



# NOTICE OF ANNUAL GENERAL MEETING

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and proxy form 2022

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The following is included in this notice of annual general meeting (AGM) (this/the notice):

- summarised consolidated annual financial statements for the year ended 31 December 2021;
- the resolutions to be proposed at the AGM, together with explanatory notes;
- logistical information should you wish to attend the AGM by electronic means or to vote by proxy;
- relevant shareholder disclosures; and
- the proxy form for completion, signature and submission, if required.

This notice forms part of and should be read in conjunction with the integrated annual report 2021.

## This document is important and requires your immediate attention

If you are in any doubt regarding the resolutions set out in this notice or the action you should take, please consult your professional advisor.



Page reference for additional reading in this report.



Reference to online data at <https://www.jse.co.za/investor-relations/results>.



## Availability of our reporting suite

This notice is provided to all registered holders of JSE Limited (JSE or the Company or the Group) ordinary shares (as at the relevant record date) and contains the summarised consolidated annual financial statements for the year ended 31 December 2021, together with related information relevant to this AGM.

Shareholders may elect to receive all shareholder correspondence electronically or in hard copy and may change this election at any time by contacting the Company's transfer secretaries at the relevant address set out in this notice.

Shareholders are also encouraged to register on ShareHub to access all AGM-related information and documents, circulars, educational material and announcements via an electronic portal. Shareholders can expect to receive notifications from ShareHub via email and/or on their mobile phone via text message. Registration is free for all shareholders of JSE Limited.

Register at [www.sharehub.co.za](http://www.sharehub.co.za)

Printed copies of the integrated annual report 2021 and of the audited annual financial statements for the year ended 31 December 2021 may be obtained from the Group company secretary at the registered office of the Company, One Exchange Square, 2 Gwen Lane, Sandown, 2196 during normal business hours from Tuesday, 29 March 2022 up to and including Tuesday, 3 May 2022.

## Reporting suite

Our full reporting suite comprises five separate reports, and is available at: <https://www.jse.co.za/investor-relations/results>

### Notice of AGM and proxy form 2022

**Sets out the notice of the JSE's AGM of shareholders to be held on Tuesday, 3 May 2022, together with the summarised report containing the required financial disclosures.**

### Integrated annual report

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

### 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 IFRS.

### Remuneration report

Sets out the JSE's remuneration philosophy and policy, and how it was implemented in 2021.

### Sustainability report

Sets out details of our journey towards delivering on our sustainability mandate and our impact on society.

### Disclaimer

**Many of the statements in this report constitute forward-looking statements. These are not guarantees or predictions of future performance. The information on which forward-looking statements were based was not audited. Like all businesses, the JSE faces risks and other factors outside of its control. This may lead to outcomes unforeseen by the Group. These are not reflected in the report.**

**Readers are cautioned not to place undue reliance on forward-looking statements.**



## JSE LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2005/022939/06

Share code: JSE

ISIN: ZAE000079711

LEI: 231800MZ1VUQEBWRF039

("JSE" or the "Company" or the "Group")

# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the 17th (seventeenth) AGM of shareholders of the JSE will be held on Tuesday, 3 May 2022 at 16:00 South African (SA) Standard Time (subject to any adjournment, postponement or cancellation) via electronic means as permitted by the JSE Listings Requirements, the provisions of the Companies Act, 71 of 2008 (as amended) (Companies Act) and the Company's memorandum of incorporation (MOI), to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.**

## Record dates

The Board of directors (Board) of the Company has determined, in accordance with section 59(1)(a) and (b) of the Companies Act, that the record date for shareholders to receive the notice of the AGM (the notice record date) is Friday, 18 March 2022 and the record date for shareholders to be recorded as such in the shareholders' register, maintained by the transfer secretaries of the Company, to be able to attend, participate in and vote at the AGM (the voting record date) is Friday, 22 April 2022.

Therefore, the last day to trade in the Company's shares on the Johannesburg Stock Exchange in order to be recorded in the share register on the voting record date is Tuesday, 19 April 2022.

## Presentation of audited annual financial statements

The audited consolidated annual financial statements of the Group, including the reports of the directors, Group Audit Committee and the independent external auditors, for the year ended 31 December 2021 will be presented to shareholders as required in terms of sections 30(3)(d) and 61(8)(a) of the Companies Act (abbreviated versions have been included in this publication, with the full annual financial statements being available on [the JSE website at www.jse.co.za](http://www.jse.co.za)).

## Presentation of Group Sustainability Committee report

A report by the Group Sustainability Committee for the year ended 31 December 2021 is included in the sustainability report (available on [the JSE website at www.jse.co.za](http://www.jse.co.za)) and will be presented to shareholders as required in terms of regulation 43 of the Companies Regulations 2011 (Regulations).

NOTICE OF ANNUAL GENERAL MEETING continued

## Access to the electronic AGM

The Board has determined that it is appropriate that the AGM be held by way of electronic participation only, and not by way of an in-person meeting so as to allow for the widest possible participation in the AGM proceedings. The AGM will accordingly only be accessible through electronic communication, with both voice and text facilities for engaging with shareholders.

The Company has retained the services of The Meeting Specialist Proprietary Limited (TMS) to remotely host the AGM on an interactive electronic platform, and facilitate remote participation and voting by shareholders. TMS will also act as scrutineer for purposes of the AGM.

**Shareholders who wish to participate electronically in and/or vote at the AGM are required to contact TMS as soon as possible, but in any event no later than 16:00 SA Standard Time on Thursday, 28 April 2022 either on:**

**Email at: [proxy@tmsmeetings.co.za](mailto:proxy@tmsmeetings.co.za)**

**Telephone at: +27 11 520 7950/1/2**


TMS will assist shareholders with the requirements for electronic participation in, and/or voting at, the AGM, including details of how to access the electronic voting platform.

If shareholders wish to participate electronically in the AGM, they should instruct their central securities depository participant (CSDP) or broker to issue them with the necessary letter of representation in the manner stipulated in their Custody Agreement. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker, to accommodate such requests.

Shareholders are advised and encouraged to participate in the AGM electronically and, for administrative ease, to make use of proxy voting as outlined in this notice.

Shareholders are further advised that in terms of section 63(1) of the Companies Act, any person (including proxies) attending or participating at the AGM must present reasonably satisfactory identification before being entitled to attend or

participate in and vote at the AGM. TMS is obliged to validate, in consultation with the Company and the Company's transfer secretaries, JSE Investor Services Proprietary Limited, and the relevant CSDP, each shareholder's entitlement to participate in and/or vote at the AGM, before providing a shareholder with the necessary means to access the AGM and the associated electronic voting platform.

Whether or not a shareholder proposes to attend the AGM via electronic means, please complete and submit a proxy form in accordance with the instructions printed on it. For administrative purposes, proxy forms should be received at the applicable return address as set out on  page 51 by no later than 16:00 South African Standard Time on Thursday, 28 April 2022. Any shareholder who timeously completes and lodges a proxy form will nevertheless still be entitled to attend and participate, via electronic means, in the AGM, and may vote to the exclusion of any proxy instructions already lodged, subject to withdrawing those instructions. Proxy forms may also be submitted electronically to the chairman of the AGM before the start of the AGM, as set out in this notice.



NOTICE OF ANNUAL GENERAL MEETING continued

## Ordinary resolutions

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions.

For each ordinary resolution to be adopted, the support of more than 50% (fifty percent) of the total number of votes per ordinary resolution, which the shareholders who are present electronically or represented by proxy at the meeting are entitled to cast, is required.

### 1. Ordinary resolution number 1

*Election of director appointed to the Board during the year*

“Resolved that the following director, who was appointed to the Board subsequent to the 2021 AGM and is eligible for election, be and is hereby elected with immediate effect as a director of the Company:

**Mr Phuthuma Nhleko**, independent non-executive director, appointed 1 July 2021.”

A brief biography in respect of the director is available on page 16 of this notice.

### 2. Ordinary resolution number 2

*Re-election of directors retiring by rotation in terms of the Company's MOI*

“Resolved that the following directors, who retire by rotation in accordance with the MOI of the Company and are eligible for reappointment, be and are hereby re-elected with immediate effect as directors of the Company, each by way of a separate vote:

- 2.1 **Dr Suresh Kana**, lead independent non-executive director;
- 2.2 **Ms Faith Khanyile**, independent non-executive director;
- 2.3 **Ms Zarina Bassa**, independent non-executive director; and
- 2.4 **Mr Ben Kruger**, independent non-executive director.”

Brief biographies in respect of each director are available on pages 16 to 18 of this notice.

### 3. Ordinary resolution number 3

*Re-election of director who retires in terms of the Company's policy on non-executive director tenure*

“Resolved that the following director, who is retiring in accordance with the Company's policy on non-executive director tenure and is eligible for reappointment, be and is hereby re-elected with immediate effect as a director of the Company for the ensuing year:

**Dr Mantsika Matooane**, independent non-executive director.”

A brief biography in respect of the director is available on page 18 of this notice.

### 4. Ordinary resolution number 4

*Reappointment of independent auditors*

“Resolved that:

- Ernst & Young Inc. (EY) be and is hereby reappointed with immediate effect as the independent registered auditor of the Group for the ensuing financial year or until the next AGM, whichever is the later;
- Mr Imraan Akoodie be and is hereby reappointed with immediate effect as the designated auditor for the ensuing year or until the next AGM, whichever is the later; and
- the auditors' remuneration be left to the discretion of the Board.”


NOTICE OF ANNUAL GENERAL MEETING continued

## 5. Ordinary resolution number 5

*Election of members of the Group Audit Committee*

“Resolved that the following independent non-executive directors of the Company be and are hereby reappointed with immediate effect to serve as members of the Group Audit Committee for the ensuing year, each by way of separate vote:

- 5.1 To reappoint **Dr Suresh Kana** as member and chairman of the Group Audit Committee;
- 5.2 To reappoint **Ms Faith Khanyile** as a member of the Group Audit Committee; and
- 5.3 To reappoint **Ms Zarina Bassa** as a member of the Group Audit Committee.

Brief biographies in respect of each director are available on  pages 16 to 17 of this notice.


## 6. Ordinary resolution number 6

*Authorisation to implement resolutions*

“Resolved that any one director of the Company or the Group company secretary be and is hereby authorised to do all such things and sign all documents and take all such action as he/she considers necessary to implement all resolutions passed at the meeting at which this ordinary resolution number 6 is considered.”


## 7. Non-binding advisory resolution number 1

*Remuneration policy as set out in the remuneration report of the Company*

“Resolved by way of a separate non-binding advisory vote, that the shareholders endorse the remuneration policy of the Company as set out in the remuneration report, available  online at [www.jse.co.za](http://www.jse.co.za).”

## 8. Non-binding advisory resolution number 2

*Implementation report as set out in the remuneration report of the Company*

“Resolved by way of a separate non-binding advisory vote, that the shareholders endorse the implementation report as set out in the remuneration report of the Company, available  online at [www.jse.co.za](http://www.jse.co.za).”

## Special resolutions

To consider and, if deemed fit, to pass, with or without modification, the following special resolutions.

For each special resolution to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes per special resolution, which the shareholders who are present electronically or represented by proxy at the meeting are entitled to cast, is required.

## 9. Special resolution number 1

*General authority to repurchase shares in terms of section 48 of the Companies Act*

“Resolved that the Board is hereby authorised, by way of a renewable general authority, to approve the purchase of its own ordinary shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary, upon such terms and conditions as the Board of the Company may from time to time determine, provided that:

- the general repurchase of ordinary shares in the aggregate in any one financial year by the Company does not exceed 5% (five percent) of the Company’s issued ordinary share capital as at the beginning of the financial year;
- the general repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- authorisation thereto has been given by the Company’s MOI;
- this general authority shall only be valid until the Company’s next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- general repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected (the JSE should be consulted for a ruling if the applicant’s securities have not traded in such five-day business day period);



## NOTICE OF ANNUAL GENERAL MEETING continued

- at any point in time, the Company may only appoint one agent to effect any repurchases on the Company's behalf;
- a resolution has been passed by the Board confirming that the Board has authorised the general repurchase, that the Company has passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Group;
- any such general repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase);
- any such general repurchases are subject to exchange control regulations and approval at that point in time;
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% (ten percent) in aggregate of the number of issued shares in the Company at the relevant times;
- the Company or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period; and
- when the Company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made according to paragraph 11.27 of the JSE Listings Requirements."

**10. Special resolution number 2**

*General authority to provide financial assistance to subsidiaries and other related and interrelated entities in terms of sections 44 and 45 of the Companies Act*

"Resolved that the directors of the Company may, to the extent permitted by the Companies Act, and subject to compliance with the requirements of the Company's MOI and the JSE Listings Requirements (each as presently constituted and as amended from time to time), authorise the Company to provide direct or indirect

financial assistance, including by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or interrelated to the Company or any of its subsidiaries, and/or to any shareholder of such subsidiary or related or interrelated company or entity, all as contemplated in sections 44 and/or 45 of the Companies Act, for such amounts and on such terms and conditions as the directors of the Company may determine."


**11. Special resolution number 3**

*Specific authority to provide financial assistance to directors in terms of sections 44 and 45 of the Companies Act solely for the purposes of the LTIS 2018 Trust*

"Resolved that the Company and its subsidiaries be and are hereby authorised, in terms of sections 44 and 45 of the Companies Act, for a period of two years from the passing of this special resolution number 3, to provide direct and/or indirect financial assistance to the JSE LTIS 2018 Trust, and to the directors and prescribed officers of the Company or any of its subsidiaries participating in the LTIS 2018, for the purpose of and/or in connection with the acquisition of ordinary shares of the Company from time to time or otherwise, as may be required for the operation and administration of the LTIS 2018, subject to the provisions of the Companies Act."

**12. Special resolution number 4**

*Proposed non-executive director emoluments for 2022*

"Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the emoluments, as set out on  page 15 of the notice, to its non-executive directors for their services as directors in respect of the period from 1 January 2022 to the date of the AGM of the Company to be held during 2023, plus any value-added tax (VAT) to the extent applicable."



NOTICE OF ANNUAL GENERAL MEETING continued

## Majority required for the adoption of resolutions

Unless otherwise indicated, for the ordinary resolutions to be adopted, the support of a simple majority (50% plus one) of the total number of voting rights exercised on the resolutions is required.

The non-binding resolutions are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to the existing arrangements. Should 25% or more of the votes exercised on these non-binding resolutions be cast against either or both of these non-binding resolutions, the Board undertakes to engage with identified dissenting shareholders as to the reasons therefor and take appropriate action (as determined at the discretion of the Board) to reasonably address issues raised, as envisaged in the King Report on Corporate Governance™ for South Africa, 2016 (King IV)<sup>1</sup> and the JSE Listings Requirements.

For the special resolutions to be adopted, the support of at least 75% of the total number of voting rights exercised on the resolutions is required.

Votes recorded as abstentions are not taken into account for the purposes of determining the final percentage of votes cast in favour of the resolutions. This is in line with the Companies Act.

## Voting and proxy forms

Voting on all resolutions will take place by polling. Every shareholder of the Company who is present electronically at the AGM or is represented by proxy shall have one vote for every share in the Company held by such shareholder.

## Voting process by registered shareholders

If you are a registered shareholder (a shareholder who has not dematerialised your shares or who has dematerialised your shares with own-name registration) as at the voting record date, Friday, 22 April 2022, you may attend the AGM electronically. Alternatively, you may appoint a proxy (who need not be a shareholder of the Company) to attend electronically, participate in and vote in your place at the AGM. Any appointment of a proxy may be effected by using the attached proxy form. For the proxy to be effective and valid, it must be completed and delivered according to the instructions contained in the attached proxy form.

## Voting process by beneficial shareholders

If you are a beneficial shareholder, but not a registered shareholder, as at the voting record date, Friday, 22 April 2022:

- and wish to attend the AGM via electronic means, you must obtain the necessary letter of representation to represent the registered shareholder of your shares from your CSDP or broker;
- and do not wish to attend the AGM via electronic means, but would like your vote to be exercised at the AGM, you must contact the registered shareholder of your shares through your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the attached proxy form.

By order of the Board



**Graeme Brookes**  
Group company secretary


29 March 2022

<sup>1</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.



# EXPLANATORY NOTES TO RESOLUTIONS

## Presentation of annual financial statements and reports

A summary of the audited consolidated annual financial statements is set out on  pages 28 to 46 of this report. Printed copies of the audited consolidated annual financial statements for the year ended 31 December 2021 may be obtained from the Group company secretary at the registered office of the Company during business hours from Tuesday, 29 March 2022 up to and including Tuesday, 3 May 2022.

The audited consolidated annual financial statements for the year ended 31 December 2021, together with the reports prepared by the directors and by the Group Audit Committee, and the report of the auditors for the year then ended can be accessed at [the Company's website: www.jse.co.za](http://www.jse.co.za).

## Ordinary resolution number 1

### Election of director appointed to the Board during the year

The Board has arrangements in place for the periodic, staggered rotation of non-executive directors so as to introduce, over time, directors with new skills, insights and perspectives as well as to ensure appropriate diversity of gender and race on the Board. This Board renewal programme is an ongoing exercise, and seeks to balance the introduction of new directors while retaining valuable knowledge and experience of the business, and maintaining continuity.

Subsequent to the AGM held in 2021, the Board appointed **Mr Phuthuma Nhleko** (independent non-executive director) to the Board, effective from 1 July 2021 (as announced to shareholders via the Stock Exchange News Service on 10 May 2021). Mr Nhleko will assume the chairmanship of the Board following the retirement of the current chairman, Ms Nonkululeko Nyembezi, from the Board at the AGM to be held on Tuesday, 3 May 2022. Ms Nyembezi has completed the maximum term of twelve years of consecutive service on the Board in accordance with the JSE's policy on non-executive director tenure.

In accordance with the provisions of the JSE Listings Requirements and article 12.3.4 of the Company's MOI, a director appointed by the Board is obliged to retire at the first AGM after their appointment. Mr Nhleko therefore retires for the first time at this AGM and is eligible for election by shareholders.

Based on the recommendations of the Group Nominations Committee regarding the composition of the Board, the Board is recommending the election of Mr Nhleko with immediate effect.

## Ordinary resolution number 2

### Re-election of directors retiring by rotation

The MOI of the Company requires that one third of all directors (inclusive of executive directors) shall retire at every AGM of the Company and that, if eligible, such directors may be re-elected by shareholders.

The following directors are obliged to retire by rotation at this AGM in accordance with this requirement. These directors are all eligible and make themselves available for re-election for a further term, by way of separate resolutions:

- 2.1 **Dr Suresh Kana**, lead independent non-executive director (last elected by shareholders in May 2019);
- 2.2 **Ms Faith Khanyile**, independent non-executive director (last elected by shareholders in May 2019);
- 2.3 **Ms Zarina Bassa**, independent non-executive director (last elected by shareholders in May 2019); and
- 2.4 **Mr Ben Kruger**, independent non-executive director (last elected by shareholders in May 2019).

Based on the recommendations of the Group Nominations Committee regarding the composition of the Board, the Board is recommending the re-election of these directors with immediate effect.



EXPLANATORY NOTES TO RESOLUTIONS continued

## Ordinary resolution number 3

### Re-election of director who retires in terms of the Company's policy on non-executive director tenure

The Company's policy on non-executive director tenure provides, *inter alia*, that non-executive directors of the Company:

- who have served for nine consecutive years may serve for a maximum of three further years, but subject to shareholder approval granted annually at each subsequent AGM during that three-year period; and
- shall serve for no more than 12 consecutive years in total, unless in the opinion of the Board, exceptional circumstances exist for motivating (to shareholders for approval) beyond 12 years.

This policy recognises that the Company operates in a specialised niche within the financial services sector, and aims to balance the need to retain knowledge, skills and experience on the Board while adhering to the recommendations of King IV regarding independence and diversity.

In motivating the annual re-election of those directors who have served for nine consecutive years, the Board undertakes an assessment of the directors' interests, independence and contribution before recommending such directors for annual re-election.

- **Dr Mantsika Matookane** has served for nine years as an independent non-executive director, having first been elected by shareholders at the 2013 AGM. She now retires in terms this policy, and is eligible for re-election for the ensuing year.

The Board is satisfied that Dr Matookane will continue to exercise independent and objective judgement, and that there is no interest, position, association or relationship which would unduly influence or cause bias in decision-making.

Based on the recommendations of the Group Nominations Committee regarding the composition of the Board, the Board is recommending the re-election with immediate effect of Dr Matookane for a one-year term.

## Ordinary resolution number 4

### Reappointment of independent auditors

In accordance with the provisions of the Company's policy on audit firm rotation, EY was appointed as the new independent auditors of the Group effective from May 2017.

The Group Audit Committee has reviewed the credentials and accreditation information relating to EY and to Mr I Akoodie CA(SA), the proposed designated auditor, to assess the suitability of EY and of Mr I Akoodie for reappointment, as required in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements. This exercise encompassed a review of, *inter alia*, the relevant IRBA inspection reports, and transparency reports, proof of registration and qualifications report.

The Group Audit Committee has confirmed that:

- EY is suitable for appointment as the independent auditor of the Group for the ensuing year;
- Mr I Akoodie is suitable for appointment as the designated auditor for the ensuing year; and
- EY remains independent of the Company as required by section 90 of the Companies Act.

The Board agrees with the Group Audit Committee's assessment, and is proposing that EY be reappointed as the independent auditors of the Group for the ensuing year, and that Mr I Akoodie be reappointed as the designated auditor for the ensuing year. Mr Akoodie will be serving as the designated auditor for a fifth consecutive year, and in accordance with the provisions of the Companies Act will rotate off the independent audit team following the conclusion of the independent audit of the Group for the 2022 financial year.

The audit fee originally proposed to be paid to EY for the independent audit of the Group entities for the year ended 31 December 2021 was R6.5 million and this fee will be finalised by the Group Audit Committee at its meeting to be held in July 2022. EY did not provide any non-audit services to the JSE during 2021.



## EXPLANATORY NOTES TO RESOLUTIONS continued

## Ordinary resolution number 5

### Election of Group Audit Committee members

The Board has proposed that shareholders reappoint the following independent non-executive directors as members of the Group Audit Committee for the ensuing year, by way of separate resolutions:

- 5.1 **Dr Suresh Kana**, (lead independent non-executive director) and to be reappointed as the chairman of the Group Audit Committee;
- 5.2 **Ms Faith Khanyile**, independent non-executive director; and
- 5.3 **Ms Zarina Bassa**, independent non-executive director.

As previously announced via the Stock Exchange News Service on 1 March 2022, Ms Siobhan Cleary (independent non-executive director) will complete her term of service as a member of the Group Audit Committee and will retire as a committee member at the AGM to be held on Tuesday, 3 May 2022.

The Group Audit Committee, acting as a collective, should be adequately skilled to perform its role having regard to the size and circumstances of the Company. The collective skill set includes an understanding of financial and sustainable reporting practices, internal audit controls, external audit processes, corporate law, risk management, IT governance as it relates to integrated reporting, and the governance processes of the Company.

Individual members of the Group Audit Committee therefore ought to possess appropriate qualifications, skills and experience to discharge their responsibilities. However, it is not expected that each member should possess all the required qualifications, skills and experience.

The Group Audit Committee serves as the audit committee for all group entities in accordance with the provisions of section 94(2) of the Companies Act. The Board is satisfied that the Group Audit Committee has diligently executed its mandate and responsibilities during 2021. No matters of concern have been flagged during the annual review of the Group Audit Committee's effectiveness (which was conducted as part of the Board's annual effectiveness review in January 2022).

The Board is satisfied that the proposals set out in this ordinary resolution number 5 will ensure that the Group Audit Committee is constituted according to the provisions of the Companies Act, the requirements of the JSE Listings Requirements and the recommended practices in King IV. Based on the recommendations of the Group Nominations Committee regarding the composition of Group Audit Committee, the Board is recommending the re-election of these three independent non-executive directors as members of the Group Audit Committee with immediate effect.

## Ordinary resolution number 6

### Authorisation to implement resolutions

The directors of the Company or the Group company secretary are authorised in terms of ordinary resolution number 6 to implement the resolutions adopted at this AGM, and to take all such actions as may be necessary for this purpose.

## Non-binding advisory resolution number 1

### On the remuneration policy of the Company

The King IV Code recommends that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policies adopted.

During 2021 the Company engaged its major institutional shareholders on governance and remuneration matters – this engagement was led by the chairman of the Board supported by the chairman of the Group Remuneration Committee and the lead independent director. Enhancements to the Company's remuneration policies as discussed during this roadshow have been incorporated into the remuneration policy presented for a non-binding advisory vote at the AGM to be held on Tuesday, 3 May 2022.

Non-binding advisory resolution number 1 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy.



EXPLANATORY NOTES TO RESOLUTIONS continued

## Non-binding advisory resolution number 2

### On the implementation report as set out in the remuneration report of the Company

The King IV Code recommends that the implementation of a company's remuneration policy be reported to shareholders and be subject to a non-binding advisory vote at each AGM to enable shareholders to express their views on the implementation report as set out in the remuneration report of the Company.

The Board will continue to engage with major shareholders prior to the AGM with regard to executive remuneration. The Board will take the outcome of the vote into consideration when considering the Company's future remuneration policy and implementation thereof.

## Special resolution number 1

### General authority to repurchase shares in terms of section 48 of the Companies Act

The reason for and effect of special resolution number 1 is to provide a general approval and authority in terms of section 48 of the Companies Act and section 5.72 of the JSE Listings Requirements for the Company and/or a subsidiary of the Company to acquire the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company, subject to the limitations set out in these notes to special resolution number 1.

The directors of the Company currently have no specific intention to act in terms of the authority to be granted by the passing of special resolution number 1, but will continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect any repurchases as contemplated in special resolution number 1.

The directors undertake that, after considering the effect of the general repurchase of shares as contemplated in special resolution number 1, they will not undertake any such general repurchase of shares unless:

1. the Company and the Group will be able to repay their debts as they become due in the ordinary course of business for a period of 12 months following the date of such repurchase;

2. the Company and the Group's assets will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the repurchase. For this purpose, the assets and liabilities will be recognised and measured according to the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
3. the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase; and
4. the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of the repurchase.

This general approval shall endure until the earlier of the following AGM of the Company or the day 15 months from the date of passing of special resolution number 1, whereupon this approval shall lapse, unless it is renewed at such AGM.

### Disclosure in terms of paragraph 11.26 of the JSE Listings Requirements

- **Major shareholders:** set out on page 48 of this notice.
- **Share capital and reserves of the Company:** set out on page 47 of this notice.
- **Directors' responsibility statement:** The directors, collectively and individually, accept full responsibility for the accuracy of the information pertaining to all the resolutions set out in this notice and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these resolutions contain all information required by law and the JSE Listings Requirements.
- **Material changes:** Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signature of the Group Audit Committee report and the date of this notice.



## EXPLANATORY NOTES TO RESOLUTIONS continued

## Special resolution number 2

### General authority to provide financial assistance to subsidiaries and other related and interrelated entities in terms of sections 44 and 45 of the Companies Act

The reason for and effect of special resolution number 2 is to authorise the provision by the Company of financial assistance to subsidiaries and other related and interrelated entities, specifically and only for the purpose of facilitating the JSE's normal commercial and financing activities within and among Group companies.

This special resolution number 2 deliberately excludes from its scope any reference to "any person" (as provided for in section 44 of the Companies Act) and also excludes from its ambit "directors and officers" (as provided for in section 45 of the Companies Act).

In the absence of special resolution number 2 the JSE would be unable to undertake its normal day-to-day business and financing operations within the Group.

This special resolution number 2 is required:

1. in terms of section 44 of the Companies Act, to authorise the directors of the Company to permit the Company to provide financial assistance to the entities reflected in the text of the special resolution for the purpose of, or in connection with, the subscription for any securities or options issued or to be issued by the Company or any company related or interrelated to the Company; or
2. for the purchase of any securities of the Company or a company related or interrelated to the Company and in terms of section 45 of the Companies Act, to grant the directors of the Company a general authority to authorise the Company to grant direct or indirect financial assistance, including in the form of loans or the guaranteeing of their debts to (among others) the category of persons set out in the text of the resolution, subject to the Board not authorising any financial assistance to any such persons unless it is satisfied that:

- considering all reasonably foreseeable financial circumstances of the Company at that time, the Company will, immediately after providing such financial assistance, satisfy the solvency and liquidity test stipulated in the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- any conditions or restrictions in respect of the granting of financial assistance set out in the Company's MOI have been satisfied.

## Special resolution number 3

### Specific authority to provide financial assistance to the JSE LTIS 2018 trust, specifically and only for the purpose of operating the JSE's long-term incentive scheme 2018 (LTIS 2018)

Sections 44 and 45 of the Companies Act require, *inter alia*, that the provision of financial assistance by the Company to the JSE LTIS 2018 Trust and, indirectly, to directors and prescribed officers of the Company or any of its subsidiaries, being related/inter-related persons of the Company for the purpose of, or in connection with, the acquisition of securities of the Company, must be approved by a special resolution of shareholders adopted within the previous two years.

By adopting special resolution number 3 the JSE LTIS 2018 Trust will be able to acquire in the open market, at the then ruling price, the required number of ordinary shares in the Company on behalf of the LTIS 2018 participants to satisfy the requirements of LTIS 2018 and to otherwise fund the operations of the JSE LTIS 2018 Trust in administering LTIS 2018.

At a JSE share price of R115 per ordinary share, the estimated cash cost that would be incurred to acquire the maximum total permissible number of shares for allocation to selected JSE staff during 2022 would amount to R63 million, subject to a global scheme limit that the cash cost of any annual allocation under LTIS 2018 may not exceed ten percent (10%) of the Company's profit before interest, tax and incentives (PBITI) in the immediately preceding year.

The financial assistance to be provided in terms of this special resolution number 3 will be funded from the existing working capital of the JSE.

## EXPLANATORY NOTES TO RESOLUTIONS continued

The Board will not authorise any such financial assistance unless it is satisfied that:

- considering all reasonably foreseeable financial circumstances of the Company at that time, the Company will, immediately after providing the financial assistance, satisfy the solvency and liquidity test stipulated in the Companies Act;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- any conditions or restrictions in respect of the granting of financial assistance set out in the Company's MOI have been satisfied.

Accordingly, the directors propose for approval this special resolution number 3 granting the Company and its subsidiaries the authority to provide the required financial assistance for the purposes of the LTIS 2018, which authority shall extend for a period not exceeding two years from the date of the AGM held in 2022.

### Special resolution number 4

#### Proposed non-executive directors' emoluments for 2022

The reason for and effect of special resolution number 4 is to authorise the Company to pay emoluments (including any applicable VAT thereon) to its non-executive directors for their services as directors, according to the proposed schedule of emoluments set out in this explanatory note, for the period from 1 January 2022 to the date of the Company's AGM to be held in 2023.

Section 66(9) of the Companies Act requires that remuneration payable to directors of a company in respect of their services as directors must be approved by special resolution of shareholders, adopted within the previous two years.

#### Fee model for non-executive directors unchanged

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

The role of a non-executive director, especially within financial services companies, extends substantially beyond attendance at meetings. Emoluments should therefore be a function of Board and Board committee membership rather than a reward for attending meetings.

The key elements of the JSE's fee model for non-executive directors have remained unchanged:

- 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 administratively simple, easy to understand and allows for clear comparisons by shareholders from year to year.
- The Board chairman receives a single annual retainer that encompasses the responsibility for leading the Board and serving on various Board committees. The Board chairman chairs the Group Nominations Committee, serves as a member of the Group Remuneration and Group Investment Committees, and attends all other Board Committee meetings as an invitee.
- The lead independent director plays an important role in the Board's dynamics and functioning, and this role attracts a premium of 30% on the basic annual fee paid to a non-executive director, in line with current market practice in South Africa.
- Emoluments payable to a chairperson of a Board committee are intended to be reflective of the role and additional time commitment expected of a chairperson. Board committee chairpersons receive an annual retainer equal to twice the annual fee earned by a Board committee member. For the Group Audit Committee chairperson, the retainer is set at up to 2.5 times that of a Group Audit Committee member, given the additional statutory responsibilities borne by the Group Audit Committee chairperson.
- Non-executive directors may not receive short-term incentives, nor may they participate in the JSE's long-term incentive schemes.
- Out-of-pocket expenses, such as travel and accommodation costs, incurred by non-executive directors in the execution of their responsibilities are also reimbursed upon request.
- There are no provisions for emoluments or other payments in respect of loss of office.



## EXPLANATORY NOTES TO RESOLUTIONS continued

**Benchmarking approach unchanged from previous years**

The Group Remuneration Committee is responsible for preparing a recommendation each year for the Board on non-executive director emoluments. The Group Remuneration Committee considers the complexity, responsibility, time commitment and risk inherent in membership of the JSE Board and the various Board committees when preparing its recommendation for Board consideration and shareholder approval.

The recommendation prepared by the Group Remuneration Committee is informed by market data provided by the JSE's independent remuneration advisors, PwC. The proposal on non-executive director emoluments is benchmarked against a relevant peer group of companies.

The benchmarking exercise for 2022 indicates that emoluments for 2022, as set out in the proposals in this special resolution number 4, ought to be increased by an **overall 5.8% on average year-on-year**, which will bring the emoluments payable to the JSE's non-executive directors to approximately 90% of the median of the peer group companies.

The Group Remuneration Committee 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 marketplace for capital formation. The JSE competes for the same non-executive talent with other regulated financial services companies. In the view of the Group Remuneration Committee, it is therefore appropriate that the JSE should use a comparator group that includes major South African financial services groups.

**Peer group companies for benchmarking non-executive director emoluments**

- Alexander Forbes Group Holdings Limited
- Barclays Africa Group Limited (now ABSA Group Limited)
- Capitec Bank Holdings Limited
- Coronation Fund Managers Limited
- Discovery Limited
- FirstRand Limited
- Liberty Holdings Limited
- MMI Holdings Limited
- Nedbank Group Limited
- PSG Group Limited
- Sanlam Limited
- Santam Limited
- Standard Bank Group Limited
- Transaction Capital Limited

**Minimum shareholding by non-executive directors**

There is no requirement for non-executive directors to hold a minimum shareholding in the JSE to qualify for Board membership.

Non-executive directors are, however, encouraged to hold shares in the JSE equal to their annual Board retainer, in terms of a non-binding policy on non-executive director shareholdings adopted by the Board.

As at the date of this notice, three non-executive directors hold shares in JSE Limited, details of which are disclosed in the directors' report set out in the audited consolidated annual financial statements for the year ended 31 December 2021 [available online at www.jse.co.za](http://www.jse.co.za).





## EXPLANATORY NOTES TO RESOLUTIONS continued

**Schedule of proposed emoluments for 2022 for shareholder approval**

	Existing fees for 2021 ZAR	Proposed fees for 2022 ZAR
Board Chair	2 500 00	<b>2 650 000</b>
Board Member	425 000	<b>450 000</b>
Lead Independent Director	127 500	<b>135 000</b>
Group Audit Committee		
Committee chairman	440 000	<b>470 000</b>
Member	200 000	<b>215 000</b>
Group Risk Management Committee		
Committee chairman	370 000	<b>400 000</b>
Member	185 000	<b>200 000</b>
Group Remuneration Committee		
Committee chairman	320 000	<b>330 000</b>
Member	160 000	<b>165 000</b>
Group Sustainability Committee		
Committee chairman	260 000	<b>270 000</b>
Member	130 000	<b>135 000</b>
Group SRO Oversight Committee		
Committee chairman	320 000	<b>330 000</b>
Member	160 000	<b>165 000</b>
Group Nominations Committee		
Member	85 000	<b>100 000</b>
Ad hoc or Advisory Committees		
Ad hoc fee	30 000	<b>30 000</b>
<i>Year-on-year overall proposed increase in fees 2022/2021: 5.8%</i>		
<i>New standing Committee for 2022</i>		
Group Investment Committee		
Committee chairman	–	<b>330 000</b>
Member	–	<b>165 000</b>

The Group Investment Committee is a newly established standing committee of the Board. This committee is responsible for oversight of all investment processes within JSE Group, including investments of JSE own funds and the investor protection funds. The committee's remit also encompasses oversight of all M&A activity (previously provided by the ad hoc Deal Committee, which is now superseded by the Group Investment Committee).

The Group Remuneration Committee, at its meeting in February 2022, reviewed the fee model for non-executive directors as well as the latest benchmarking data, and is satisfied that the fee structure for the JSE's non-executive directors remains appropriate.

Accordingly, the Board has resolved on the recommendation of the Group Remuneration Committee, to propose for approval special resolution number 4, authorising the payment of emoluments for 2022 as set out in the schedule above to the non-executive directors of the Company for their services as directors, according to the existing all-inclusive fee model, together with the payment of VAT to the extent applicable.



# BIOGRAPHICAL DETAILS OF DIRECTORS



## Mr Phuthuma Nhleko (61)

### Independent non-executive director

BSc, MBA

**Appointed to the Board:** 1 July 2021

#### Key strengths

Extensive executive experience in strategy development, technology, execution and governance. Global leadership experience within telecoms industry. Wide-ranging experience in M&A, investment banking and finance across various business sectors, including energy, oil & gas and telecoms.

#### Standing for:

Election to the Board following his appointment by the Board on 1 July 2021 (AGM ordinary resolution number 1)

#### Board classification

Independent non-executive director and Chairman designate

#### Appointment first ratified by shareholders

May 2022

#### Board committees

Member of Group Nomination Committee  
Member of Group Remuneration Committee  
Member of the Group Investment Committee

#### Attendance 2021

##### Overall attendance for 2021: 100% (10/10 meetings)

100% (3/3) Board meetings  
100% (1/1) Board Strategy meeting  
100% (1/1) Group Nominations Committee meetings  
100% (3/3) Group Remuneration Committee meetings  
100% (2/2) Group Investment Committee meetings

Attended 100% (8/8) other Board Committee meetings as part of the induction process as a newly appointed independent non-executive director

#### Other directorships

- Independent non-executive director of HIS Holding Limited (NYSE)
- Independent non-executive chairman of Tullow Oil plc (LSE)
- Non-executive director of:
  - Engen Holding Limited
  - Phembani Remgro Infrastructure Fund Managers
- Chairman of Phembani Group (Pty) Limited

#### JSE Limited shareholding in own name

None



## Dr Suresh Kana (66)

### Lead independent non-executive director

CA(SA); CD(SA); MCom; PhD (Honorary)

**Appointed to the Board:** 2015

**Tenure as a director:** 6 years

#### Key strengths

Seasoned accounting professional with extensive local and global experience in corporate governance, corporate social responsibility and ESG. Thought leader in corporate reporting and risk management. Formerly the CEO and Territory Senior Partner of PwC Africa.

#### Standing for:

- Re-election to the Board for a new term (AGM ordinary resolution number 2.1)
- Reappointment as a member and chairman of the Group Audit Committee for the ensuing year (AGM ordinary resolution number 5.1)

#### Board classification

Lead independent non-executive director

#### Appointment first ratified by shareholders

May 2016

#### Board committees

Chairman of Group Audit Committee  
Chairman of Group Sustainability Committee  
Member of Group Risk Management Committee  
Member of Group SRO Oversight Committee  
Member of Group Nominations Committee

#### Attendance 2021

##### Overall attendance for 2021: 100% (25/25 meetings)

100% (8/8) Board meetings  
100% (1/1) Board Strategy meeting  
100% (4/4) Group Audit Committee meetings  
100% (3/3) Group Sustainability Committee meetings  
100% (4/4) Group Risk Management Committee meetings  
100% (2/2) Group Nominations Committee meetings  
100% (3/3) Group SRO Oversight Committee meetings

#### Other directorships

- Chairman of Murray & Roberts Holdings Limited
- Lead independent director of Transaction Capital Limited
- Trustee and member of the executive committee: IFRS Foundation
- Chairman of the audit committee of the United Nations World Food Programme based in Rome

#### JSE Limited shareholding in own name

None

Biographical details are correct as at 31 December 2021. Tenure as a director is calculated from the date that an appointment is first ratified by shareholders to the date of the AGM to be held on 3 May 2022.



BIOGRAPHICAL DETAILS OF DIRECTORS continued



## Ms Faith Khanyile (53)

### Independent non-executive director

BA Economics (Honours); MBA; PhD (Honorary)

**Appointed to the Board:** 2018  
**Tenure as a director:** 3 years

<b>Key strengths</b>	Extensive experience in investment banking, strategy development and execution, corporate relationship management, development finance, governance and leadership. Currently the CEO of WDB Holdings.
<b>Standing for:</b>	<ul style="list-style-type: none"> <li>Re-election to the Board for a new term (AGM ordinary resolution number 2.2)</li> <li>Reappointment as a member of the Group Audit Committee for the ensuing year (AGM ordinary resolution number 5.2)</li> </ul>
<b>Board classification</b>	Independent non-executive director
<b>Appointment first ratified by shareholders</b>	May 2019
<b>Board committees</b>	Member of Group Audit Committee Member of Group Sustainability Committee Member of Group Investment Committee Member of Group SRO Oversight Committee
<b>Attendance 2021</b>	<b>Overall attendance for 2021: 95% (20/21 meetings)</b> 100% (8/8) Board meetings 100% (1/1) Board Strategy meeting 75% (3/4) Group Audit Committee meetings 100% (2/2) Group Sustainability Committee meetings 100% (3/3) Group Investment Committee meetings 100% (3/3) Group SRO Oversight Committee meetings
<b>Other directorships</b>	<ul style="list-style-type: none"> <li>Executive director of WDB Investment Holdings</li> <li>Non-executive director of: <ul style="list-style-type: none"> <li>Discovery Limited</li> <li>Transcend Residential Property Fund Limited</li> <li>Bidvest Group Limited (from January 2022)</li> </ul> </li> </ul>
<b>JSE Limited shareholding in own name</b>	None



## Ms Zarina Bassa (57)

### Independent non-executive director

BAcc; DipAcc; CA(SA)

**Appointed to the Board:** 2018  
**Tenure as a director:** 3 years

<b>Key strengths</b>	Accounting professional with extensive experience in auditing, risk and compliance. Wide-ranging strategic and operational experience within audit and advisory services. Previously a partner and chief operating officer of EY's sub-Saharan Africa practices. Extensive experience within banking and financial services. Previously an Executive Director at Absa Bank and a member of the Absa Group Executive Committee, with accountability for Private Banking.
<b>Standing for:</b>	<ul style="list-style-type: none"> <li>Re-election to the Board for a new term (AGM ordinary resolution number 2.3)</li> <li>Reappointment as a member of the Group Audit Committee for the ensuing year (AGM ordinary resolution number 5.3)</li> </ul>
<b>Board classification</b>	Independent non-executive director
<b>Appointment first ratified by shareholders</b>	May 2019
<b>Board committees</b>	Chairman of Group SRO Oversight Committee Member of Group Audit Committee Member of Group Risk Management Committee
<b>Attendance 2021</b>	<b>Overall attendance for 2021: 100% (20/20 meetings)</b> 100% (8/8) Board meetings 100% (1/1) Board Strategy meeting 100% (3/3) Group SRO Oversight Committee meetings 100% (4/4) Group Audit Committee meetings 100% (4/4) Group Risk Management Committee meetings
<b>Other directorships</b>	<ul style="list-style-type: none"> <li>Lead independent non-executive director of: <ul style="list-style-type: none"> <li>Woolworths Holdings Limited (until 31 March 2022)</li> <li>Investec Limited and Investec plc</li> </ul> </li> <li>Independent non-executive director of: <ul style="list-style-type: none"> <li>Oceana Group Limited</li> <li>Mediclinic International (from February 2022)</li> </ul> </li> </ul>
<b>JSE Limited shareholding in own name</b>	None

Biographical details are correct as at 31 December 2021. Tenure as a director is calculated from the date that an appointment is first ratified by shareholders to the date of the AGM to be held on 3 May 2022.



## BIOGRAPHICAL DETAILS OF DIRECTORS continued

**Mr Ben Kruger (62)****Independent non-executive director**

BCom (Hons); CA(SA)

**Appointed to the Board:** 2018**Tenure as a director:** 3 years

<b>Key strengths</b>	Extensive chief executive-level experience in corporate and investment banking, strategy, global leadership, transformation, remuneration and governance.
<b>Standing for:</b>	Re-election to the Board for a new term (AGM ordinary resolution number 2.4)
<b>Board classification</b>	Independent non-executive director
<b>Appointment first ratified by shareholders</b>	May 2019
<b>Board committees</b>	Chairman of Group Investment Committee Member of Group Nominations Committee Member of Group Remuneration Committee Member of Group Risk Management Committee
<b>Attendance 2021</b>	<b>Overall attendance for 2021: 100% (23/23 meetings)</b> 100% (8/8) Board meetings 100% (1/1) Board Strategy meeting 100% (3/3) Group Investment Committee meetings 100% (2/2) Group Nominations Committee meetings 100% (5/5) Group Remuneration Committee meetings 100% (4/4) Group Risk Management Committee meetings
<b>Other directorships</b>	Independent non-executive director of: <ul style="list-style-type: none"> <li>Aspen Pharmacare Holdings Limited</li> <li>Stanbic IBTC Holdings Limited</li> </ul>
<b>JSE Limited shareholding in own name</b>	2 500 ordinary shares

**Dr Mantsika Matookane (46)****Independent non-executive director**

BSc; PhD, MBA

**Appointed to the Board:** 2012**Tenure as a director:** 9 years

<b>Key strengths</b>	Expertise in innovation and technology and cyber resilience. Leadership experience in retail and financial services.
<b>Standing for:</b>	Re-election to the Board for a one-year term in accordance with the Board's policy on director tenure (AGM ordinary resolution number 3)
<b>Board classification</b>	Independent non-executive director
<b>Appointment first ratified by shareholders</b>	April 2013
<b>Board committees</b>	Chairman of Group Risk Management Committee Member of Group Sustainability Committee
<b>Attendance 2021</b>	<b>Overall attendance for 2021: 100% (16/16 meetings)</b> 100% (8/8) Board meetings 100% (1/1) Board Strategy meeting 100% (4/4) Group Risk Management Committee meetings 100% (3/3) Group Sustainability Committee meetings
<b>Other directorships</b>	<ul style="list-style-type: none"> <li>Independent non-executive director of Nedbank Group Limited</li> <li>CEO of Truesport Investments Proprietary Limited</li> </ul>
<b>JSE Limited shareholding in own name</b>	None

Biographical details are correct as at 31 December 2021. Tenure as a director is calculated from the date that an appointment is first ratified by shareholders to the date of the AGM to be held on 3 May 2022.

# BOARD COMPOSITION

## Following the annual general meeting in May 2022

At the AGM to be held on Tuesday, 3 May 2022 shareholders are being requested to consider and approve the re-election of non-executive directors for new terms of service.

The composition of the Board **following the AGM** is set out below for information and is subject to the relevant shareholder resolutions being carried.

The JSE Board will comprise eleven directors, a majority of whom are independent non-executive directors. The roles of Chairman and Group CEO are separate. The Chairman (independent non-executive director) is responsible for leading the Board while the Group CEO (executive director) is accountable to the Board for executing the agreed corporate strategy and directing the operations of the Group.

**9 Independent non-executive directors**

**2 Executive directors**

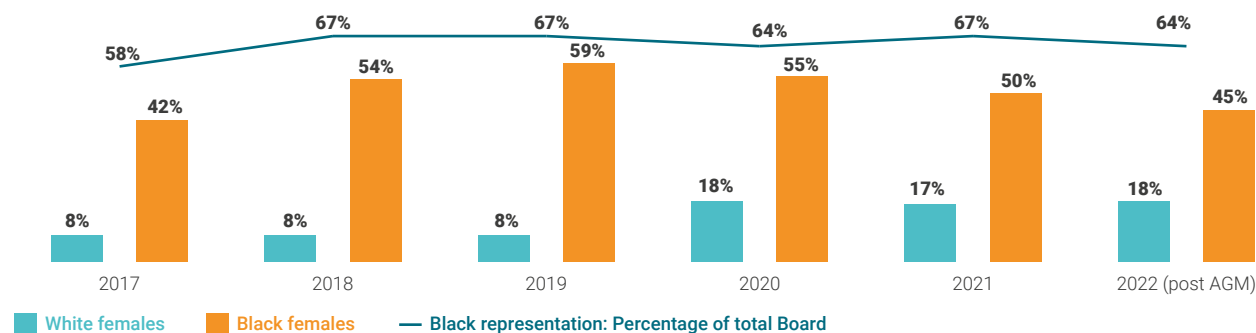
	<b>P Nhleko (61)</b> <i>Black male</i>	<b>SP Kana (66)</b> <i>Indian male</i>	<b>ZBM Bassa (57)</b> <i>Indian female</i>	<b>MS Cleary (48)</b> <i>White female</i>	<b>VN Fakude (57)</b> <i>Black female</i>	<b>FN Khanyile (53)</b> <i>Black female</i>
<b>Board role</b>	<b>Chairman</b>	<b>Lead independent</b>	<b>Independent</b>	<b>Independent</b>	<b>Independent</b>	<b>Independent</b>
<b>Committee chairmanship</b>	<b>Group Nominations</b>	<b>Group Audit Group Sustainability</b>	<b>Group SRO Oversight</b>		<b>Group Remuneration</b>	
<b>Committee membership</b>	<b>Group Remuneration Group Investment</b>	<b>Group Risk Management Group Nominations Group SRO Oversight</b>	<b>Group Audit Group Risk Management</b>	<b>Group Sustainability Group SRO Oversight</b>	<b>Group Sustainability</b>	<b>Group Audit Group Investment Group Sustainability Group SRO Oversight</b>
	<b>IM Kirk (63)</b> <i>White male</i>	<b>BJ Kruger (62)</b> <i>White male</i>	<b>MA Matookane (46)</b> <i>Black female</i>	<b>L Fourie (53)</b> <i>White female</i>	<b>A Takoordeen (41)</b> <i>Indian female</i>	
<b>Board role</b>	<b>Independent</b>	<b>Independent</b>	<b>Independent</b>	<b>Executive</b>	<b>Executive</b>	
<b>Committee chairmanship</b>	<b>Group Risk Management</b>	<b>Group Investment</b>				
<b>Committee membership</b>	<b>Group Remuneration Group Investment</b>	<b>Group Risk Management Group Remuneration Group Nominations</b>	<b>Group Risk Management Group Sustainability</b>	<b>Group Risk Management Group Investment</b>	<b>Group Investment</b>	



The Board comprises an appropriate balance of knowledge, skills, experience, cultural diversity and independence to objectively and effectively discharge its governance role and responsibilities. The Board has the skills, competencies and wide business experience to respond effectively to the changing regulatory, technological and competitive landscape faced by the JSE. The size of the Board is considered appropriate for the size and complexity of the Group, and the Board will continue to monitor the skills mix on the Board and the workload of the Committees, and where required, may appoint additional directors with specific skills and experience to the Board from time to time.

### Board diversity of race and gender

The Board seeks to maintain over time a minimum of 50% female Board members, and a minimum of 67% Black Board members.





## Board tenure

All directors are subject to retirement by rotation and re-election at least once every three years. Retiring directors, if eligible, may be re-elected by shareholders. Non-executive directors who have served for nine consecutive years may thereafter stand for annual re-election up to a maximum term of 12 consecutive years.

Average non-executive director tenure	0 – 3 years (7 directors)	4 – 6 years (3 directors)	7 – 9 years (1 director)
<b>Independent</b>	P Nhleko <sup>1</sup> I Kirk MS Cleary FN Khanyile <sup>2</sup> ZBM Bassa <sup>2</sup> BJ Kruger <sup>2</sup>	VN Fakude SP Kana <sup>3</sup>	MA Matookane <sup>4</sup>
<b>Executive</b>	L Fourie <sup>5</sup>	A Takoordeen <sup>6</sup>	
<b>Average tenure</b>	2.1 years	6.3 years	9 years
<b>Average age</b>	56.7 years	54.6 years	46 years

<sup>1</sup> Standing for election for a first three-year term as independent non-executive director.

<sup>2</sup> Standing for re-election for a second three-year term as independent non-executive director.

<sup>3</sup> Standing for re-election for a third three-year term as independent non-executive director.

<sup>4</sup> Standing for re-election for a one-year term (in accordance with the Board's tenure policy) following completion of nine consecutive years as independent non-executive director.

<sup>5</sup> Appointed as Group Chief Executive Officer on 1 October 2019. Served as an executive director between 2012 and 2016.

<sup>6</sup> Resigned as Chief Financial Officer and executive director effective 20 May 2022 (an appointment of Chief Financial Officer will be announced by the Board in due course).

## Board independence

An independent non-executive director should be independent in character and judgement. There should be no relationships or circumstances which are likely to affect, or could appear to affect, this independence.

In assessing independence, the Board considers all aspects of the relationship between the director and the JSE, not only the length of service. As at 31 December 2021 the Board considers all of its non-executive directors to be independent.

Upon appointment to the Board, both Ian Kirk and Ben Kruger were initially classified as non-executive directors due to the business relationship that their affiliated companies have with the JSE. Both non-executive directors have subsequently served the relevant cooling-off periods, and neither director is involved in the day-to-day operations of their former employers.

The Group Nomination Committee has assessed the independence of both of these non-executive directors and has recommended to the Board that both be classified as independent, effective 31 December 2021.



# 2021 ANNUAL RESULTS COMMENTARY AND SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS







# 2021 ANNUAL RESULTS COMMENTARY

JSE Limited

(Incorporated in the Republic of South Africa)

Registration number: 2005/022939/06

Share code: JSE

ISIN: ZAE000079711

LEI: 213800MZ1VUQBWRFO39

("JSE" or "the Group")

## SUMMARISED CONSOLIDATED ANNUAL FINANCIAL RESULTS AND ORDINARY AND SPECIAL CASH DIVIDEND DECLARATIONS FOR THE YEAR ENDED 31 DECEMBER 2021

"The JSE has delivered robust performance under a challenging macro-economic and trading environment. Our resilience while navigating an unfamiliar route through the pandemic has confirmed the value of the investments we have made in our technology platforms over an extended period. I am pleased that the JSE has been able to deliver a high level of service to its clients and the broader public while managing extreme market events and uncertainty." – **Dr Leila Fourie, Group CEO**

- Earnings before interest, tax and depreciation (EBITDA) of R1.06 billion was flat YoY. This was attributable to disciplined cost management, a positive contribution from JIS and a rebound in value traded in H2.
- Operating revenue grew 3% YoY to R2.52 billion.
- Operating expenditure was well contained, up 4% YoY to R1.78 billion, with the JSE Investor Services (JIS) acquisition fully consolidated (down 2% on a comparable basis).
- A record low interest rate environment resulted in finance income declining 27% YoY to R146 million, which directly impacted net profit after tax (NPAT), which was down 7% YoY to R722 million. Earnings per share (EPS) and headline earnings per share (HEPS) declined 7% and 6% YoY to 874.1 cents and 878.9 cents per share respectively (2020: 936.7 cents).
- Strong cash generated from operations has enabled the Board to declare an ordinary dividend of 754 cents per share for 2021, an increase of 4% YoY in line with the JSE's progressive dividend policy. This corresponds to an ordinary dividend pay-out of 92% of distributable profits in 2021 (2020: 83%). It is supplemented by the declaration of a special dividend of 100 cents per share (2020: NIL).
- In compliance with the provisions of the Financial Markets Act, 2012, and the risk appetite set by the Board, the JSE Group calculates and holds regulatory capital in the form of equity capital. This amounts to R1.13 billion in total for JSE Limited and for JSE Clear, of which R789 million is held in the form of restricted cash and cash equivalents. The Group therefore remains well capitalised.
- The Group maintains a robust balance sheet and cash reserves of R2.4 billion at 31 December 2021 (2020: R2.5 billion).

## OVERVIEW OF RESULTS

**R million (unless stated otherwise)**

	<b>FY2021</b>	FY2020	% change
Operating revenue	<b>2 517</b>	2 446	3%
<b>Total revenue</b>	<b>2 576</b>	2 528	2%
Personnel expenses	<b>650</b>	601	8%
Other operating expenses	<b>871</b>	868	0%
Depreciation and amortisation	<b>258</b>	249	3%
<b>Total expenditure</b>	<b>1 779</b>	1 718	4%
Earnings before interest and tax (EBIT)	<b>798</b>	811	(2%)
Net finance income	<b>146</b>	200	(27%)
Net profit after tax (NPAT)	<b>722</b>	778	(7%)
EBIT margin	<b>31%</b>	32%	(1pt)
Earnings before interest tax depreciation and amortisation (EBITDA)	<b>1 055</b>	1 060	0%
EBITDA margin	<b>41%</b>	42%	(1pt)
Earnings per share (EPS) (cents)	<b>874.1</b>	936.7	(7%)
Headline earnings per share (HEPS) (cents)	<b>878.9</b>	936.7	(6%)
Ordinary dividend per share declared (cents)	<b>754</b>	725.0	4%
Special dividend per share declared (cents)	<b>100</b>	Nil	–
Net cash generated from operations	<b>917</b>	1 003	(9%)
Earnings cash conversion (as a % of adjusted NPAT)*	<b>101%</b>	104%	(3pts)
Capital expenditure	<b>165</b>	89	85%

\* Earnings cash conversion is calculated by dividing net cash generated from operations by adjusted NPAT. Adjusted NPAT is calculated by deducting the following tax-adjusted non-cash items from NPAT: Depreciation and amortisation (note 7.2), effects of exchange rate fluctuations on cash held (Consolidated statement of cash flows) and expected credit loss impairments (Consolidated statement of comprehensive income).

## BUSINESS HIGHLIGHTS

Strategically and operationally, the JSE executed on several important priorities in 2021, although the macro-economic context and the impact of a base effect caused by high volatility in the prior year obscures this. Our core business model, centred around quality earnings and strong cash generation, continues to provide a solid foundation for growth.

Our inorganic growth initiatives are starting to contribute to the Group's financial results. Operating revenue reached an all-time high of R2.52 billion in 2021 (enhanced by revenue from our acquisition of JIS), although on a comparable basis (excluding JIS) revenue slipped 2% YoY. Similarly, total expenditure (including JIS) was well contained at 4% up YoY. Excluding JIS, operating expenditure declined 2% on a comparable basis owing to lower one-off costs.



## 2021 ANNUAL RESULTS COMMENTARY continued

Highlights in 2021 include:

- Maintained operational resilience and robustness, with 99.85% systems availability in 2021 (2020: 99.97%), and with fewer priority one incidents than in 2020.
- Maintained local market share of 99.75% by value traded, underpinned by deep market liquidity, competitive pricing, robust technology as well as integrated trading and Post-Trade Services.
- Delivered the in-house migration of JSE's back-office services system, BDA, and the real-time clearing (RTC) system infrastructure upgrade.
- Acquired the minority stake in JIS (now wholly-owned) and acquired the share plan services administration business from Investec Share Plan Services (ISPS), as well as completing the investment in Globacap.
- Secured a financial services provider (FSP) licence for JSE Private Placements (JPP), which will facilitate the delivery of a technology platform and services to support the growth in private capital raising for both equity and debt in South Africa.
- Listed the first social bond and self-labelled sustainability-linked bond on the JSE's sustainability segment.
- Achieved record high Net Promoter Score (NPS) and staff engagement scores.

## REVENUE PERFORMANCE PER SEGMENT

### Capital markets

- Primary Market: Revenue increased by 1% to R153 million (2020: R152 million)
- Equity Trading: Revenue decreased by 1% to R489 million (2020: R493 million)
- Equity Derivatives Trading: Revenue increased by 3% to R150 million (2020: R145 million)
- Currency Derivatives Trading: Revenue declined by 11% to R41 million (2020: R46 million)
- Bond and Interest Rate Trading: Interest rate revenue was flat at R71 million (2020: R71 million)
- Commodity Derivatives Trading: Revenue increased by 12% to R97 million (2020: R87 million)
- Company services: Revenue was flat at R6 million (2020: R6 million)
- JSE Investor Services (JIS): Revenue amounted to R125 million (2020: R17 million) for the first full-year consolidation of the business

### Post-Trade Services

- Clearing and Settlement revenue decreased by 5% to R423 million (2020: R446 million)
- Back-office services (BDA) revenue decreased by 7% to R351 million (2020: R376 million)
- Funds under management declined by 1% to R81 million (2020: R82 million)

### Information Services

- Revenue decreased by 2% to R350 million (2020: R356 million)

### Other income

- Other income decreased to R59 million (2020: R82 million), as 2020 income included R30 million in regulatory fines to issuers (which are non-distributable). The JSE held USD 6.8 million in cash at the end of December 2021, a similar balance to that held in the prior year.

## FINANCIAL PERFORMANCE

### Operating expenditure

Total operating cost growth was well-contained to 4% YoY, with JIS fully consolidated. Excluding JIS, operating costs declined by 2% on a comparable basis owing to lower one-off costs.

- Personnel costs increased by 8% to R650 million (2020: R601 million), primarily owing to the full-year consolidation of JIS. Gross remuneration was up 15% to R507 million (2020: R440 million). The discretionary bonus decreased to R72.3 million or 10% of NPAT (2020: R76 million or 9.8% of NPAT).
- Technology costs increased by 5% to R337 million (2020: R320 million), driven by JIS costs and risk mitigation spend.
- General expenses decreased by 2% to R534 million (2020: R546 million), owing to a decline in acquisition-linked costs to R1 million (2020: R29 million).
- Depreciation and amortisation increased by 3% to R258 million (2020: R249 million), also owing to the full-year consolidation of JIS.

### Net finance income

Net finance income, a significant contributor to Group profit, declined YoY (27%) owing to lower yields on the JSE's cash balances following multiple repo rate reductions by the South African Reserve Bank in 2020.



## 2021 ANNUAL RESULTS COMMENTARY continued

### Cash flows and investments

The Group continued to be highly cash generative, with a cash balance of R2.4 billion at the end of December 2021 (2020: R2.5 billion) held in cash and cash equivalents. Net cash generated from operations declined by 9% to R917 million (2020: R1.03 billion) following the 7% reduction in NPAT.

Total investment of R324 million comprised of R165 million (2020: R89 million) in capital expenditure and R159 million in inorganic investments. Capital expenditure focused mainly on investment in new ways of work, system rejuvenation and upgrades. Inorganic investment centred on the minority investment in Globacap and the minority buy-out in JIS.

All planned investments and 2022 capital requirements can be funded from the Group's own resources.

### NEW WAYS OF WORK

The advent of the virtual workspace prompted us to reimagine our work environment and think less about which technology we use, and more about how we use it to enable collaborative engagement, knowledge sharing and a culture of creative thinking. Our building upgrades are complete and significant improvements have been made to client-facing facilities to support our new ways of work.

The Group has put in place a strategy to facilitate a safe return to the office, which ensures existing policies and employee contracts are aligned with a hybrid working model.

### REGULATION

In compliance with the Financial Markets Act, 19 of 2012 (FMA), the JSE and JSE Clear are required to hold regulatory capital.

The Group calculates and holds regulatory capital in the form of equity capital – this amounts to R1.13 billion in total for JSE Limited and for JSE Clear, of which R789 million is held in the form of restricted cash and cash equivalents.

At the reporting date, the Board believes that both the JSE and JSE Clear are adequately capitalised.

### FUTURE FOCUS AND PROSPECTS

The JSE performed in line with expectations despite a challenging trading and economic environment. There were seven initial public offerings during the period (2020: four) and 24 delistings (2020: 20), which were largely the result of corporate actions in merger and

acquisition opportunities, and schemes of arrangement in mostly small to mid-sized counters. Although the number of listed entities declined, the aggregate market capitalisation of all entities listed on the JSE continued to grow by 15% (from R17.9 trillion to R20.5 trillion) during 2021. The JSE recognises the negative impact of delisting's and is actively working on cutting red tape, attracting quality dual listings from foreign exchanges, while also growing our markets with new offering such as the private placement market.

We have made strides in our diversification strategy and in improving the resilience of our technology and systems. A focus on execution, in addition to a few high-impact priorities, will underpin business activities in 2022. Our long-term strategic objectives are to grow and diversify revenue, invest in operational robustness and resilience, and further entrench sustainability in the business.

The JSE has revised the structure for the 2022 corporate scorecard, which more accurately reflects its strategic priorities:

- Generate sustained, high-quality earnings
- Protect and grow our core business
- Transform the business
- Partner for a sustainable marketplace

The JSE has reformulated its growth strategy for information services on a five-year horizon. There are four core areas of focus, aimed at sustaining operational excellence, modernising data architecture, expanding the range of data services, and supporting Group initiatives through market digitalisation or new market opportunities. The medium-term objectives are to transition the existing data products and services into a cloud-based solution to better serve clients, unlock new product opportunities and support evolving client needs.

The turbulence of the global pandemic has reinforced the importance of operating resilient, fair and orderly markets. For several years, the JSE has built its robustness, investing in technology, resilience, latency and security, and our staff. The real-world stress tests of the past two years have proven the value of those investments. The business is well-positioned to deliver sustainable value for clients, employees, shareholders and the broader economy. Our business is well capitalised, cash generative and growing on target.

Group revenue is variable and largely driven by activity on the various markets that we operate. In light of this uncertainty, we make no projections or forward-looking statements with regard to the Group's future financial performance.



## 2021 ANNUAL RESULTS COMMENTARY continued

**DECLARATION OF ORDINARY AND SPECIAL CASH DIVIDENDS**

The Board has declared an ordinary cash dividend and a special cash dividend for the year ended 31 December 2021, as follows:

Dividend	Annual gross amount per share	Withholding tax %	Net amount
Ordinary	754 cents	20%	603.20 cents
Special	100 cents	20%	80 cents

The JSE's practice has been to return distributable cash to shareholders after ring-fencing cash for regulatory capital requirements and investments (both capital expenditure and inorganic opportunities).

The ordinary dividend of 754 cents per share represent a 4% increase on the 725 cents per share paid in 2020. In addition a special dividend of 100 cents per share for 2021 has been declared. This is congruent with the Group's policy of progressively growing the nominal value of the ordinary dividend over time, subject to retaining cash for regulatory capital and investments, including acquisitions. The ordinary dividend pay-out ratio corresponds to 92% of distributable profits in 2021 (2020: 83%). The total dividend pay-out ratio is 104%.

The Group's dividend policy is to maintain a dividend cover ratio of 1.5x–1x earnings (a pay-out ratio of 67%–100% of current earnings. This pay-out range reflects the fact that cash generated exceeds NPAT, largely as a consequence of the amortisation of technology investments in previous years. This trend is expected to continue for the next few years, and will be influenced by changes in the depreciation and amortisation profile of the Group.

The Board is confident that the existing dividend policy is congruent with the Group's inorganic growth strategy over the near term.

The ordinary and special cash dividends have been declared from retained earnings. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The dividends are payable to shareholders recorded in the register of members of the JSE at the close of business on Friday, 25 March 2022. In compliance with the Companies Act, 71 of 2008 (as amended) (the Companies Act), the directors confirm that the JSE will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

In compliance with the requirements of Strate, the following salient dates for the payment of the ordinary and special cash dividends are applicable:

**Dividend paid in respect of financial year ended**

	31 December 2021	31 December 2020
Ordinary dividend per share	<b>754 cents</b>	725 cents
Special dividend per share	<b>100 cents</b>	0 cents
Total rand value	<b>R741 million</b>	R630 million
Board declaration date	<b>Monday, 28 February 2022</b>	Thursday, 25 February 2021
Special cash dividend finalisation date	<b>Monday, 14 March 2022</b>	–
Last date to trade JSE shares <i>cum</i> dividend	<b>Tuesday, 22 March 2022</b>	Tuesday, 23 March 2021
JSE shares commence trading ex-dividend	<b>Wednesday, 23 March 2022</b>	Wednesday, 24 March 2021
Record date for purposes of determining the registered holders of JSE shares to participate in the dividends at close of business on	<b>Friday, 25 March 2022</b>	Friday, 26 March 2021
Dividends payment date	<b>Monday, 28 March 2022</b>	Monday, 29 March 2021

Share certificates may not be dematerialised or rematerialised from Wednesday, 23 March 2022 to Friday, 25 March 2022, both days inclusive. On Monday, 28 March 2022, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their central securities depository participant or broker) will be credited on Monday, 28 March 2022.

The issued share capital of the JSE as at the declaration date was 86 877 600 ordinary shares. The tax number of the JSE is 9313008840. South African Reserve Bank approval is required for the declaration of the special cash dividend and the finalisation date is Monday, 14 March 2022.

**CHANGES TO THE BOARD**

During the period under review, Mr Phuthuma Nhleko joined the Board as an independent non-executive director effective 1 July 2021. Mr Nhleko will assume the chairmanship of the Board following the annual general meeting to be held on Tuesday, 3 May 2022.

Subsequent to the period under review, Ms Aarti Takoordeen, Chief Financial Officer (CFO) for JSE Limited resigned as CFO and executive director, effective 20 May 2022. Ms Takoordeen will assist with a smooth handover during her period of notice.

The Board has appointed Ms Carmini Kander as acting CFO.



2021 ANNUAL RESULTS COMMENTARY continued

APPRECIATION

As we reflect on the year and look forward to 2022, we would like to thank all JSE employees for their energy, resilience, and dedication.

We extend our thanks to our clients, regulators and policymakers for their collaboration and support. We look forward to continuing our engagements in the year ahead.

"We operate in an era of disruption and disintermediation, driven by advances in technology, while our markets are becoming increasingly fragmented, with competition from traditional and non-traditional participants. This underlines the need for revenue diversification at a faster and more responsive pace. I am pleased to see the contribution to these results from our most recent acquisition of JSE Investor Services, and I am sure that JIS and the Globacap investment will be important contributors to the Group's future growth – in much the same way that the Safex and BESA acquisitions in the 2000s served as a step-change in our early growth." – Nonkululeko Nyembezi, Chairman

PREPARATION OF ANNUAL RESULTS ANNOUNCEMENT

This announcement covers the summarised consolidated annual financial results of the Group, based on International Financial Reporting Standards (IFRS), for the year ended 31 December 2021. The preparation of the JSE's annual results has been supervised by the chief financial officer, Aarti Takoordeen CA(SA), in terms of section 29(1)(e) of the Companies Act, 71 of 2008 (as amended) (the Companies Act). This report is extracted from the audited information, but is itself not audited. The directors take full responsibility for the preparation of this report and warrant that the financial information has been correctly extracted from the underlying audited annual financial statements.

APPROVAL OF FINANCIAL STATEMENTS

The consolidated and separate audited annual financial statements of the JSE as identified under Preparation of the annual results announcement were approved by the Board on 28 February 2022 and signed by:

N Nyembezi Chairman

L Fourie Group CEO

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Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited) 1 March 2022

ABOUT THE JSE

The JSE is a self-regulatory, multi-asset-class stock exchange that offers listings, trading, clearing and settlement (post-trade) services, information services and issuer services.

The JSE connects buyers and sellers in five financial markets: equities, equity derivatives, commodity derivatives, currency derivatives and interest rate instruments. The JSE provides investors with a trusted, cost-effective and well-regulated infrastructure for trading, clearing and settling financial market transactions.

The JSE is among the 20 largest exchanges in the world in terms of market capitalisation.



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Notes	GROUP	
		2021 R'000	2020 R'000
<b>Continuing operations</b>			
<b>Revenue</b>	13	2 517 467	2 446 368
Other income		58 755	82 013
Personnel expenses	14	(649 896)	(600 838)
Other expenses	15	(1 126 086)	(1 112 558)
Expected credit loss (ECL) impairments		(2 526)	(4 347)
<b>Profit from operating activities</b>		<b>797 714</b>	810 638
Finance income		1 996 538	2 434 182
Finance costs		(1 850 862)	(2 234 354)
<b>Net finance income</b>		<b>145 676</b>	199 828
Share of profit from associate (net of income tax)		51 597	54 351
Profit before income tax		994 987	1 064 816
Income tax expense	16	(271 812)	(283 331)
<b>Profit for the period from continuing operations</b>		<b>723 175</b>	781 485
<b>Discontinued operation</b>			
Loss after tax for the period from discontinued operations		-	(2 842)
<b>Profit for the period</b>		<b>723 175</b>	778 643
<b>Attributable to:</b>			
Equity holders of the parent company		722 443	778 389
Non-controlling interests		732	254
		<b>723 175</b>	778 643
<b>Other comprehensive income</b>			
Change in financial instruments at fair value through other comprehensive income that will not be reclassified to profit and loss (net of income tax)		68 748	38 505
Change in financial instruments at fair value through other comprehensive income that may be reclassified to profit and loss in subsequent periods (net of income tax)		(1 219)	955
<b>Other comprehensive income for the period, net of income tax</b>		<b>67 529</b>	39 460
<b>Total comprehensive income for the period from continuing operations</b>		<b>790 704</b>	818 103
<b>Attributable to:</b>			
Equity holders of the parent company		789 972	817 849
Non-controlling interests		732	254
		<b>790 704</b>	818 103
<b>Earnings per share from continuing operations</b>			
Basic earnings per share (cents)	17.1	874.1	940.1
Diluted earnings per share (cents)	17.2	866.4	934.3
<b>Earnings per share from discontinued operations</b>			
Basic earnings per share (cents)	17.1	-	(3.4)
Diluted earnings per share (cents)	17.4	-	(3.4)
<b>Total earnings per share</b>			
Basic earnings per share (cents)	17.1	874.1	936.7
Diluted earnings per share (cents)	17.4	866.4	930.9



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2021

	Notes	GROUP	
		2021 R'000	2020 R'000
<b>Assets</b>			
<b>Non-current assets</b>		<b>1 966 659</b>	1 870 773
Property and equipment		<b>175 845</b>	139 927
Intangible assets	18	<b>726 507</b>	820 656
Investment in associate		<b>328 262</b>	319 907
Other investments	27	<b>529 239</b>	377 302
Right-of-use assets		<b>137 723</b>	177 458
Deferred taxation		<b>69 084</b>	35 524
<b>Current assets</b>		<b>59 070 941</b>	49 754 227
Trade and other receivables		<b>593 423</b>	474 706
Income tax receivable		<b>1 880</b>	6 269
JSE Clear Derivatives Default Fund collateral deposits		<b>–</b>	500 000
Indemnification asset		<b>500 000</b>	4 680
Margin deposits		<b>55 412 674</b>	46 308 480
Collateral deposits		<b>169 962</b>	880
Cash and cash equivalents		<b>2 393 002</b>	2 459 212
<b>Total assets</b>		<b>61 037 600</b>	51 625 000
<b>Equity and liabilities</b>			
<b>Total equity</b>		<b>4 218 981</b>	4 154 288
Stated capital		<b>(67 741)</b>	(32 514)
Reserves	22	<b>757 488</b>	676 578
Retained earnings		<b>3 529 234</b>	3 472 638
<b>Equity attributable to equity holders of the parent</b>		<b>4 218 981</b>	4 116 702
Non-controlling interests		<b>–</b>	37 586
<b>Non-current liabilities</b>		<b>258 004</b>	273 842
Employee benefits		<b>4 035</b>	5 952
Lease liability		<b>196 657</b>	252 938
Deferred taxation		<b>34 666</b>	–
Long-term liabilities		<b>–</b>	1 551
Deferred income		<b>22 646</b>	13 401
<b>Current liabilities</b>		<b>56 560 615</b>	47 196 870
Trade and other payables		<b>380 296</b>	305 457
Income tax payable		<b>9 089</b>	3 485
Employee benefits		<b>130 699</b>	132 036
Lease liability		<b>56 051</b>	40 882
Deferred income		<b>1 844</b>	970
JSE Clear Derivatives Default Fund collateral contribution		<b>400 000</b>	400 000
Other liability		<b>–</b>	4 680
Margin deposits		<b>55 412 674</b>	46 308 480
Collateral deposits		<b>169 962</b>	880
<b>Total equity and liabilities</b>		<b>61 037 600</b>	51 625 000



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

Group	Stated capital R'000	NDR R'000	Share- based payments reserve R'000	Foreign currency investment revaluation reserve <sup>2</sup> R'000	Total reserves R'000	Retained earnings R'000	Total R'000	Non- controlling interests R'000	Total equity R'000
<b>Balance at 1 January 2020</b>	(17 726)	466 109	82 158	–	548 267	3 439 090	3 969 631	–	3 969 631
Profit for the year from continuing operations	–	–	–	–	–	781 231	781 231	254	781 485
Other comprehensive income	–	39 460	–	–	39 460	–	39 460	–	39 460
Total comprehensive income for the year	–	39 460	–	–	39 460	781 231	820 691	254	820 945
Loss for the year from discontinued operations	–	–	–	–	–	(2 842)	(2 842)	–	(2 842)
Take-on of JEF Trust as a subsidiary	(5 714)	54 360	–	–	54 360	7 152	55 798	–	55 798
LTIS 2010 Allocation 7 – shares vested	14 317	–	(14 317)	–	(14 317)	–	–	–	–
LTIS 2010 Allocation 8 – shares vested	9 343	–	(9 343)	–	(9 343)	–	–	–	–
Bonus shares vested	11 243	–	(5 411)	–	(5 411)	–	5 832	–	5 832
Distribution from the JSE Debt Guarantee Fund Trust <sup>1</sup>	–	(2 851)	–	–	(2 851)	2 851	–	–	–
Dividends paid to owners	–	17 889	–	–	17 889	(728 521)	(710 732)	–	(710 732)
Equity-settled share-based payment	–	–	22 300	–	22 300	–	22 300	–	22 300
Transfer of profit to investor protection funds	–	4 942	–	–	4 942	(4 942)	–	–	–
Listed companies – Fines – Issuer Regulation	–	21 744	–	–	21 744	(21 744)	–	–	–
Qualifying deductible expenses related to Fines – Issuer Regulation	–	(462)	–	–	(462)	462	–	–	–
Non-controlling interests arising on a business combination	–	–	–	–	–	–	–	37 332	37 332
Treasury shares	(43 660)	–	–	–	–	–	(43 660)	–	(43 660)
Treasury shares – share issue costs	(317)	–	–	–	–	–	(317)	–	(317)
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	(14 788)	95 622	(6 771)	–	88 851	(747 684)	(673 621)	37 332	(636 289)

<sup>1</sup> The JSE Debt Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R2.1 million (December 2020: R2.8 million) before intercompany adjustments was transferred to the JSE Limited to defray market regulatory expenditure.

<sup>2</sup> This reserve relates to the equity investment in Globacap (refer to note 27). The current movement in the reserve relates to unrealised foreign exchange gains and losses on the foreign denominated investment, as required by IAS 21.





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued  
for the year ended 31 December 2021

Group	Stated	NDR	Share-	Foreign	Total	Retained	Total	Non-	Total
	capital		based	currency					
	R'000	R'000	payments	investment	R'000	R'000	R'000	R'000	R'000
			reserve	revaluation	reserves	earnings		interests	equity
	R'000	R'000	R'000	reserve <sup>2</sup>	R'000	R'000	R'000	R'000	R'000
<b>Balance at 31 December 2020</b>	<b>(32 514)</b>	<b>601 191</b>	<b>75 387</b>	<b>–</b>	<b>676 578</b>	<b>3 472 638</b>	<b>4 116 701</b>	<b>37 586</b>	<b>4 154 287</b>
Profit for the year	–	–	–	–	–	722 443	722 443	732	723 175
Other comprehensive income	–	65 603	–	1 926	67 529	–	67 529	–	67 529
Total comprehensive income for the year	–	65 603	–	1 926	67 529	722 443	789 972	732	790 704
LTIS 2010 Allocation 8 – shares vested	11 127	–	(11 127)	–	(11 127)	–	–	–	–
LTIS 2010 Allocation 1 – shares vested	13 953	–	(13 953)	–	(13 953)	–	–	–	–
Distribution from the JSE Debt Guarantee Fund Trust <sup>1</sup>	–	(2 138)	–	–	(2 138)	2 138	–	–	–
Dividends paid to owners	–	15 440	–	–	15 440	(628 225)	(612 785)	–	(612 785)
Equity-settled share-based payment	–	–	22 532	–	22 532	–	22 532	–	22 532
Transfer of profit to investor protection funds	–	4 415	–	–	4 415	(4 415)	–	–	–
Qualifying deductible expenses related to Fines – Issuer Regulation	–	(1 788)	–	–	(1 788)	1 788	–	–	–
Treasury shares	(59 951)	–	–	–	–	–	(59 951)	–	(59 951)
Treasury shares – share issue costs	(356)	–	–	–	–	–	(356)	–	(356)
Transactions with owners recognised directly in equity	–	–	–	–	–	(37 132)	(37 132)	(38 318)	(75 450)
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	<b>(35 227)</b>	<b>15 929</b>	<b>(2 548)</b>	<b>–</b>	<b>13 381</b>	<b>(665 846)</b>	<b>(687 692)</b>	<b>(38 318)</b>	<b>(726 010)</b>
<b>Balance at 31 December 2021</b>	<b>(67 741)</b>	<b>682 723</b>	<b>72 839</b>	<b>1 926</b>	<b>757 488</b>	<b>3 529 234</b>	<b>4 218 981</b>	<b>–</b>	<b>4 218 981</b>

<sup>1</sup> The JSE Debt Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R2.1 million (December 2020: R2.8 million) before intercompany adjustments was transferred to the JSE Limited to defray market regulatory expenditure.

<sup>2</sup> This reserve relates to the equity investment in Globacap (refer to note 27). The current movement in the reserve relates to unrealised foreign exchange gains and losses on the foreign denominated investment, as required by IAS 21.

\* Debit balance due to own shares held as part of the Long-Term Incentive Schemes.



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	GROUP	
	2021 R'000	2020 R'000
<b>Cash flows from operating activities</b>		
Cash generated by operations	1 034 454	1 112 575
Finance income	1 945 435	2 495 975
Finance costs	(1 806 772)	(2 325 154)
Dividends received	5 402	2 119
Taxation paid	(261 267)	(282 755)
<b>Net cash generated by operating activities</b>	<b>917 252</b>	<b>1 002 760</b>
<b>Cash flows from investing activities</b>		
Proceeds on sale of other investments	20 400	16 903
Acquisition of other investments	(104 253)	(15 984)
Dividends from associate	43 242	27 230
Proceeds from disposal of property and equipment	–	50
Leasehold improvements	(63 811)	(1 653)
Acquisition of intangible assets	(65 638)	(185 133)
Acquisition of property and equipment	(35 834)	(20 121)
Acquisition of a subsidiary, net of cash acquired	–	(216 111)
Take-on of JEF Trust as a subsidiary	–	75 004
<b>Net cash used in investing activities</b>	<b>(205 894)</b>	<b>(319 815)</b>
<b>Cash flows from financing activities</b>		
Acquisition of treasury shares	(70 877)	(51 012)
Proceeds from sale of treasury shares	10 571	7 037
Lease liabilities repaid	(41 113)	(40 407)
Transactions with owners	(75 450)	–
Dividends paid	(612 785)	(710 732)
<b>Net cash used in financing activities</b>	<b>(789 654)</b>	<b>(795 114)</b>
Net decrease in cash and cash equivalents	(78 296)	(112 169)
Cash and cash equivalents at 1 January	2 459 212	2 577 334
Effect of exchange rate fluctuations on cash held	12 086	(5 953)
<b>Cash and cash equivalents at end of period</b>	<b>2 393 002</b>	<b>2 459 212</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 1. Reporting entity

JSE Limited (the JSE or the Company) is a company domiciled in South Africa. Its registration number is 2005/022939/06. The JSE is licensed as an exchange in terms of the Financial Markets Act 2012 (FMA). The JSE has the following main lines of business: Capital Markets, Post-Trade Services and Information Services. The address of the Company's registered office is One Exchange Square, 2 Gwen Lane, Sandown. The consolidated financial statements of the Company as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries and controlled structured entities (collectively referred to as the Group and individually as Group entities) and reflect the Group's interest in associates.

## 2. Statement of compliance

The summarised consolidated annual financial statements of the Company have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and also, at a minimum contain the information required by IAS 34: Interim Financial Reporting.

## 3. Changes in accounting policies

The summarised consolidated annual financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

The accounting policies adopted in the preparation of the summarised consolidated annual financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022.

All accounting policies are consistent with the prior year.

New standards and amendments that impact on the Group's accounting policies have been assessed during the period, and these have had no impact on the Group's financial statements. Refer to note 8.

## 4. Comparative figures

Unless otherwise indicated, comparative figures refer to the year ended 31 December 2020.

## 5. Use of estimates and judgements

The preparation of financial statements are in conformity with IFRSs and requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 6. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Costs in the JSE are managed holistically across the Exchange and variances against budget are closely monitored. Refer to note 13.

## 7. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2020.

## 8. New standards and interpretations not yet adopted

A new standard has been issued by the International Accounting Standards Board (IASB) prior to the publication of these financial statements, but are effective in future accounting periods, as listed below:

### Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – effective date: 1 January 2023

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted. The impact of the amendment on the Group is currently being assessed.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 continued

**8. New standards and interpretations not yet adopted (continued)****Amendments to IFRS 16: COVID-19-related Rent Concessions beyond 30 June 2021**

In March 2021, the IASB amended IFRS 16 *Leases*, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorised for issue at 31 March 2021. The amendment has not had any impact on the Group.

**Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 – effective date: 1 January 2023**

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. These amendments also provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The impact of the amendment on the Group is being assessed.

**Definition of Accounting Estimates – Amendments to IAS 8 – effective date: 1 January 2023**

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

This aspect of the definition was retained by the Board. The impact of the amendment on the Group is being assessed.

**9. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**10. Financial assets and financial liabilities**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets****Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 continued

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investment in Globacap under this category. Refer to note 27 for more detail.

**11. Basis of consolidation and financial information on material partly-owned subsidiaries**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

Exposure, or rights, to variable returns from its involvement with the investee.

The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**12. COVID-19 outbreak and what it means for the JSE Group**

The JSE has remained open, and has provided a robust trading, clearing and settlement environment for all asset classes listed on the exchange. The enterprise risk management team has remained responsible for steering our response to the crisis and provided exemplary leadership during the past two years.

The advent of the virtual workspace forced us to reimagine our work environment, and some of these changes are likely to remain. The workplace will become less about which technology we use, and more about how we use it to enable collaborative engagements, knowledge sharing and a culture of creative thinking. Our employee engagement illustrated that employees are eager to explore a more flexible workplace regime, and this is being echoed at many of our peer organisations. With this in mind our building upgrades are complete, with significant improvements made to client-facing facilities and to support our new ways of work. We are developing a comprehensive strategy for the return to work, which ensures existing policies and employee contracts are aligned with a hybrid working model.

Significant levels of market activity were observed in financial markets across the world in 2020, amid the spread of the COVID-19 pandemic which created a short-term surge in the Group's revenues. The hyper volatility brought about by COVID-19 in 2020 resulted in abnormal trading activity which positively impacted operating revenue. Similar volatility has not been experienced in the 2021 financial year. The interest rate environment remains at record lows which negatively impacted the net finance income of the Group. There has been no material impact on the collectability and recoverability of trade and other receivables. During the period, the fair value of the Group's investments increased by R65 million (excluding the Globacap investment – refer to note 27) compared with an increase of R39 million for the period ended 31 December 2020.

The Group's business model is entrenched in the financial ecosystem and as such the Group's performance will also be affected in the medium term. The Group has remained profitable with positive cash flows from operations and continues to operate as a going concern. In respect of the solvency and liquidity test set out in section 4 of the Companies Act, the Group has sufficient resources to maintain its operational existence for the foreseeable future. The JSE and JSE Clear remain sufficiently capitalised.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

### 13. Operating segments and revenue

	2021 R'000	2020 R'000
<b>Revenue comprises:</b>		
Capital markets		
Bond ETP	7 569	8 048
Colocation fees	28 251	21 004
Commodity Derivatives fees	97 402	87 332
Company Services fees	6 105	6 412
Currency Derivatives fees	41 389	45 619
Equity Derivatives fees	149 853	144 832
Equity trading fees	488 924	493 284
Interest Rate Market fees	63 660	62 482
Primary Market fees*	152 814	151 906
JSE Investor Services fees**	124 622	17 071
Post-Trade Services		
Back-Office Services (BDA)	423 060	376 044
Clearing and Settlement fees	350 589	445 715
Funds under management	80 751	81 517
Information Services		
Index fees	56 901	52 608
Market Data fees	293 073	303 031
<b>Total revenue excluding Strate ad valorem fees – cash equities and bonds</b>	<b>2 364 963</b>	2 296 905
Strate ad valorem fees – bonds	17 932	16 268
Strate ad valorem fees – cash equities	134 527	133 195
	<b>2 517 467</b>	2 446 368

\* An amount of R1.4 million (2020: R0.6 million) was recognised in Primary market fees relating to initial listing fees for the current year.

\*\* JSE Investor Services was a separate reportable segment in the prior year. It has been incorporated as an operating unit in the Capital markets segment during 2021. This is how it is reported to the chief decision maker.

### 14. Personnel expenses

	2021 R'000	2020 R'000
Remuneration paid	615 152	561 621
Gross amount paid	622 873	574 172
Less: Capitalised to intangible assets	(7 721)	(12 551)
Long-term incentive schemes*	34 744	39 217
	<b>649 896</b>	600 838

\* Includes the accounting impact of accelerated LTIS for good leavers.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

## 15. Other expenses

	2021 R'000	2020 R'000
Amortisation of intangible assets	154 228	140 181
Auditor's remuneration*	9 223	6 462
Consulting fees	12 534	13 456
Depreciation	103 458	108 986
Enterprise development	8 887	9 578
Investor protection levy	38 463	38 719
Other expenses	312 345	299 389
Strate <i>ad valorem</i> fees	149 533	147 611
Technology costs	336 517	319 601
Deal acquisition costs	898	28 575
	<b>1 126 086</b>	1 112 558

\* Includes fees for compliance audits that were not performed by the external auditors.

## 16. Income tax expense

The Group's consolidated effective tax rate for the financial year ended 31 December 2021 was 27% (31 December 2020: 27%).

## 17. Earnings and headline earnings per share

	2021 R'000	2020 R'000
<b>17.1 Basic earnings per share for continuing operations</b>		
Profit for the period attributable to ordinary shareholders	722 443	781 231
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	86 877 600	86 877 600
Effect of own shares held (JSE LTIS 2010) and JEF Trust	(4 226 718)	(3 778 968)
Weighted average number of ordinary shares at 30 June/31 December	82 650 882	83 098 632
Basic earnings per share (cents) from continuing operations	874.1	940.1
Basic earnings per share (cents) from discontinued operations	-	(3.4)
Total basic earnings per share (cents)	874.1	936.7



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

**17. Earnings and headline earnings per share** (continued)

	2021 R'000	2020 R'000
<b>17.2 Diluted earnings per share for continuing operations</b>		
Profit for the period attributable to ordinary shareholders	722 443	781 231
Weighted average number of ordinary shares (diluted):		
Weighted average number of ordinary shares at 30 June/31 December (basic)	82 650 882	83 098 632
Effect of LTIS Share Scheme	732 166	529 563
Weighted average number of ordinary shares (diluted)	83 383 048	83 628 195
Diluted earnings per share (cents)	866.4	934.3
The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period		
<b>17.3 Headline earnings per share for continuing operations</b>		
Reconciliation of headline earnings:		
Profit for the year attributable to ordinary shareholders	722 443	781 231
Adjustments are made to the following:		
Write off of intangible asset	4 002	(26)
Gross amount	5 558	(37)
– Taxation effect	(1 556)	10
Profit on disposal of property and equipment	-3	
Gross Amount	-4	
– Taxation effect	1	
Headline earnings from continuing operations	726 442	781 205
Headline earnings from discontinued operations	-	(2 842)
Total headline earnings	726 442	778 363
Headline earnings per share (cents) from continuing operations	878.9	940.1
Headline earnings per share (cents) from discontinued operations	-	(3.4)
Total headline earnings per share (cents)	878.9	936.7
<b>17.4 Diluted headline earnings per share for continuing operations</b>		
Diluted headline earnings per share (cents) from continuing operations	871.2	934.1
Diluted headline earnings per share (cents) from discontinued operations	-	(3.4)
Total diluted headline earnings per share (cents)	871.2	930.7





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

## 18. Intangible assets

Included in the intangible assets of R727 million (December 2020: R821 million) is the goodwill of R133 million and customer relationships of R123 million related to the acquisition of JIS, software under development of R31.4 million (December 2020: R28.2 million) mainly in respect of clearing systems, digital onboarding and automation.

## 19. Employee benefits

The decrease of R1.3 million in current liabilities year-on-year are mainly related to a reduction in the discretionary bonus and an increase in leave pay accrual.

## 20. Expected credit loss

The movement in the allowance for impairment losses in respect of trade receivables during the period was as follows:

	R'000
At 1 January 2020	3 690
Increase in allowance for impairment	4 403
<b>At 31 December 2020</b>	<b>8 093</b>
(Decrease)/increase in allowance for impairment	<b>1 386</b>
<b>At 31 December 2021</b>	<b>9 479</b>

Expected credit losses reflected on the statement of comprehensive income includes the increase in the allowance for impairment and actual bad debts written off.

Under IFRS 9, the Group uses debtor historic default rates in the assessment of the probability of credit losses, while incorporating forward-looking macro-economic factors. The year to date impairment was mainly raised in respect of specific debtors where the recoverability of amounts owing appeared to be doubtful. The Group believes no further impairment allowance is necessary in respect of trade receivables.

The Group uses the simplified approach in calculating ECL for trade and other receivables.

The debtors credit terms are 30 days.

The Group uses the general approach in calculating ECL for interest receivables.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued for the year ended 31 December 2021

### 21. Financial instruments

The carrying amount of all significant financial instruments approximates the fair value.

### 22. Reserves

	2021 R'000	2020 R'000
Accumulated dividends paid to JEF Trust	33 329	17 889
Fair value reserve	1 926	–
Fines reserve	19 494	21 282
JEF Trust	54 360	54 360
Investor protection funds <sup>1</sup>	575 539	507 660
– JSE Debt Guarantee Fund Trust	118 679	117 585
– JSE Derivatives Fidelity Fund Trust	251 435	211 853
– JSE Guarantee Fund Trust	205 425	178 222
Non-distributable reserves	684 649	601 191
JSE LTIS 2010 and 2018 reserve <sup>2</sup>	72 839	75 387
	<b>757 488</b>	676 578

<sup>1</sup> These funds were established for the purpose of investor protection in the event of a member defaulting in the Equity, Equity Derivatives and Bond Markets.

<sup>2</sup> This reserve relates to the portion of the LTIS 2010 and 2018 Long-Term Incentive Scheme that has been expensed to date.

### 23. Share-based payments

#### (i) Vesting of Allocation 8 Tranche 2 (LTIS 2010) and Allocation 1 Tranche 1 (LTIS 2018)

Allocation 8 Tranche 2 (LTIS 2010) vested on 1 March 2021. Allocation 1 Tranche 1 (LTIS 2018) vested on 31 August 2021. All LTIS participants in the employment of the Company as at vesting date were eligible to participate in the vesting of these Tranches in accordance with the terms and conditions of the Scheme rules.

#### (ii) Grant of Allocation #4 under LTIS 2018 during the period under review

In accordance with shareholder approval, for the provision of financial assistance to the JSE LTIS 2018 Trust, the Board approved a fresh annual allocation of shares (Allocation 4) to selected employees for the 2021 year. These individual allocations were all accepted by the scheme participants on or before 12 March 2021. Allocation 4 comprises a total of 542 982 JSE ordinary shares and these shares were acquired in the open market on or before 12 March 2021, at a volume-weighted average price (including all execution costs) of R120.72 per ordinary shares. These shares are held in trust and are restricted until all vesting conditions are fulfilled whereupon the shares vest.

Of the total number of shares granted in Allocation 4, a total of 245 290 shares has been granted to members of the JSE's Executive Committee.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

### 23. Share-based payments (continued)

Information on Allocation 4 is as follows:

	Number of shares
Share price at grant date (rand per share)	120,72
Total number of shares granted	542 982
Dividend yield	3%
Grant date	12 March 2021
Vesting profile:	
50% of the shares awarded vest on 1 March 2024	271 491
50% of the shares awarded vest on 1 March 2025	271 491

The shares forfeited by leavers to date are 27 628.

#### (iii) Profit and loss charge

The profit or loss charge for the period, calculated using the Black-Scholes valuation methodology, in respect of allocations granted under LTIS 2010 is as follows:

	For the year ended 31 December	
	2021 R'000	2020 R'000
Allocation #7 (granted in October 2016)	–	(1 516)
Allocation #8 (granted in March 2017)	(410)	(581)
	(410)	(2 097)

The profit or loss charge for the period, calculated using the Black-Scholes valuation methodology, in respect of allocations granted under LTIS 2018 is as follows:

	For the year ended 31 December	
	2021	2020
Allocation #1 (granted in September 2018)	R1.1m	R7.4m
Allocation #2 (granted in March 2019)	R5.1m	R9.1m
Allocation #3 (granted in March 2020)	R7.4m	R7.6m
Allocation #4 (granted in March 2021)	R9.3m	–
	R22.9m	R24.1m



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued for the year ended 31 December 2021

### 24. Business combination

#### Acquisition of additional interest in JIS

On 17 June 2021, the Group acquired an additional 25.15% interest in the equity of JIS increasing its ownership interest to 100%. Cash consideration of R75 450 000 was paid to the non-controlling shareholders.

The carrying value of the net assets of JIS (excluding goodwill on the original acquisition) was R148 439 000 at the time of the transaction.

The following is a schedule of additional interest acquired in JIS:

	2021 R'000
Cash consideration paid to non-controlling shareholders	75 450
Carrying value of interest in JIS	(38 318)
<b>Difference recognised in retained earnings</b>	<b>37 132</b>

### 25. JIS change in ownership

Financial information of JIS provided below:

	2020 R'000
<b>Proportion of equity interest held by non-controlling interests:</b>	
Accumulated balances of material non-controlling interest:	37 586
Profit allocated to material non-controlling interest:	254

JIS is wholly owned by the Group and as such no non-controlling interest exists post 17 June 2021.

### 26. Leases

	2021 R'000	2020 R'000
<b>Impact on the statement of financial position as at 31 December</b>		
<b>Assets</b>		
Right-of-use assets at initial application 1 January	256 298	251 624
Right-of-use assets acquired through acquisition of subsidiary	–	4 674
Accumulated depreciation	(118 575)	(78 840)
<b>Total assets*</b>	<b>137 723</b>	177 458

\* The majority of the right-of-use assets relate to property and small insignificant portion to hardware.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

26. Leases (continued)

	2021 R'000	2020 R'000
<b>Lease liabilities</b>		
Current portion	56 051	40 882
Non-current portion	196 657	252 938
<b>Total liabilities</b>	<b>252 708</b>	293 820
<b>The following amounts are recognised in the statement of comprehensive income</b>		
Depreciation	(39 735)	(39 243)
<b>Profit/loss from operating activities</b>	<b>(39 735)</b>	(39 243)
Finance costs	(23 971)	(27 889)
Impact of income tax expense	–	–
<b>Impact on profit for the period</b>	<b>(63 706)</b>	(67 133)
<b>Changes in liabilities arising from financing activities</b>		
Opening balance 1 January	293 820	329 570
Acquisition of subsidiary	–	6 565
Loan repayments for the period	(65 083)	(70 264)
Interest charges for the period	23 971	27 949
<b>Balance 31 December</b>	<b>252 708</b>	293 820

As part of the modified retrospective transition approach, the Group has elected to use a single discount rate, applied to a portfolio with similar characteristics. The Group has adopted IFRS 16 using the modified retrospective method of adoption, using the incremental borrowing rate of 9% as opposed to the interest rate implicit to the lease, across all lease liabilities recognised in the statement of financial position at the date of initial application.

There is no material impact on other comprehensive income or the basic and diluted earnings per share.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued for the year ended 31 December 2021

### 27. Fair value estimation

Financial instruments measured in the statement of financial position at fair value require disclosure. The following is the fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance* R'000
<b>31 December 2021</b>				
Assets				
Other investments				
– Equity securities (financial instruments)	151 489	263 953	–	415 442
– Debt investment (financial instruments)	–	27 317	–	27 317
– Non-listed equity instruments designated at fair value through OCI			86 480	86 480
Total assets	151 489	291 269	86 480	529 239
<b>31 December 2020</b>				
Assets				
Other investments				
– Equity securities (financial instruments)	122 719	222 299	–	345 018
– Debt investment (financial instruments)	–	32 283	–	32 283
Total assets	122 719	254 582	–	377 301

\* This figure excludes an amount of R1 000 relating to Stock Exchange Nominees (Pty) Limited.

#### Reconciliation: Level 3 recurring fair value measurements

##### 31 December 2021

##### Equity investments

Opening balance	–
Acquisition Globacap Technology Limited	84 000
Net unrealised foreign currency gain recognised in OCI during the period (pre-tax)	2 480
Closing balance	86 480

The equity investment has been adjusted in relation to unrealised foreign currency translation gains recognised in other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued  
for the year ended 31 December 2021

## 27. Fair value estimation (continued)

### Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2021 are shown below:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Non-listed equity instruments designated at fair value through OCI NPV Method	Weighted Average Cost of Capital	20%	5% increase in the WACC would result in a decrease in fair value of R27.1 million
	Revenue growth rate	48%	3% decrease in revenue growth rate from 2023 onwards results in a decrease in fair value by R21 million
	Exchange rate	R21.51	10% strengthening of the rand against the GBP will result in a decrease in fair value by R8.9 million

The fair value of financial instruments traded in active markets is based on quoted market prices, which represent actual and regularly occurring market transactions between market participants at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or industry group pricing market transactions on an arm's length basis and transactions occur regularly. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily FTSE 100 equity investments classified as fair value through OCI.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on equity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Level 2 is made of debt instruments, protective cell funds and collective investment schemes, which is measured at the clean price and the foreign currency respectively.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For all other financial assets and liabilities, the carrying value approximates the fair value.

Equity instruments designated at fair value through OCI include investments in equity shares of non-listed company.

### Globacap Technology Limited Investment

Management has elected to designate the investment at fair value through OCI as the investment is strategic long-term investment not held for returns in the short term.

No dividends were received within the period.

External, independent valuers were used (RMB) in performance of the valuation at acquisition. At 31 December 2021, fair value was measured using the NPV model valuation technique and a detailed bottom-up approach for key commercial drivers is used, e.g. per product basis broken down into volume (number of customers/deals), average revenue per product, etc.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued for the year ended 31 December 2021

### 27. Fair value estimation *(continued)*

**The following valuation approach and key assumptions were used which are subject to estimation uncertainty:**

- 10-year free cash flow to equity forecast;
- 20% WACC;
- 297% revenue growth for 2022, 48% revenue growth rate for years 2023 to 2031; and
- 15% Operating growth rate.

The fair value was calculated as at 31 December 2021.

### 28. Guarantees and commitments

#### Guarantees

A guarantee of an amount of R10 million was issued by Rand Merchant Bank of South Africa Limited in favour of Strate Limited on behalf of the JSE in terms of an agreement to cover any failure by JIS CSDP to comply with Strate rules and regulations.

The JSE issued a letter of undertaking and indemnity to Strate Limited in respect of JIS CSDP for R7 million for the purpose of ensuring that the subsidiary is in compliance with the Rules of Strate which applies to Central Securities Depository Participants in South Africa.

#### Commitments

No material commitments existed as at 31 December 2021.

### 29. Events after reporting date

There have been no material changes to the directors' interests in the ordinary share capital of the Company.

There have been no material events that would require adjustment or disclosure in the annual financial statements between 31 December 2021 and the date of this report.

### 30. Audit opinion

Ernst & Young Inc. the Group's independent auditor, has audited the consolidated annual financial statements of the JSE from which the summarised consolidated results contained in this report have been derived, and has expressed an unmodified audit opinion on the consolidated annual financial statements. The summarised consolidated financial results comprise the statements of financial position at 31 December 2021 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes. A copy of the auditor's report is available for inspection at the JSE's registered office.

The auditor's report does not necessarily report on all of the information contained in the summarised consolidated annual results and cash dividend declaration. Shareholders are therefore advised to obtain a copy of the auditor's report together with the accompanying financial information from the JSE's registered office.

Sandton  
1 March 2022

**Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)**





# SHAREHOLDER INFORMATION

The JSE has a primary listing on the Johannesburg Stock Exchange. There are no secondary listings.

<b>Share code:</b>	JSE
<b>ISIN:</b>	ZAE000079711
<b>LEI:</b>	231800MZ1VUQEBWRF039
<b>Sector:</b>	Financial Services
<b>Sub-sector:</b>	Investment Services

	Authorised share capital (Shares)	Nominal value (Rand)	Number of shares in issue (Shares)	Nominal value (Rand)	Closing price (Rand per share)	Market capitalisation (Rand billion)
31 December 2020 <sup>1</sup>	400 000 000	40 000	86 877 600	8 620	112.50	9.8
30 June 2021	400 000 000	40 000	86 877 600	8 620	106.30	9.2
31 December 2021	400 000 000	40 000	86 877 600	8 620	112.00	9.7

<sup>1</sup> The JSE has one class of shares: ordinary shares with a par value of 10 cents per share. The total number of treasury shares held by the Group at as 31 December 2021 was 3 662 367 shares (2020: 3 778 968 shares). Further details of the stated capital for the period under review are disclosed in note 18 of the Company's audited annual financial statements, available at <https://www.jse.co.za/investor-relations/results>.



## SHAREHOLDER INFORMATION continued

## Shareholder spread as at 31 December 2021

	Number of shareholders	Shares held	%
<b>Public</b>			
Institutional shareholders	1 590	77 699 937	89.44%
Non-institutional shareholders	5 245	4 979 307	5.73%
<b>Total</b>	<b>6 835</b>	<b>82 679 244</b>	<b>95.17%</b>
<b>Non-public</b>			
JEF Trust	35	2 129 639	2.45%
JSE LTIS Trusts	65	1 532 296	1.76%
Directors and company secretary	6	72 933	0.08%
<b>Total</b>		<b>3 734 868</b>	<b>4.29%</b>
<b>Total identified shares</b>		<b>86 414 112</b>	<b>99.47%</b>
<b>Miscellaneous (below threshold)</b>		<b>463 488</b>	<b>0.53%</b>
<b>TOTAL ISSUED SHARE CAPITAL</b>		<b>86 877 600</b>	<b>100%</b>
<b>Geographic ownership</b>			
South Africa		48 350 950	55.7%
United States		12 377 419	14.2%
United Kingdom		9 431 561	10.9%
Sweden		1 378 300	1.6%
Rest of Europe		575 934	0.6%
Rest of world		14 763 436	17%
<b>Total</b>		<b>86 877 600</b>	<b>100%</b>

## Major shareholders

Pursuant to the Companies Act, the following beneficial shareholdings equal to or exceeding 4% as at 31 December 2021 were disclosed or established from enquiries:

Names	% of total issued ordinary shares	Number of ordinary shares held
Ninety One SA Pty Limited	14.4	12 546 403
Public Investment Corporation (SOC) Limited	11.4	9 932 956
Allan Gray Proprietary Limited	9.2	8 013 338
PSG Asset Management (Pty) Limited	8.5	7 427 577
The Vanguard Group, Inc.	3.9	3 348 244

No individual shareholder's beneficial shareholding in any of the JSE employee incentive schemes is equal to or exceeds 5%.



## SHAREHOLDER INFORMATION continued

**Fund managers**

The directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers. At 31 December 2021, the following fund managers were responsible for managing investments of 2.5% or more of the share capital of the JSE:

Names	% of total issued	Number of ordinary shares held
Ninety One SA Pty Ltd.	14.4	12 546 403
Public Investment Corporation (SOC) Limited	11.4	9 932 956
Allan Gray Proprietary Limited	9.2	8 013 338
PSG Asset Management (Pty) Ltd	8.5	7 427 577
The Vanguard Group, Inc.	3.9	3 348 244
Goldman Sachs Asset Management International	3.4	2 960 721
Abax Investments (Pty) Limited	3.1	2 719 072
Goldman Sachs Asset Management, L.P.	2.8	2 394 506
Absa Asset Management (Pty) Limited SA Pty Limited	2.7	2 337 630

**Shareholder diary****Events or reports in relation to the 2021/2022 financial years**

Release of audited consolidated annual financial statements with the declaration of the dividends	Tuesday, 1 March 2022
Annual results presentation	Wednesday, 2 March 2022
Record date to determine which shareholders are entitled to receive the AGM notice	Friday, 18 March 2022
Publication of 2021 integrated annual report and posting of AGM notice	Tuesday, 29 March 2022
Last day to trade in order to be eligible to attend and vote at the AGM	Tuesday, 19 April 2022
Record date to determine the registered holders of JSE shares to participate in the AGM	Friday, 22 April 2022
Forms of proxy for the AGM to be lodged for administrative purposes by 16:00	Thursday, 28 April 2022
AGM at 16:00 on	Tuesday, 3 May 2022
Release of results of AGM	Wednesday, 4 May 2022
Release of summarised interim report for the six months ended 30 June 2022	Tuesday, 2 August 2022



## SHAREHOLDER INFORMATION continued

**Declaration of ordinary and special cash dividends**

The Board has declared an ordinary cash dividend and a special cash dividend for the year ended 31 December 2021, as follows:

Dividend	Annual gross amount per share	Withholding tax %	Net amount
Ordinary	754 cents	20%	603.20 cents
Special	100 cents	20%	80 cents

The ordinary and special cash dividends have been declared from retained earnings. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The dividends are payable to shareholders recorded in the register of members of the JSE at the close of business on Friday, 25 March 2022. In compliance with the Companies Act, 71 of 2008 (as amended) (the Companies Act), the directors confirm that the JSE will satisfy the solvency and liquidity test immediately after completion of the dividend distribution.

**Dividend paid in respect of financial year ended**

	31 December 2021	31 December 2020
Ordinary dividend per share	<b>754 cents</b>	725 cents
Special dividend per share	<b>100 cents</b>	0 cents
Total rand value	<b>R741 million</b>	R630 million
Board declaration date	<b>Monday, 28 February 2022</b>	Thursday, 25 February 2021
Special cash dividend finalisation date	<b>Monday, 14 March 2022</b>	–
Last date to trade JSE shares <i>cum dividend</i>	<b>Tuesday, 22 March 2022</b>	Tuesday, 23 March 2021
JSE shares commence trading <i>ex-dividend</i>	<b>Wednesday, 23 March 2022</b>	Wednesday, 24 March 2021
Record date for purposes of determining the registered holders of JSE shares to participate in the dividends at close of business on	<b>Friday, 25 March 2022</b>	Friday, 26 March 2021
Dividends payment date	<b>Monday, 28 March 2022</b>	Monday, 29 March 2021

Share certificates may not be dematerialised or rematerialised from Wednesday, 23 March 2022 to Friday, 25 March 2022, both days inclusive. On Monday, 28 March 2022, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their central securities depository participant or broker) will be credited on Monday, 28 March 2022.

The issued share capital of the JSE as at the declaration date was 86 877 600 ordinary shares.

The tax number of the JSE is 9313008840. South African Reserve Bank approval is required for the declaration of the special cash dividend and the finalisation date is Monday, 14 March 2022. As subsequently announced, the relevant approval has been granted by the South African Reserve Bank.



# PROXY FORM

JSE Limited  
(Incorporated in the Republic of South Africa)  
Registration number 2005/022939/06  
Share code: JSE  
ISIN: ZAE000079711  
LEI: 231800MZ1VUQEBWRF039  
("JSE" or the "Company")

To be completed by registered certificated shareholders and shareholders who have dematerialised their shares with own name registration.

All other dematerialised shareholders must contact their central securities depository participant or broker to make the relevant arrangements concerning voting and/or attendance via electronic means at the annual general meeting (AGM).

This proxy form relates to the seventeenth (17th) AGM of shareholders of the JSE to be held via electronic means only on Tuesday, 3 May 2022 at 16:00 (South African Standard Time) and is for use by registered shareholders whose shares are registered in their own names by the record date, Friday, 22 April 2022.

Terms used in this proxy form have meanings given to them in the notice of AGM to which this proxy form is attached.

For administrative purposes only, the completed proxy forms must be lodged with:

- The Meeting Specialist Proprietary Limited, One Exchange Square, 2 Gwen Lane, Sandown, Johannesburg, 2196.
- Completed proxy forms can also be posted to The Meeting Specialist, PO Box 62043, Marshalltown, 2107 or emailed to proxy@tmsmeetings.co.za to reach them at least 48 hours before the AGM, that is by Thursday, 28 April 2022 at 16:00. Any proxy forms not received by this time must be provided electronically to the chairman of the AGM immediately prior to the AGM, via email to proxy@tmsmeetings.co.za.

Please print clearly when using this form and see the instructions and notes at the end of this form for an explanation of the use of this proxy form and the rights of the shareholder and the proxy.

I/We \_\_\_\_\_ (Name in block letters)  
Of \_\_\_\_\_ (Address)  
being holders of \_\_\_\_\_ JSE ordinary share(s), hereby appoint (see notes overleaf)

\_\_\_\_\_ or failing him/her the chairman of the AGM, as my/our proxy to attend and speak for me/us on my/our behalf and to vote or abstain from voting on my/our behalf at the AGM of the Company and/or any adjournment or postponement thereof.

We desire to vote as follows:

	For	Against	Abstain
<b>Ordinary resolutions</b>			
1. To elect <b>Mr Phuthuma Nhleko</b> as a director			
To re-elect each of the following directors by way of separate vote:			
2.1 <b>Dr Suresh Kana</b>			
2.2 <b>Ms Faith Khanyile</b>			
2.3 <b>Ms Zarina Bassa</b>			
2.4 <b>Mr Ben Kruger</b>			
3. To re-elect <b>Dr Mantsika Matooane</b> as a director for the ensuing year			
4. To <b>reappoint Ernst &amp; Young Inc.</b> as the independent auditors of the Company for the ensuing year and <b>Mr Imraan Akoodie</b> as the designated auditor for the ensuing year			
5.1 To reappoint <b>Dr Suresh Kana</b> to serve as a member and chairman of the Group Audit Committee			
5.2 To reappoint <b>Ms Faith Khanyile</b> to serve as a member of the Group Audit Committee			
5.3 To reappoint <b>Ms Zarina Bassa</b> to serve as a member of the Group Audit Committee			
6. Authorisation for a director or Group company secretary of the Company to implement resolutions			
<b>Non-binding advisory resolutions</b>			
7. Non-binding advisory vote on the remuneration policy as set out in the remuneration report of the Company			
8. Non-binding advisory vote on the implementation report as set out in the remuneration report of the Company			
<b>Special resolutions</b>			
9. Special resolution number 1: General authority to repurchase shares			
10. Special resolution number 2: General authority to provide financial assistance			
11. Special resolution number 3: Specific authority to provide financial assistance solely for the LTIS 2018 scheme			
12. Special resolution number 4: Non-executive directors emoluments for 2022			

Insert an "X" in the relevant spaces above as to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares which you desire to vote (see note 6).

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2022

\_\_\_\_\_ Signature

(Authorised representative of shareholder) or (individual shareholder)

Please read the notes to the proxy as set out overleaf.



# NOTES TO THE PROXY FORM

JSE Limited  
(Incorporated in the Republic of South Africa)  
Registration number 2005/022939/06  
Share code: JSE  
ISIN: ZAE000079711  
LEI: 231800MZ1VUQEBWRF039  
("JSE" or the "Company")

## Summary of the rights of a shareholder to be represented by proxy in terms of section 58 of the Companies Act, read with the Company's memorandum of incorporation

1. At any time, a shareholder may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:
  - participate in and speak and vote at a shareholders' meeting on behalf of the shareholder; or
  - give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Companies Act.
2. A shareholder of the Company may not appoint two or more persons concurrently as proxies.
3. A proxy may not delegate the proxy's authority to act on behalf of the shareholder to another person.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; the appointment is revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder.
5. A registered shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided overleaf, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the chairman of the AGM. The person whose name appears first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
6. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she thinks fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
8. For administrative purposes only, the completed proxy forms must be lodged with The Meeting Specialist Proprietary Limited, One Exchange Square, 2 Gwen Lane, Sandown, Johannesburg, 2196. Completed proxy forms can also be posted to The Meeting Specialist PO Box 62043, Marshalltown, 2107 or emailed to proxy@tmsmeetings.co.za to reach them 48 hours before the AGM, that is by Thursday, 28 April 2022 at 16:00. Any proxy forms not received by this time must be provided electronically to the chairman of the AGM immediately prior to the commencement of the AGM, via email to proxy@tmsmeetings.co.za. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to the proxy form prior to the proxy exercising a shareholder's right at the meeting, unless previously recorded or waived by the chairman of the AGM.
9. The proxy form must be dated and signed. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this proxy form must be initialled by the signatory/ies.
10. The proxy appointment in terms of the proxy form shall remain valid only until the end of the AGM held on Tuesday, 3 May 2022 or at any adjournment thereof.



# CORPORATE INFORMATION AND DIRECTORATE

## JSE Limited

(Incorporated in the Republic of South Africa)  
Registration number: 2005/022939/06  
Share code: JSE  
ISIN: ZAE000079711  
LEI: 213800MZ1VUQEBWRF039

## Registered office

One Exchange Square  
2 Gwen Lane  
Sandown, 2196

## Postal address

Private Bag X991174 Sandton, 2146

## Contacts

Telephone: +27 (0) 11 520 7000  
Web: [www.jse.co.za](http://www.jse.co.za)  
Investor relations: [ir@jse.co.za](mailto:ir@jse.co.za)  
Group company secretary: [GroupCompanySecretary@jse.co.za](mailto:GroupCompanySecretary@jse.co.za)

## Directors as at 31 December 2021

N Nyembezi<sup>1</sup> (Chairman)  
Z Bassa<sup>1</sup>  
MS Cleary<sup>1</sup>  
VN Fakude<sup>1</sup>  
Dr SP Kana<sup>1</sup> (Lead Independent Director)  
FN Khanyile<sup>1</sup>  
IM Kirk<sup>2</sup>  
BJ Kruger<sup>2</sup>  
Dr MA Matookane<sup>1</sup>  
P Nhleko<sup>1,4</sup> (Chairman designate)  
Dr L Fourie (Group CEO)<sup>3</sup>  
A Takoodeen (Group CFO)<sup>3</sup>

## Changes to the Board in 2021

Mr P Nhleko<sup>4</sup>

- <sup>1</sup> Independent non-executive directors.  
<sup>2</sup> Previously classified as non-executive director (not independent) on account of business relationship that affiliated company has with JSE. Reclassified as independent non-executive director as at 31 December 2021 following completion of cooling-off period since leaving the full-time employ of affiliated company.  
<sup>3</sup> Executive directors.  
<sup>4</sup> Appointed effective 1 July 2021.

## Group company secretary

GA Brookes

## Transfer secretary

JSE Investor Services Proprietary Limited  
19 Ameshoff Street  
Johannesburg, 2001

## Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)  
1 Merchant Place  
Corner Fredman and Rivonia Road  
Sandton, 2196

## AGM scrutineers

The Meeting Specialist Proprietary Limited  
One Exchange Square  
2 Gwen Lane  
Sandown, 2196

## Auditors

Ernst & Young Inc.  
102 Rivonia Road  
Sandton, 2196

## Bankers

First National Bank of SA Limited Corporate Account Services  
4 First Place  
Bank City  
Simmonds Street  
Johannesburg, 2001

Investor queries should be directed to [ir@jse.co.za](mailto:ir@jse.co.za) and will be redirected, where necessary, to the appropriate Board member or executive for a response.

Governance and secretarial queries should be directed to [GroupCompanySecretary@jse.co.za](mailto:GroupCompanySecretary@jse.co.za)

