have been prevented by management
» Gross negligence or fraudulent behaviour
» Participant received performance counselling during the retention period

Any of the above events can lead to forfeiture of share awards prior to vesting, or repayment after vesting as per the terms and conditions of the share award.

Critical skills cash scheme

The critical skills cash scheme has no impact on issued scheme capital dilution and is not intended to increase the overall cash cost of the JSE’s LTI schemes beyond the existing 10% of NPAT guideline.
SERVICE CONTRACTS AND OTHER APPOINTMENTS

Members of executive management (with the exception of the Group CEO) are employed on standard employment agreements, not fixed-term contracts. These employment agreements provide for a notice period of three months and entitle the employee to standard JSE benefits and participation in the JSE’s short and long-term incentive schemes, subject to the rules of these schemes from time to time.

There is a shorter notice period for executives who are dismissed following the results of disciplinary proceedings. There are no contracted balloon payments payable to executives upon termination.

Employees are required to retire at age 65.

As from August 2018, no annual incentives are subject to deferral. The treatment of deferred elements of long-term incentives in the event of terminations, are highlighted in the table below.

<table>
<thead>
<tr>
<th>Unvested LTIS 2010/2018 awards</th>
<th>Critical skills cash scheme awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>No fault terminations (retirement, retrenchment, disability or death)</td>
<td>Resignations and terminations</td>
</tr>
<tr>
<td>Must be retained in the scheme and will vest in the normal course according to the pre-set vesting dates (subject to corporate performance over that future period)</td>
<td>Forfeited</td>
</tr>
</tbody>
</table>

No additional provisions exist for a change of control of the JSE, save for the termination of employment in accordance with the prevailing JSE policy.

Appointments

Employees are not entitled to accept outside Board appointments to any listed company so as to avoid any real or perceived conflict of interest. They are, however, entitled to accept appointments to non-listed public or private companies or non-governmental organisations, where the time commitment is reasonable and subject to the prior approval of the Group CEO, or the chairman of the JSE Board (in respect of any appointments relating to the CEO). Fees earned from such non-executive appointments are payable to the JSE.
**Group CEO service contract**

The Group CEO (L Fourie) is the only employee with a specific service contract. The contract contains a six-month notice period and a one-year restraint of trade.

The agreed restraint of trade precludes the Group CEO from being engaged by any stock exchange, bond or futures market, or any clearing house, depository or stock-brokering business carried on in South Africa for a period of one year from the date of termination. The GHRC is of the view that this restraint is fair and reasonable in order to protect the strategic proprietary interests of the JSE. The restraint of trade was settled in JSE Limited shares which will vest only if the restraint is exercised by the JSE at the end of the CEO’s employment with the JSE.

<table>
<thead>
<tr>
<th>Guaranteed pay</th>
<th>Annual incentive</th>
<th>Long-term incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Graded as Patterson F-Band</td>
<td>» Participates in the discretionary bonus scheme</td>
<td>» Participates in LTIS 2018</td>
</tr>
<tr>
<td>» Benchmarked against independent market data (PwC Remchannel data for financial services)</td>
<td>» Group CEO performance is assessed by GHRC against corporate scorecard and personal objectives</td>
<td>» Share awards granted annually at 150% of guaranteed pay</td>
</tr>
<tr>
<td>» Structured on a cost-to-company basis and comprises basic salary and pension plan and medical aid contributions</td>
<td>» GHRC’s performance assessment of Group CEO is endorsed by the Board</td>
<td>» Awards vest over three and four-year time horizons subject to continued employment and meeting pre-set corporate performance targets measured over the vesting period</td>
</tr>
<tr>
<td>» Provides a guaranteed level of earnings</td>
<td>» Awards are payable in cash, calculated as a percentage of guaranteed pay</td>
<td>» No retesting of performance</td>
</tr>
</tbody>
</table>
| | » Performance levels:  
  – Below target: 0%  
  – On-target: 125%  
  – Maximum: 200%  
  » For exceptional corporate performance, the discretionary bonus award may be scaled beyond 200% of annual guaranteed pay, subject to the size of the DB bonus pool with the percentage over 200% payable in JSE Limited ordinary shares | » Share awards are forfeited if performance conditions not achieved |

**Summary of remuneration structure**

- Graded as Patterson F-Band
- Benchmarked against independent market data (PwC Remchannel data for financial services)
- Structured on a cost-to-company basis and comprises basic salary and pension plan and medical aid contributions
- Provides a guaranteed level of earnings
- Participates in the discretionary bonus scheme
- Group CEO performance is assessed by GHRC against corporate scorecard and personal objectives
- GHRC’s performance assessment of Group CEO is endorsed by the Board
- Awards are payable in cash, calculated as a percentage of guaranteed pay
- Performance levels:
  - Below target: 0%
  - On-target: 125%
  - Maximum: 200%
- For exceptional corporate performance, the discretionary bonus award may be scaled beyond 200% of annual guaranteed pay, subject to the size of the DB bonus pool with the percentage over 200% payable in JSE Limited ordinary shares
- No deferral of awards
CFO employment agreement

The CFO is employed on a standard employment agreement, not a service contract. Her notice period is three months and she is subject to a one-year restraint of trade (post-termination of employment), at the election of the JSE.

The restraint of trade was included in the employment contract in 2016. In return for agreeing to the restraint provision in 2016, the CFO received an award of restraint shares equivalent to 80% of guaranteed pay in that year. These restraint shares have vested subject to corporate performance over the period 2016 to 2018, which has been assessed at 50.15%. The balance of the restraint shares were forfeited.

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### Summary of remuneration structure

<table>
<thead>
<tr>
<th>Guaranteed pay</th>
<th>Annual incentive</th>
<th>Long-term incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>★ Graded as Patterson E-Band</td>
<td>★ Participates in the discretionary bonus scheme</td>
<td>★ Participates in LTIS 2010/2018</td>
</tr>
<tr>
<td>★ Benchmarked against independent market data (PwC Remchannel data for financial services)</td>
<td>★ Discretionary bonus cash award is linked to individual performance and contribution to corporate performance as assessed by the Group CEO</td>
<td>★ Share awards granted annually at 80% of guaranteed pay</td>
</tr>
<tr>
<td>★ Structured on a cost-to-company basis and comprises basic salary and pension plan and medical aid contributions</td>
<td>★ Awards are payable in cash, calculated as a percentage guaranteed pay</td>
<td>★ Awards vest over three and four-year time horizons subject to continued employment and meeting pre-set corporate performance targets measured over the vesting period</td>
</tr>
</tbody>
</table>
| ★ Provides a guaranteed level of earnings | ★ Performance levels:  
- Below target: 0%  
- On-target: 50%  
- Above target: 100% | ★ No retesting of performance |
| ★ Discretionary bonus cash award may be scaled up to a maximum of 150% of annual guaranteed pay subject to the size of the discretionary bonus pool | | ★ Share awards are forfeited if performance not achieved |
| ★ No deferral of awards | | |
NON-EXECUTIVE DIRECTOR EMOLUMENTS

The JSE seeks to appoint and retain non-executive directors that are able to contribute in a meaningful way to the direction and oversight of the Group’s affairs.

The role of a non-executive director extends substantially beyond attending meetings and they are accountable for decisions taken, regardless of meeting attendance. Emoluments are therefore related to membership rather than the number of meetings attended.

A single annual retainer, reflective of the role and responsibilities being discharged by a non-executive director, is the most appropriate way to remunerate non-executives. It is also administratively simple, easy to understand and allows for clear comparisons by shareholders from year to year.

**Non-executive directors do not receive short-term incentives or participate in the JSE’s LTI schemes. There are no provisions for emoluments or other payments in respect of loss of office. The JSE has an elective policy relating to non-executive director shareholdings, in terms of which Board members are encouraged to hold JSE Limited ordinary shares to the value of their annual Board retainer. However, there is no mandatory minimum shareholder requirement for non-executives.**

Out-of-pocket expenses, such as travel and accommodation costs, incurred by non-executive directors in the execution of their responsibilities are reimbursed on request.

**Recommendations regarding non-executive director emoluments are informed by independent market data provided by the JSE’s independent remuneration advisors, PwC. The GHRC also takes into account the complexity, responsibility, time commitment and risk inherent in membership of the JSE Board and the various Board committees when preparing a recommendation for Board consideration and shareholder approval. The GHRC is satisfied that the fee structure for the JSE’s non-executive directors remains appropriate.**

**Voting**

The JSE’s non-executive director emoluments for 2020 are subject to a vote by shareholders at the AGM (special resolution number 4).

The Board has determined that notwithstanding the independent benchmarking exercise for non-executive director emoluments, no increases to the emoluments for 2020 will be proposed to shareholders in solidarity with the unusual circumstances facing companies during the COVID-19 pandemic.

**NON-EXECUTIVE DIRECTOR FEE BENCHMARKS**

The GHRC has selected the FTSE/JSE Financial Index as an appropriate industry index. It benchmarks the emoluments against those of the constituent companies in the index after excluding investment holding companies, property companies and dual-listed companies from the comparator group, given their very different business models from that of the JSE.

Although the JSE is a medium-sized financial services organisation, it fulfils a unique role in the economy as a self-regulatory organisation and as a market place for capital formation. The JSE competes for the same non-executive talent with other regulated financial services companies. In the view of the GHRC, it is therefore appropriate and necessary that the JSE should use a comparator group comprising major South African financial services groups.

PwC provides the GHRC with detailed market data, based on the latest publicly available information disclosed by the companies in the selected comparator group.

**Comparator group for non-executive emoluments benchmarking**

| Alexander Forbes Group Holdings Limited | Liberty Holdings Limited |
| Barclays Africa Group Limited (now ABSA Group Limited) | MMI Holdings Limited |
| Capitec Bank Holdings Limited | Nedbank Group Limited |
| Coronation Fund Managers Limited | PSG Group Limited |
| Discovery Limited | Santam Limited |
| FirstRand Limited | Standard Bank Group Limited |
| | Transaction Capital Limited |
The Board assessed the overall corporate performance of 2019 as fair in the context of the JSE’s operating environment. It noted the decline in earnings and the feedback from clients on service delivery, but acknowledged the successful delivery of the multi-year ITaC project.

FAIR AND RESPONSIBLE REMUNERATION

The Board, working through the Group Human Resources Committee (GHRC), seeks to ensure that total remuneration paid by the Group is aligned with the JSE’s value-creating strategies, is sustainable and meets the legitimate expectations of stakeholders.

Within this philosophy, GHRC aims to apply the approved remuneration policy and the associated practices so that executive remuneration is fair and reasonable within the context of the Group’s overall remuneration.

This implementation report sets out the details and key outcomes of the remuneration paid in 2019.

GUARANTEED REMUNERATION ADJUSTMENTS

Guaranteed pay is determined based on clear role descriptions and validated by an independent remuneration advisor. The principle of equal work for equal pay applies. Pay levels are benchmarked against independent market data, and any unjustifiable income disparities (including race, gender and tenure) are subject to adjustment.

Overall pay ratios between executives and other employees are also considered when determining annual salary increments.

During 2018 the JSE’s incentive models were collapsed into a single bonus model, with adjustments to the base pay of affected staff. This addressed some of the legacy challenges relating to annual salary adjustments, and positioned the JSE’s cost-to-company salary scales for 2019 fairly within a competitive market.

Based on market research and affordability, GRHC approved for 2019 an overall annual increase in guaranteed salaries of 6.5%, with adjustments for executives limited to 6%. This aligned with the JSE pay policy which is to aim for guaranteed pay at the 50th percentile of the market. The annual increase catered for inflation-linked increases, grade adjustments where required, as well as merit increases for top performers.

For 2020 the GRHC determined an overall increase to payroll of 5.5% given the affordability context. The impact of COVID-19 will be considered at the end of the 2020 year.
CORPORATE PERFORMANCE 2019

Our 2019 corporate scorecard was approved by the Board in November 2018 and was designed around five strategic elements of value creation and 15 specific priority deliverables. Traditionally, we do not assign specific weightings to these deliverables, although financial performance (metric 9) does contribute materially to the scorecard assessment. The approved 2019 scorecard appears below, with a snapshot comment on the status of each deliverable. The GHRC considered the evidence supporting Exco’s self-assessment of performance and determined a corporate performance score for 2019, which was reviewed and ratified by the Board. This directly informs the size of the discretionary bonus pool for 2019.

Strategy element: Put our clients at the centre of what we do

Strategic intent
Align business initiatives to expedite those that provide the most value to enhance the client experience.

What we decided to do in 2019: Top priorities
1. Launch non-cash collateral.
2. Net Promoter Score (NPS) survey post-ITaC to demonstrate improvement over previous NPS survey.
3. Improve quality and client support for valuations.

Summary self-assessment and comment
1. Pre-work for this initiative was undertaken, but subsequently placed on hold owing to the need for changes to the Insolvency Act, 24 of 1936.
2. Survey completed in 2019 and client satisfaction declined in some areas compared with the prior survey.
3. Following ITaC implementation, legacy valuation systems were decommissioned and manual processes fully automated. This delivered faster valuation processing and fewer end-of-day valuation errors.

Strategy element: Operate, to global standards, South Africa’s most trusted, stable, robust and competitive market infrastructure

Strategic intent
Move trading and clearing systems and information systems platform to next generation by upgrading and refreshing the base technology.

What we decided to do in 2019: Top priorities
4. Implement ITaC by April 2019.
5. Complete IT refresh and upgrades.
6. Complete agreed ITaC 1 spill-over and progress interest rate and commodity (IRC) trading platforms transition in line with Board-approved budget.
7. Implement cash bonds on new reference data system.
8. Implement automation initiatives for smart regulation.

Summary self-assessment and comment
5. MIT upgrade deferred to 2020, however progress was made on information and cybersecurity readiness.
6. Progress made on some ITaC post-implementation enhancements, but the transition of IRC trading platforms was deferred.
7. Bonds reference data is being ported to new platform, with a successful initial implementation in November 2019 and incremental deliveries planned for the first half of 2020.
8. Proof of concept delivered of an artificial-intelligence-driven smart regulatory tool and a technical solution for SENS announcements.
## Strategy element: Grow sustainably across the value chain

**Strategic intent**
Extend JSE offering into new parts of the value chain to:
- preserve, grow and diversify financial performance; and
- further enhance the client experience.

**What we decided to do in 2019: Top priorities**
- Meet 2019 budget.
- Submit complete independent clearing house licence application and accelerate strategy for clearing of bonds and equities.
- Deliver Group operating revenue through business lines that do not currently contribute substantially to the JSE’s financial performance.

**Summary self-assessment and comment**
- The 2019 budget was not met, with NPAT down 23%.
- Deferred to 2020 to align with the application process specified by the PA.
- Several initiatives launched by the Information Services division, which will accrete revenue in 2020. The intended Link SA acquisition also provides a platform for additional revenue in 2020 (subject to Competition Tribunal review).

## Strategy element: Invest in and retain world-class talent

**Strategic intent**
Nurture a world-class staff complement that is inspired, motivated and supported to deliver.

**What we decided to do in 2019: Top priorities**
- Complete agile training for all employees.
- Implement action plan to address all issues raised in 2018 employee satisfaction survey.
- Implement coaching and mentoring programmes for high-potential leaders across the JSE.

**Summary self-assessment and comment**
- 90% of employees successfully completed the training.
- All divisions made significant progress in executing their customised action plans to address the cultural, behavioural and leadership issues raised in the survey.
- The programmes were implemented for Exco and senior management, with benefits already visible.

## Strategy element: Lead by example on the national agenda

**Strategic intent**
Position the JSE as a champion of sustainable business in South Africa across our stakeholder base – ensure we build better markets for all.

**What we decided to do in 2019: Top priorities**
- Achieve a revised Financial Sector Charter (RFSC) level 3 BBBEE status.

**Summary self-assessment and comment**
- BBBEE level 3 was confirmed by the verification agency.
ANNUAL INCENTIVES AWARDED FOR 2019

In terms of the JSE’s approved remuneration policy, the maximum amount that may be awarded in annual short-term incentives is limited to 10% of that year’s Net Profit After Tax (NPAT). The JSE’s financial performance in any given year is a key determinant, but not the sole factor, in determining the final quantum of the discretionary bonus pool. GHRC noted that the ITaC project had consumed a significant amount of focus across the JSE and that this project had been successfully delivered in the same year as leadership transition which was smoothly addressed.

GHRC determined that the JSE had achieved a fair performance for 2019 (on-target with some deliverables but below target on financial performance). In the context of a challenging year, the Committee determined to award a discretionary bonus pool of 9.2% of NPAT, being R64 million (2018: R83 million).

CEO TRANSITION

Nicky Newton-King retired from the JSE after 23 years’ service, serving the last eight years as Chief Executive Officer. Although the effective date of retirement was 30 September 2019, she remained available until December 2019 to assist the incoming Group CEO, Dr Leila Fourie, as part of a planned transition process. Ms Newton-King was classified as a good leaver and was entitled to remuneration and benefits for the full 2019 year.

The guaranteed remuneration for 2019 amounted to R5.8 million (2018: R5.6 million). A discretionary bonus of R7.7 million (2018: R9.2 million) was awarded by GHRC in respect of performance for 2019, being 133% of her guaranteed remuneration. This discretionary bonus was based on an assessment of corporate performance delivered for 2019, and recognised her contribution to an effective transition process. As a good leaver, her remaining LTIS 2018 shares will vest in March 2022 and March 2023 subject to corporate performance assessed at those vesting dates.

N. Newton-King is subject to a restraint of trade for 2020 and no payments are due in respect of that restraint, and no other termination or balloon payments were made to the former CEO.

LONG-TERM INCENTIVES

By design, the LTIS 2010 scheme (now closed with one tranche to vest in 2021) and the new LTIS 2018 scheme approved by shareholders in 2018 are structured for on-target vesting of 70% (with the size of the original award being calibrated to account for this expected 70% vesting).

This means that on average over the life of these schemes, 70% of the share awards ought to vest if management achieves on-target performance against the pre-set corporate performance metrics.

The overall vesting over the life of the existing LTIS 2010 scheme is 73%, illustrated in the accompanying graphic. Where corporate performance targets are not met, the relevant portion of the share awards are forfeited (there is no subsequent retesting of performance).
## Vesting of long-term share awards in 2019

### LTIS 2010 – Allocation 7(2) – performance measured over four years 2016 – 2019

<table>
<thead>
<tr>
<th>Weighting</th>
<th>Target range for metric</th>
<th>Actual performance against metric for vesting period</th>
<th>Score for metric (0 – 100%)</th>
<th>Weighted score for metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>30%</td>
<td>Average ROE of 16% to 25%</td>
<td>23.8%</td>
<td>89.10%</td>
</tr>
<tr>
<td>Earnings growth</td>
<td>20%</td>
<td>Compound annual growth in earning of CPI+1% to CPI+4%</td>
<td>-9.4%</td>
<td>0%</td>
</tr>
<tr>
<td>TSR</td>
<td>10%</td>
<td>Median to Upper Quartile performance against peer group</td>
<td>3.13%</td>
<td>0%</td>
</tr>
<tr>
<td>Strategic metric</td>
<td>40%</td>
<td>Revenue-enhancing initiatives On-target delivery</td>
<td>70%</td>
<td>26.73%</td>
</tr>
</tbody>
</table>

### Vesting percentage for Allocation 7(2)

54.73%

The balance of the shares for Allocation 7(2), being 45.27% of that Allocation, were forfeited.

### LTIS 2010 – Allocation 8(1) – performance measured over three years 2017 – 2019

<table>
<thead>
<tr>
<th>Weighting</th>
<th>Target range for metric</th>
<th>Actual performance against metric for vesting period</th>
<th>Score for metric (0 – 100%)</th>
<th>Weighted score for metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>30%</td>
<td>Average ROE of 16% to 25%</td>
<td>21.80%</td>
<td>72.00%</td>
</tr>
<tr>
<td>Earnings growth</td>
<td>20%</td>
<td>Compound annual growth in earning of CPI+1% to CPI+4%</td>
<td>-11%</td>
<td>0%</td>
</tr>
<tr>
<td>TSR</td>
<td>10%</td>
<td>Median to Upper Quartile performance against peer group</td>
<td>-4.56%</td>
<td>0%</td>
</tr>
<tr>
<td>Strategic metric</td>
<td>40%</td>
<td>Revenue-enhancing initiatives On-target delivery</td>
<td>65%</td>
<td>26.60%</td>
</tr>
</tbody>
</table>

### Vesting percentage for Allocation 8(1)

47.60%

The balance of the shares for Allocation 8(1), being 52.4% of that Allocation, were forfeited.

- All participants in these LTIS 2010 Allocations are subject to the same vesting percentages as set out in these vesting tables.
- ROE is stated as average ROE pa over the relevant vesting periods.
- Earnings growth is stated as CAGR over the relevant vesting periods.
- TSR is measured against a financial services peer group (see sidebar on this page).
- Threshold performance translates to a 20% award while full performance translates to a 100% award, with straight-line vesting between these two points.
Long-term incentive scheme 2018 (approved by shareholders in May 2018)

Executive director – Leila Fourie

Summary of restricted unvested shares granted to Group Chief Executive Officer

<table>
<thead>
<tr>
<th>Award</th>
<th>Date of award</th>
<th>Vesting date of first tranche</th>
<th>Vesting date of second tranche</th>
<th>Status of award</th>
<th>Grant price (rand per share)</th>
<th>Opening number of unvested shares</th>
<th>Number of shares awarded during the year</th>
<th>Number of LTIS 2018 shares vested in the year</th>
<th>Number of LTIS 2018 shares lapsed in the year</th>
<th>Closing number of LTIS 2018 unvested shares</th>
<th>Indicative rand value of unvested shares at share price on 31 December 2019 (R119.52 per share)</th>
<th>Indicative expected rand value of unvested shares at share price on 31 December 2019 (R119.52 per share at projected 70% on-target vesting)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restraint</td>
<td>2019</td>
<td></td>
<td></td>
<td>Unvested</td>
<td>128.49</td>
<td>51 364</td>
<td>Nil</td>
<td>Nil</td>
<td>51 364</td>
<td>6 139 025</td>
<td>4 297 318</td>
<td></td>
</tr>
</tbody>
</table>

» L. Fourie received a separate grant of 51 364 JSE ordinary shares upon joining the JSE as Group CEO in October 2019 – these restraint shares were granted in accordance with her terms of employment.

» These restraint shares were acquired in the open market at a volume-weighted average price of R128.49 per share (for a transaction value of R6.6 million), and are held in trust and restricted for the duration of the CEO’s employment with the JSE.

» Title to these restraint shares only passes to L. Fourie at the conclusion of her employment with the JSE, and subject to the JSE enforcing the restraint (the shares are forfeited if the JSE decides not to enforce the restraint).

Executive director – Aarti Takoordeen

Summary of restricted unvested shares granted to Chief Financial Officer

| Award          | Date of award | Vesting date of first tranche | Vesting date of second tranche | Status of award | Grant price (rand per share) | Opening number of unvested shares | Number of LTIS 2018 shares awarded during the year | Number of LTIS 2018 shares vested in the year | Number of LTIS 2018 shares lapsed in the year | Closing number of LTIS 2018 unvested shares | Indicative rand value of unvested LTIS 2018 shares at share price on 31 December 2019 (R119.52 per share) | Indicative expected rand value of unvested LTIS 2018 shares at share price on 31 December 2019 (R119.52 per share at projected 70% on-target vesting) |
|----------------|---------------|-------------------------------|-------------------------------|-----------------|-----------------------------|-------------------------------------|---------------------------------|----------------------------------------|------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Allocation 1   | 2018          | Mar 21                        | Mar 22                        | Unvested        | 153.75                      | 16 680                              | 16 680                          | Nil                                    | 16 680                                   | 1 993 593                                    | 1 393 515                                               |                                                                                  |
| Allocation 2   | 2019          | Mar 22                        | Mar 23                        | Unvested        | 159.80                      | 16 680                              | 16 710                          | Nil                                    | 33 390                                   | 1 997 179                                    | 1 398 025                                               |                                                                                  |
| Total          |               |                               |                               |                 |                             |                                     |                                 |                                        |                                          |                                                            |                                                                                   |                                                                                  |
| Total unvested LTIS 2018 shares as at 31 December 2019 | 33 390 | 3 990 772 | 2 793 540 |
JSE’s long-term share performance

JSE Limited vs FINI 15 vs All share (JSE total return vs total return indices)
## EXECUTIVE REMUNERATION SUMMARY TABLE

### Executive directors – Current year remuneration

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Basic salary1,2</th>
<th>Defined pension plan1,3</th>
<th>Medical aid, UIF and other</th>
<th>Total guaranteed pay</th>
<th>Contractual bonus (includes deferral)1,2</th>
<th>Discretionary bonus1,3,5</th>
<th>Total annual incentives</th>
<th>Total current year remuneration</th>
<th>Total long-term and other benefits</th>
<th>Total number of shares granted in the LTIS schemes and other</th>
</tr>
</thead>
<tbody>
<tr>
<td>L Fourie1,2</td>
<td>Chief Executive Officer</td>
<td>1 579</td>
<td>64</td>
<td>7</td>
<td>1 650</td>
<td>6 637</td>
<td>—</td>
<td>6 637</td>
<td>8 287</td>
<td>—</td>
<td>51 364</td>
</tr>
<tr>
<td>NF Newton-King1,3</td>
<td>Chief Executive Officer</td>
<td>5 255</td>
<td>346</td>
<td>176</td>
<td>5 777</td>
<td>—</td>
<td>7 700</td>
<td>7 700</td>
<td>13 477</td>
<td>3 824</td>
<td>52 112</td>
</tr>
<tr>
<td>A Takoordeen</td>
<td>Chief Financial Officer</td>
<td>3 201</td>
<td>146</td>
<td>127</td>
<td>3 474</td>
<td>—</td>
<td>2 000</td>
<td>2 000</td>
<td>5 474</td>
<td>2 499</td>
<td>16 710</td>
</tr>
<tr>
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<td></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 035</td>
<td>556</td>
<td>310</td>
<td>10 901</td>
<td>6 637</td>
<td>9 700</td>
<td>16 337</td>
<td>27 238</td>
<td>6 323</td>
<td>120 186</td>
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### 2018

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Basic salary</th>
<th>Defined pension plan</th>
<th>Medical aid, UIF and other</th>
<th>Total guaranteed pay</th>
<th>Contractual bonus (includes deferral)</th>
<th>Discretionary bonus</th>
<th>Total annual incentives</th>
<th>Total current year remuneration</th>
<th>Total long-term and other benefits</th>
<th>Total number of shares granted in the LTIS schemes and other</th>
</tr>
</thead>
<tbody>
<tr>
<td>NF Newton-King</td>
<td>Chief Executive Officer</td>
<td>5 059</td>
<td>374</td>
<td>161</td>
<td>5 594</td>
<td>—</td>
<td>9 167</td>
<td>9 167</td>
<td>14 761</td>
<td>5 596</td>
<td>52 040</td>
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<tr>
<td>A Takoordeen</td>
<td>Chief Financial Officer</td>
<td>2 729</td>
<td>159</td>
<td>2</td>
<td>2 890</td>
<td>458</td>
<td>2 500</td>
<td>2 958</td>
<td>5 848</td>
<td>2 049</td>
<td>16 680</td>
</tr>
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<tr>
<td></td>
<td></td>
<td>7 788</td>
<td>533</td>
<td>163</td>
<td>8 484</td>
<td>458</td>
<td>11 667</td>
<td>12 125</td>
<td>20 609</td>
<td>7 645</td>
<td>68 720</td>
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</table>

### Other key executives – Current year remuneration

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Basic salary</th>
<th>Defined pension plan</th>
<th>Medical aid, UIF and other</th>
<th>Total guaranteed pay</th>
<th>Contractual bonus (includes deferral)</th>
<th>Discretionary bonus</th>
<th>Total annual incentives</th>
<th>Total current year remuneration</th>
<th>Total long-term and other benefits</th>
<th>Total number of shares granted in the LTIS schemes and other</th>
</tr>
</thead>
<tbody>
<tr>
<td>JH Burke</td>
<td>Director of Issuer Regulation</td>
<td>3 312</td>
<td>230</td>
<td>214</td>
<td>3 756</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3 756</td>
<td>2 752</td>
<td>18 420</td>
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<tr>
<td>A Greenwood</td>
<td>Director of Post-Trade Services</td>
<td>3 494</td>
<td>199</td>
<td>2</td>
<td>3 695</td>
<td>—</td>
<td>2 300</td>
<td>2 300</td>
<td>5 995</td>
<td>676</td>
<td>17 776</td>
</tr>
<tr>
<td>D Khumalo</td>
<td>Director of Human Resources</td>
<td>2 634</td>
<td>107</td>
<td>2</td>
<td>2 743</td>
<td>—</td>
<td>1 590</td>
<td>1 590</td>
<td>4 333</td>
<td>410</td>
<td>13 190</td>
</tr>
<tr>
<td>H Kotze</td>
<td>Chief Information Officer</td>
<td>2 934</td>
<td>133</td>
<td>135</td>
<td>3 202</td>
<td>—</td>
<td>1 600</td>
<td>1 600</td>
<td>4 802</td>
<td>—</td>
<td>15 400</td>
</tr>
<tr>
<td>Z Luhabe-Morrison</td>
<td>Director of Marketing and Corporate Affairs</td>
<td>1 605</td>
<td>77</td>
<td>76</td>
<td>1 758</td>
<td>—</td>
<td>1 000</td>
<td>1 000</td>
<td>2 758</td>
<td>—</td>
<td>9 626</td>
</tr>
<tr>
<td>D Nemer</td>
<td>Director of Capital Markets</td>
<td>3 182</td>
<td>200</td>
<td>147</td>
<td>3 529</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3 529</td>
<td>2 934</td>
<td>20 372</td>
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<tr>
<td>MH Randall</td>
<td>Director of Information Services</td>
<td>2 685</td>
<td>113</td>
<td>96</td>
<td>2 894</td>
<td>—</td>
<td>1 350</td>
<td>1 350</td>
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<td>13 920</td>
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</tr>
<tr>
<td></td>
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<td>19 846</td>
<td>1 059</td>
<td>672</td>
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<td>7 840</td>
<td>7 840</td>
<td>29 417</td>
<td>7 137</td>
<td>108 703</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Basic Salary</td>
<td>Defined Pension Plan</td>
<td>Medical Aid</td>
<td>UIF and Other</td>
<td>Total Guaranteed Pay</td>
<td>Contractual Bonus (includes deferral)</td>
<td>Discretionary Bonus</td>
<td>Total Annual Incentives</td>
<td>Total Current Year Remuneration</td>
<td>Total Long-Term and Other Benefits</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------</td>
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<td>---------------------</td>
<td>----------------------</td>
<td>---------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>JH Burke</td>
<td>Director of Issuer Regulation</td>
<td>2,684</td>
<td>250</td>
<td>195</td>
<td></td>
<td>3,129</td>
<td>505</td>
<td>2,400</td>
<td>2,905</td>
<td>6,034</td>
<td>2,306</td>
</tr>
<tr>
<td>LM de Villiers</td>
<td>Interim Chief Information Officer</td>
<td>2,856</td>
<td>–</td>
<td>1</td>
<td></td>
<td>2,857</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,857</td>
<td>–</td>
</tr>
<tr>
<td>A Greenwood</td>
<td>Director of Post-Trade Services</td>
<td>2,867</td>
<td>217</td>
<td>2</td>
<td></td>
<td>3,086</td>
<td>468</td>
<td>2,600</td>
<td>3,088</td>
<td>6,174</td>
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<tr>
<td>Z Jacobs</td>
<td>Director of Marketing and Corporate Affairs</td>
<td>2,538</td>
<td>162</td>
<td>213</td>
<td></td>
<td>2,913</td>
<td>437</td>
<td>1,700</td>
<td>2,137</td>
<td>5,050</td>
<td>1,966</td>
</tr>
<tr>
<td>D Khumalo</td>
<td>Director of Human Resources</td>
<td>2,117</td>
<td>131</td>
<td>35</td>
<td></td>
<td>2,283</td>
<td>362</td>
<td>1,850</td>
<td>2,212</td>
<td>4,495</td>
<td>–</td>
</tr>
<tr>
<td>H Kotze</td>
<td>Chief Information Officer</td>
<td>238</td>
<td>14</td>
<td>19</td>
<td></td>
<td>271</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>271</td>
<td>–</td>
</tr>
<tr>
<td>TJ Matsema</td>
<td>Chief Information Officer</td>
<td>1,666</td>
<td>144</td>
<td>278</td>
<td></td>
<td>2,088</td>
<td>476</td>
<td>–</td>
<td>476</td>
<td>2,564</td>
<td>–</td>
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<tr>
<td>D Nemer</td>
<td>Director of Capital Markets</td>
<td>3,077</td>
<td>247</td>
<td>195</td>
<td></td>
<td>3,519</td>
<td>556</td>
<td>2,850</td>
<td>3,406</td>
<td>6,925</td>
<td>755</td>
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<tr>
<td>LV Parsons</td>
<td>Director of Information Services</td>
<td>1,213</td>
<td>119</td>
<td>58</td>
<td></td>
<td>1,390</td>
<td>543</td>
<td>2,750</td>
<td>3,293</td>
<td>4,683</td>
<td>2,474</td>
</tr>
<tr>
<td>MH Randall</td>
<td>Director of Information Services</td>
<td>1,227</td>
<td>70</td>
<td>44</td>
<td></td>
<td>1,341</td>
<td>241</td>
<td>1,100</td>
<td>1,341</td>
<td>2,682</td>
<td>181</td>
</tr>
</tbody>
</table>

2 Represents short-term employee benefits. From 1 August 2018, the contractual bonus was collapsed into salaries.
3 Contractual bonuses includes a sign-on bonus for the incoming CEO in 2019. Contractual bonuses in 2018 were subject to personal performance and are calculated according to a fixed percentage of basic salary (which percentage varied on a sliding scale based on grade). Refer to footnote 1.
4 Discretionary bonuses are subject to both personal performance and the achievement of specific corporate deliverables (per the annual corporate scorecard approved by the Board at the beginning of each financial year). These awards are not subject to deferral, unless otherwise so determined by the Board in any particular year. A portion of the discretionary bonus may be paid in equity, at the discretion of the Group Human Resources Committee.
5 All executive directors and other key executives are full-time employees of JSE Limited.
6 CEO’s discretionary bonus – cash only.
7 Represents the net value (after forfeiture for corporate performance) of share awards granted under provisions of the LTIS 2010 Long Term Incentive Scheme in 2012 and 2013 that vested during the current financial year.
8 Represents unvested or unsettled shares as at 31 December 2019, granted under the provisions of the LTIS 2018 Long Term Incentive Schemes in the current year.
9 Resigned effective 31 August 2018.
10 Appointed Director of Information Services effective 1 July 2018.
11 Resigned effective 31 May 2019.
12 Appointed Chief Information Officer effective 1 December 2018.
13 Resigned effective 30 September 2019.
14 Appointed Director of Marketing and Corporate Affairs effective 1 February 2019.
15 Resigned effective 31 October 2019.
LOOKING FORWARD

Scorecard for annual incentives 2020

Our 2022 strategic priorities are firmly tied in with our corporate and Group CEO scorecards for 2020.

<table>
<thead>
<tr>
<th>2022 strategic priorities</th>
<th>Corporate and Group CEO scorecard¹ 2020</th>
</tr>
</thead>
</table>
| **Partner to co-create for inclusive and sustainable growth** and reduce equity market dependence. | 1. Deliver financial performance in line with 2020 budget  
2. Execute on inorganic growth strategy  
3. Deliver new products and services in Capital Markets and Information Services  
4. Integrate Link SA into the JSE* |
| **Run trusted markets, products and services** by ensuring market quality, settlement assurance, governance, operational availability and resilience. | * Subject to the outcome of the Competition Tribunal decision |
| **Enhance the stakeholder experience** through collaborative value creation and the highest quality of service delivery. | 1. Improve our operational resilience  
2. Improve our information security readiness in line with the plan  
3. Complete MIT upgrade  
4. Improve governance requirements |

¹ The Group CEO is assessed by the Group Human Resources Committee based on both the performance of the JSE against the 2020 corporate scorecard and on the impact of the Group CEO’s leadership on the JSE.
Scorecard for long-term incentives granted in 2020

GHRC has endorsed the following corporate metrics for the LTIS 2018 scheme as a reasonable and balanced basis for measuring management’s contribution to performance.

### PERFORMANCE METRICS

<table>
<thead>
<tr>
<th>Measurement basis</th>
<th>RETURN ON EQUITY CAPITAL</th>
<th>EARNINGS GROWTH</th>
<th>TSR</th>
<th>STRATEGIC METRIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold vesting target</td>
<td>Average annual return on equity (ROE) for JSE Group against JSE cost of capital</td>
<td>Average growth in JSE Group HEPS vs average CPI</td>
<td>JSE TSR against FTSE/JSE Capped SWIX All Share total return</td>
<td>Same target applies to two consecutive Allocations</td>
</tr>
<tr>
<td>On-target vesting target</td>
<td>16% average annual ROE over measurement period</td>
<td>Average annual growth in HEPS not less than average growth in CPI over the measurement period</td>
<td>JSE TSR performance not less than the average growth in Capped SWIX over measurement period</td>
<td>Specific to Allocation</td>
</tr>
<tr>
<td>Full performance vesting target</td>
<td>20% average annual ROE over measurement period (straight line basis)</td>
<td>Average annual growth in HEPS of CPI + 1.71% (straight-line basis)</td>
<td>JSE TSR performance on straight line basis between threshold and full performance targets</td>
<td>Specific to Allocation</td>
</tr>
<tr>
<td>Nature of metric</td>
<td>Quantitative (no discretion)</td>
<td>Quantitative (no discretion)</td>
<td>Quantitative (no discretion)</td>
<td>Qualitative (discretion by GHRC)</td>
</tr>
</tbody>
</table>

1. Revise and launch our vision, values and JSE Way
2. Deliver efficiencies through new ways of work and agile capability
3. Improve on our 2018 employee engagement score

1. Deliver impactful corporate social investment, and financial literacy education, to enable future inclusion
2. Lead on the sustainability agenda
3. Partner with government on #SAInc. and promote South Africa as an attractive investment destination
4. Maintain our BBBEE level 3 score and improve our BBBEE internal transformation

---

**2022 strategic priorities**

- **Attract and retain diverse top talent** that allows an exchange of knowledge to support a transition from the markets of today to the markets of tomorrow.

- **Lead by example on the national agenda** and promote #SAInc. as a global investment destination by partnering with the public and the private sector.

---

**Corporate and CEO scorecard 2020**

- 1. Revise and launch our vision, values and JSE Way
- 2. Deliver efficiencies through new ways of work and agile capability
- 3. Improve on our 2018 employee engagement score

- 1. Deliver impactful corporate social investment, and financial literacy education, to enable future inclusion
- 2. Lead on the sustainability agenda
- 3. Partner with government on #SAInc. and promote South Africa as an attractive investment destination
- 4. Maintain our BBBEE level 3 score and improve our BBBEE internal transformation
**NON-EXECUTIVE DIRECTOR EMOLUMENTS**

GHRC is responsible for recommending to the JSE Board the emoluments to be paid to JSE non-executive directors for their services as directors (as defined). The JSE Board is required, in accordance with sections 66(8) and 66(9) of the Companies Act, 2008, to present a special resolution outlining the proposed emoluments, for approval by shareholders at intervals not exceeding two years.

Emoluments for 2019 were approved by shareholders at the AGM held in May 2019, and are reflected in the table below.

<table>
<thead>
<tr>
<th>R’000</th>
<th>Board member fees</th>
<th>Committee member fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZBM Bassa</td>
<td>Chairman of Group SRO Oversight Committee</td>
<td>950</td>
</tr>
<tr>
<td>F Daniels</td>
<td></td>
<td>1 100</td>
</tr>
<tr>
<td>VN Fakude</td>
<td>Chairman of Group Human Resources Committee</td>
<td>790</td>
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<tr>
<td>M Jordaan</td>
<td></td>
<td>535</td>
</tr>
<tr>
<td>SP Kana</td>
<td>Chairman of Group Audit Committee, Chairman of Group Social and Ethics Committee</td>
<td>1 501</td>
</tr>
<tr>
<td>F Khanyile</td>
<td></td>
<td>875</td>
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<tr>
<td>BJ Kruger</td>
<td></td>
<td>760</td>
</tr>
<tr>
<td>DM Lawrence</td>
<td>Chairman of Group Deal Committee</td>
<td>1 020</td>
</tr>
<tr>
<td>MA Matoane</td>
<td>Chairman of Group Risk Management Committee</td>
<td>895</td>
</tr>
<tr>
<td>NMC Nyembezi</td>
<td>Board Chairman, Chairman of Group Nominations Committee</td>
<td>2 300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>10 726</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R’000</th>
<th>Board member fees</th>
<th>Committee member fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
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<td></td>
</tr>
<tr>
<td>AD Botha</td>
<td></td>
<td>361</td>
</tr>
<tr>
<td>ZBM Bassa</td>
<td>Chairman of Group SRO Oversight Committee</td>
<td>128</td>
</tr>
<tr>
<td>F Daniels</td>
<td></td>
<td>215</td>
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<tr>
<td>VN Fakude</td>
<td>Chairman of Group Human Resources Committee</td>
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<td>M Jordaan</td>
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<td>495</td>
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<tr>
<td>SP Kana</td>
<td>Chairman of Group Audit Committee, Chairman of Group Social and Ethics Committee</td>
<td>1 243</td>
</tr>
<tr>
<td>F Khanyile</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>BJ Kruger</td>
<td></td>
<td>367</td>
</tr>
<tr>
<td>DM Lawrence</td>
<td></td>
<td>805</td>
</tr>
<tr>
<td>MA Matoane</td>
<td>Chairman of Group Risk Management Committee</td>
<td>861</td>
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<tr>
<td>AM Mazwai</td>
<td></td>
<td>340</td>
</tr>
<tr>
<td>NP Mnxasana</td>
<td></td>
<td>298</td>
</tr>
<tr>
<td>NMC Nyembezi</td>
<td>Board Chairman, Chairman of Group Nominations Committee</td>
<td>2 150</td>
</tr>
<tr>
<td>NG Payne</td>
<td></td>
<td>575</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>8 760</td>
</tr>
</tbody>
</table>

1 Resigned 18 May 2018.
2 Appointed 1 June 2018.
3 Resigned 18 May 2018.
4 Appointed 1 November 2018.
5 Stepped down 3 August 2018.
6 Appointed 1 November 2018.
7 Appointed 1 October 2018.
8 Appointed 1 November 2018.
Looking ahead to 2020, the GHRC reviewed a benchmarking proposal for non-executive emoluments, supported by independent data, and settled on a recommendation to the JSE Board for an increase to the emoluments for 2020. In determining this recommendation for 2020 the GHRC:

» Made no changes to the peer group against which these emoluments are benchmarked, as the committee was of the view that the peer group remains relevant for this benchmarking exercise (see page 19 for peer group constituents)
» Sought to align the JSE’s proposed fees for 2020 with the median of the peer group (aiming for a compa-ratio within 80% – 120% of median for all non-executive roles)
» Targeted an incremental adjustment to the retainers for the chairmen and members of the Group Audit Committee and Group Risk Management Committee so as to reflect the increasing importance of these roles
» Noted that fees payable to a non-resident non-executive director will be computed at the approved ZAR rate (same as the rate for all other directors) and paid in the relevant foreign currency on a quarterly basis, using the average foreign exchange rate for the calendar quarter for which the fees are due
» Maintained the 2x ratio in respect of the retainers for Committee chairmen and Committee members in line with the existing JSE non-executive emoluments policy, save for the Group Audit Committee where JSE policy provides that this ratio should be closer to 2.5x the retainer paid to Audit Committee members

The Board considered the proposal by GHRC and endorsed the proposed increases for shareholder approval. However, as a consequence of the challenges posed by the COVID-19 pandemic the Board reviewed its earlier decision and formally resolved not to propose any increases to the non-executive emoluments for 2020. Accordingly, Special Resolution 4 set out in the notice of AGM proposes no increases to the non-executive emoluments for 2020.