






**JSE Limited  
Remuneration Report 2020**



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 Page reference for additional reading in this report.  
 Reference to online data at <https://www.jse.co.za/investor-relations/results>.




 Indicates the relevant King IV principle, which is summarised in the  *integrated annual report* on  **page 116**.

## Report overview

### Report objectives

This report is intended for our shareholders. It aims to communicate the JSE Limited's (the Group or the JSE) remuneration policy and how we implemented our remuneration policy and practices in 2020. Our organisation-wide remuneration policy should be read in the context of the integrated annual report for an appreciation of how the policy gives effect to the JSE's overall business strategy.

This report serves as the report-back to shareholders at the annual general meeting (AGM). The following remuneration-related resolutions will be tabled at the AGM on Thursday, 3 June 2021, the first two of which are advisory (non-binding) resolutions:

- » Advisory vote on remuneration policy (AGM non-binding advisory resolution number 1). Refer to the remuneration policies on  **page 6**.
- » Advisory vote on implementation of remuneration policy (AGM non-binding advisory resolution number 2). Refer to the implementation report on  **page 19**.
- » Approval of non-executive director emoluments (AGM special resolution number 3). Refer to the implementation report on  **page 32**.

Various statutory disclosures, which are subject to independent audit, are contained in notes 21 and 25 of the JSE's audited consolidated annual financial statements for the year ended December 2020. For a complete view of the JSE's remuneration, shareholders are encouraged to reference these notes when reviewing this report.

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

### Scope and boundary

The information in this report covers the period from 1 January 2020 to 31 December 2020. It includes the five financial markets operated by the Group, and the investor protection funds<sup>1</sup> associated with its markets.

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

- » South African Companies Act, 71 of 2008 (as amended) (Companies Act)
- » JSE Limited Listings Requirements (Listings Requirements)
- » King Code on Corporate Governance™ for South Africa, 2016 (King IV)<sup>2</sup>

### Assurance over this report

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

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

<sup>2</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

## Reporting suite

Our full reporting suite is available at

<https://www.jse.co.za/investor-relations/results> and comprises the following reports:

### Remuneration report (rewarding value creation)

Sets out the JSE's remuneration philosophy and policy and how it was implemented in 2020. This report is subject to two non-binding advisory votes at our annual general meeting (AGM).

### 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 International Financial Reporting Standards (IFRS).

### Social value report (reporting on social value creation)

Sets out details of our journey towards delivering on our sustainability mandate and our impact on society, structured according to six areas of value creation.

### Notice of AGM and proxy form

Set out the notice of the JSE's AGM of shareholders to be held on Thursday, 3 June 2021, together with the summarised report containing the required financial disclosures.

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



## Overview

As a financial market infrastructure provider, it has been imperative that the JSE remained open, operational, and responsive to fluctuations and risks in the market during a year of unprecedented challenge.

Our key priority as an organisation was to ensure the safety and health of our staff, and to enable the effective operation of the Group via remote working. I am pleased to be able to report that we achieved these goals, and have been able to ensure stable operations and continuity of business, and the provision of robust trading, clearing and settlement environments for all asset classes throughout the crisis. The COVID-19 pandemic emphasised the importance of business continuity and represented a practical stress test of our systems, processes and controls. During this volatile period, with record trade volumes and most of our resources off-site, the Exchange continued to operate and experienced zero downtime.

This has also been the first year in office for our new Group chief executive officer (CEO), Dr Leila Fourie, and it has certainly been a year to test the fortitude, resilience and energy of the CEO and her leadership team. Group Remco is grateful for Leila’s strong leadership in guiding the JSE through the COVID-19 crisis, empowering executives to lead key elements of the JSE’s response, and engaging extensively with a wide range of external stakeholders, regulators, government agencies and clients.

As the new Group CEO, Leila has had an opportunity to re-examine the JSE’s strategic direction and core purpose, and has led the executive team in a rapid review of the JSE’s business and its medium-term prospects in an emerging market that is facing significant economic and socio-political headwinds.

The consequence of this work has been a pivot to a growth strategy, focusing on small to medium-size acquisitions across the capital markets value chain. The aim is to seek annuity revenue streams in growth segments adjacent to the JSE’s core business, thereby derisking the top-line from a reliance on transactional, equity-trading revenues.

**Nolitha Fakude**  
Chairman: Group Remuneration Committee

Significant time and effort have been devoted to building internal capacity to drive this growth strategy, and Leila has provided the energy and leadership to give this strategy a firm foundation – this has included getting an acquisitions strategy approved by the Board, challenging the executive team to re-examine assumptions regarding risk appetite for growth, and encouraging creative structuring solutions for the JSE’s potential acquisitions. Leila has also led the executive team in building new business relationships, recognising the importance of Southeast Asia as a source of new trading flows. We detail the specific performance and reward outcomes for our executive directors on [page 25](#).

### Remuneration philosophy

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

This remuneration model comprises three core elements:

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

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

#### During this challenging period the JSE:

- » Focused on employee safety and wellness while remaining open for business, with a smooth transition to remote working practices;
- » Maintained operational resilience and provided uninterrupted trading, clearing and settlement services for all the markets that we operate, supported by effective management of short positions and appropriate and responsive margin adjustments;
- » Demonstrated commercial agility in responding to client needs and addressing concerns through financial support and new products and services; and
- » Responded to the social crisis through our support for social outreach projects to assist those most impacted by the pandemic.

### Operating context

Strong performance in core business units underpinned a 19% increase in earnings before interest, tax, depreciation and amortisation (EBITDA) to R1.06 billion (2019: R889 million). The JSE also successfully executed a major upgrade to the core trading platform, continued to invest in information security readiness, and progressed well in delivering its inorganic growth strategy. The Group also made substantial improvements in client and employee engagement, as illustrated by the increase in our net promoter score measured independently.

In the context of a challenging operating environment, we are pleased to share these strong financial results for 2020, which indicate:

- » sustained earnings quality and cash generation – a key component of the JSE’s business model;
- » uninterrupted market services in the context of unprecedented volatility;
- » record Group revenue, including a 15% increase in Information Services;
- » continued investment to drive growth and maintain information technology (IT) robustness in our operations;
- » positive operating leverage which improves earnings before interest and tax (EBIT) margin;
- » capital expenditure (CAPEX) in support of operational and cyber resilience;
- » successful conclusion of the transaction to acquire a majority stake in Link Market Services South Africa Proprietary Limited (Link SA), and the transaction with Globacap Technology Limited (Globacap) inline with our inorganic growth strategy; and
- » healthy balance sheet underpins ordinary dividend growth and further inorganic growth in future.

### Overview of results

R million ( <i>unless stated otherwise</i> )	FY2020	FY2019	% change
<b>Total revenue</b>	<b>2 528</b>	2 229	13%
Operating expenditure (OPEX)	<b>1 718</b>	1 541	11%
<b>EBIT</b>	<b>811</b>	687	18%
EBIT margin	<b>32%</b>	31%	1% pt
EBITDA	<b>1 060</b>	889	+19%
Net profit after tax (NPAT)	<b>778</b>	695	12%
Earnings per share (EPS) (cents)	<b>936.7 cents</b>	814.8 cents	15%
Headline earnings per share (HEPS) (cents)	<b>936.7 cents</b>	814.6 cents	15%
<b>Ordinary dividend per share declared (cents)</b>	<b>725.0 cents</b>	690.0 cents	5%
Cash generated from operations	<b>1 003</b>	880	14%
CAPEX	<b>89</b>	101	(12%)

EBIT increased by 18% to R811 million (2019: R687 million), supported by positive operating leverage. There was a 1% gain in EBIT margin to 32%. EBITDA increased by 19%. Strong NPAT growth of 12% to R778 million (2019: R695 million) was recorded, despite a decrease in net finance income. Total EPS and HEPS increased by 15%, to 936.7 cents from 814.8 cents and 814.6 cents respectively.

Return on equity (ROE) is a key measure of financial performance as it combines all our critical drivers, including earnings growth and capital utilisation, into a single metric. Looking forward, our medium-term target ROE range is 16% to 23%. For the past three years, we have recorded average annual ROE of 21%.

The Group continued to be strongly cash generative, with net cash from operations of R1.03 billion (2019: R880 million), a record high. Total CAPEX was R89 million (2019: R101 million), with the focus mainly on the trading engine upgrade, the new master data reference system and additional colocation racks. The JSE is well positioned to continue our deliberate investment in those areas of our business that we believe to be critical to our long-term sustainability.

The JSE remains therefore in a healthy position with regard to cash and capital, with net cash generation in 2020 resulting in a stable cash balance of R2.5 billion at the end of December (2019: R2.6 billion).

In this context the Group Remco approved increases to guaranteed remuneration of 5.5% for 2020 (2019: 6.5%) based on benchmarking and independent input (see [page 19](#) for additional detail).

Corporate performance for 2020 was assessed as excellent, with all financial and corporate objectives for 2020 being achieved. The committee awarded a bonus pool of R75.7 million, an increase of 17% on the incentives awarded in 2019 (but still within the 10% of NPAT policy guideline for the annual bonus pool). See [page 21](#) in the [integrated annual report](#) and [page 20](#) of this report for further information.

Long-term corporate performance was assessed by Group Remco in determining the vesting of long-term incentive scheme (LTIS) 2010 share awards originally granted in 2017.

These corporate metrics are weighted towards financial performance, particularly return on equity and earnings growth over the three and four-year vesting terms. The final share award under the LTIS 2010 scheme vested for the performance period ended December 2020. Group Remco assessed this Allocation 8(2) award at 59.85% based on performance against the pre-set corporate metrics. The balance of the share awards under Allocation 8(2) were forfeited (our long-term schemes are detailed in both the policy overview and implementation sections later in this report.)

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

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

Refer to [page 20](#) in the [integrated annual report](#) for more information on the JSE's strategy.

### Engagement with shareholders

In line with King IV, the remuneration policy and implementation report will be tabled annually for separate non-binding advisory votes by shareholders at the annual general meeting to be held on 3 June 2021. The Group's remuneration policy, implementation report and non-executive director's emoluments were put to shareholder vote at the previous annual general meeting and endorsed with a majority (AGM on 25 June 2020: 81%, 91% and 99%, respectively).

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

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

Group Remco has engaged PwC as its remuneration consultant, and is satisfied that they are independent and objective and that

PwC understands the JSE's remuneration policy and the linkages to the JSE's overall strategy. Group Remco also engaged Bowman's Law as specialist remuneration advisor on the on-going application of the JSE's long term equity incentive scheme and in respect of the grading and benchmarking of executive roles. Group Remco is satisfied that they are independent. Further, Group Remco is satisfied that the JSE's remuneration policies are aligned with the overall remuneration philosophy, and that the policies have achieved their stated objectives for the year under review.

### Areas of focus

During 2020 the Group Remco:

- » reviewed leadership continuity initiatives, and the senior talent pipeline;
- » monitored employment equity progress and plans;
- » reviewed grading and benchmarking of all executive roles;
- » determined guaranteed pay adjustments for the organisation and executives;
- » reviewed the corporate scorecard for 2020, and assessed performance against this scorecard;
- » determined the discretionary bonus pool for 2020 based on corporate performance delivered;
- » recommended LTIS 2010 vesting of awards;
- » approved the LTIS 2018 allocations;
- » recommended the non-executive director fees;
- » approved the committee's terms of reference; and
- » approved the 2020 work plan.

### Remuneration governance

#### Voting

The JSE's remuneration policy as set out in the Remuneration Policies is subject to an advisory vote by shareholders at the AGM (non-binding advisory resolution number 1), while the Implementation Report is also subject to a non-binding advisory vote by shareholders (non-binding advisory resolution number 2).

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

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

Changes to the composition of Group Remco during 2020 were as follows:

- » David Lawrence retired from the Board, and as a member of Group Remco, at the AGM held on 25 June 2020, following 12 years of service to the Board.
- » Fatima Daniels stepped down from the Board, and as a member of Group Remco, effective 8 July 2020.
- » Ian Kirk was appointed by the Board as a non-executive director effective 1 October 2020. He also joined Group Remco effective from that date.

On behalf of Group Remco, I would like to thank David for his commitment to the JSE and its business for more than a decade, and his wise counsel to Group Remco. I also extend grateful thanks to Fatima for her inputs and advice as a member of the committee. I am pleased to welcome Ian and look forward to his contribution in the years ahead.

### Group Remco composition and attendance in 2020

Non-executive directors	Meeting attendance	
	Number	%
VN Fakude (Chairman)*	4/4	100
F Daniels (resigned)*	1/1	100
IM Kirk (appointed)	2/2	100
BJ Kruger	4/4	100
DM Lawrence (retired)	1/1	100
N Nyembezi*	3/4	75

**Independence of committee: 50%**

Other invitees	Meeting attendance
Group CEO	4/4
Director: Human Resources	4/4
Group Company Secretary	4/4

## Board

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

## Group Remco

**Terms of reference:** A formal Board-approved terms of reference is in place<sup>1</sup>. There were no changes to the terms of reference.

**Philosophy:** Ensures that the JSE consistently, throughout the Group, adheres to a remuneration philosophy based on enduring principles of fairness, transparency, competitiveness and reward for performance actually delivered.

**Policy:** Ensures that remuneration policies and practices, and the implementation of those, directly support the achievement of the Group’s strategy and business goals, to the ultimate benefit of shareholders and other stakeholders.

**Judgement:** Exercises discretion in such a way that the best interests of stakeholders are served and the appropriate calibre of management and employees are attracted, motivated and retained, rather than simply applying formulaic prescriptions.

**Implementation:** Determines the structure and level of remuneration for executive management, assesses corporate and Group CEO performance over relevant measurement periods, and approves all annual incentives for executives and share allocations and vesting of share awards under the Group’s share incentive schemes.

**Committee effectiveness:** Group Remco performance was assessed as part of the overall annual Board performance self-review. The Board confirmed that the Group Remco has discharged its mandate and the responsibilities delegated to it during 2020.

**Composition:** Comprises a minimum of three non-executive directors of the JSE, appointed by the Board. The committee is required to meet a minimum of three times each calendar year. No members of the Group Remco may have any day-to-day involvement in the management of the JSE. As at 31 December 2020, the committee comprised four non-executive directors, two of whom are independent.

**Management involvement:** The Group CEO and the director of human resources attend Group Remco meetings by invitation. Other senior management members attend meetings from time-to-time as required. The Group Company Secretary attends all Board committee meetings. No individual, irrespective of position, is present when their remuneration is discussed.

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

\* Independent non-executive director.

<sup>1</sup> For terms of reference, refer [www.jse.co.za](http://www.jse.co.za).

# REMUNERATION POLICIES <sup>14</sup>

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**Our remuneration policies are approved by Group Remco and the Board, and set out how total reward must be managed within the Group. This policy statement is subject to a non-binding advisory vote at the AGM.**

The JSE's remuneration philosophy and policy governs the remuneration of executive management (executive directors and prescribed officers) and other employees. We are committed to observing the concept of fair and responsible remuneration for executive management in context of overall employee remuneration.

## Remuneration philosophy

Inherent in this philosophy is the linkage between pay and short and long-term performance (both at an individual and corporate level).

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

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

### We aim to

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

### Our remuneration philosophy accounts for

- » Reality of the JSE's size and its significant role in the South African financial sector
- » Nature of the business, its risk profile, the competitive environment and financial affordability
- » Balancing of rewards with the funding of capital to maintain and grow the JSE, dividend payments to shareholders and payments to wider society (through taxation and corporate social responsibility)





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

#### FAIR AND RESPONSIBLE REMUNERATION

The following are factored into our remuneration policy and practices:

- » The principle of equal pay for work of equal value
  - Guaranteed pay is determined based on clear role descriptions and validated by an independent remuneration advisor.
  - Pay levels are benchmarked against independent market data, and any unjustifiable income disparities (including race, gender and tenure) are subject to adjustment.
- » Overall pay ratios between executives and other employees are considered when determining annual salary increases.
- » The JSE invests in employees through career pathing, talent mapping and providing skills development opportunities to promote progress within the JSE.
- » Provision of financial education, debt counselling and training on basic financial education to assist employees in avoiding over-indebtedness.

## Remuneration model

Our remuneration model comprises three core elements – guaranteed pay, annual incentives and long-term incentives. These are linked to performance to ensure that high levels of pay are awarded only for high performance and where there is sustained value creation for shareholders.

Element	Fixed pay	Variable pay	
	Guaranteed pay and benefits	Annual incentives	Long-term incentives
<b>Characteristics</b>	<ul style="list-style-type: none"> <li>» Set around median for the specific role</li> <li>» Based on the premise of equal pay for work of equal value</li> <li>» Provides a guaranteed level of earnings</li> </ul>	<ul style="list-style-type: none"> <li>» Payable for the financial year</li> <li>» Rewards high performance</li> <li>» Linked to corporate financial performance, delivery of strategic priorities and personal performance</li> </ul>	<ul style="list-style-type: none"> <li>» Payable in respect of sustained corporate performance over three to four years</li> <li>» Attract and retain high-performing talent and critical and scarce skills</li> <li>» Create an “ownership culture” among senior employees</li> <li>» Measured against pre-set financial and strategic targets</li> </ul>
<b>Component</b>	<ul style="list-style-type: none"> <li>» Basic salary</li> <li>» Defined contribution pension plan</li> <li>» Medical aid benefits</li> </ul>	<ul style="list-style-type: none"> <li>» Discretionary cash bonus scheme</li> </ul>	<ul style="list-style-type: none"> <li>» Performance share schemes:                             <ul style="list-style-type: none"> <li>o LTIS 2010: Scheme closed with final allocation awarded in 2017. Vesting of final allocation complete as at 31 December 2020</li> <li>o LTIS 2018: First allocation awarded in 2018 and will vest from 2021</li> </ul> </li> <li>» Critical skills cash scheme</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>» Compensate employees for work performed</li> <li>» Attraction and retention</li> </ul>	<ul style="list-style-type: none"> <li>» Reward employees for the specific financial year’s corporate financial performance, delivery of strategic priorities and personal performance</li> <li>» Attraction and retention</li> </ul>	<ul style="list-style-type: none"> <li>» LTIS 2010/2018: Incentivise corporate performance and long-term shareholder value creation</li> <li>» Critical skills cash scheme: Retention of senior employees with scarce or critical skills</li> </ul>
<b>Eligibility</b>	All employees	All employees	<ul style="list-style-type: none"> <li>» LTIS 2010/2018: Senior leadership group involved in strategic decision-making</li> <li>» Critical skills cash scheme: Key employees with scarce or critical skills (that do not participate in LTIS 2010/2018)</li> </ul>

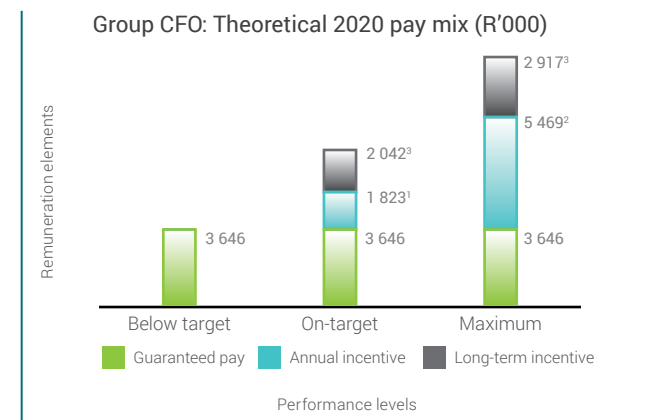
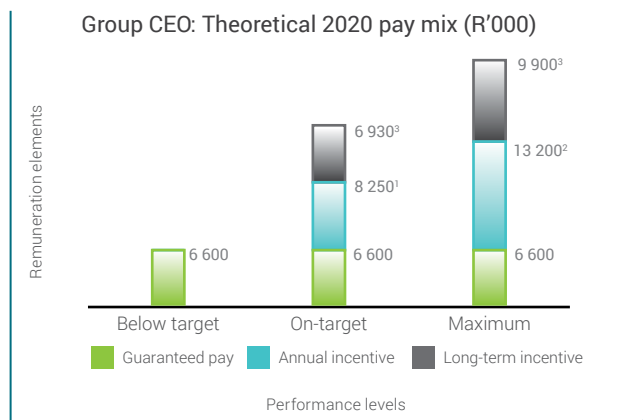
Element	Fixed pay	Variable pay	
	Guaranteed pay and benefits	Annual incentives	Long-term incentives
<b>How the pay is set</b>	<ul style="list-style-type: none"> <li>» Structured on a total cost to company basis</li> <li>» Benchmarked against independent market data</li> <li>» Reflects scope and depth of role, experience required, level of responsibility and individual performance</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Benchmarks</b> Financial services industry and general corporate benchmarks are used to determine competitive guaranteed pay levels for all roles. The PwC Remchannel database is used with input from independent specialists to ensure all roles are correctly sized and graded as part of the salary benchmarking process.</p> <p>The policy aims to move base salaries towards median, although cost considerations sometimes do not allow this. In certain instances – either for historical reasons or to retain scarce skills – salaries above median are paid.</p> </div>	<ul style="list-style-type: none"> <li>» Group Remco determines the discretionary bonus pool based on its assessment of annual corporate performance</li> <li>» Individual discretionary bonus awards are linked to seniority, individual performance and contribution to corporate performance</li> </ul> <p>Performance is rewarded as follows:</p> <ul style="list-style-type: none"> <li>» Group CEO receives a discretionary bonus cash award of up to 200% of guaranteed pay based on Group Remco performance assessment</li> <li>» Exco members receive discretionary bonus cash awards of up to 150% of guaranteed pay based on performance as assessed by the Group CEO and subject to Group Remco oversight</li> <li>» Employees rated as 'top performers' receive discretionary bonus cash awards of between 16% and 50% of guaranteed pay</li> <li>» Employees rated as 'meeting expectations' receive a discretionary bonus cash award of approximately one month's guaranteed pay</li> <li>» All permanent employees can receive an award of JSE Limited ordinary shares (known as bonus shares) based on Group Remco discretion (historically, no more than 6% of the discretionary bonus pool)</li> </ul>	<ul style="list-style-type: none"> <li>» LTIS 2010/2018 are annual awards of JSE ordinary shares; future vesting is linked to corporate performance measured over three and four years</li> <li>» Critical skills cash scheme is an annual cash award up to 25% of the participant's annual salary; future vesting is linked to continued employment and performance</li> </ul>
<b>Performance hurdle</b>	Not applicable	<ul style="list-style-type: none"> <li>» Fully discretionary based on Group Remco assessment of annual corporate performance</li> <li>» Discretionary bonus pool is only awarded if pre-set financial and strategic targets are achieved (see 📄 page 20)</li> </ul>	<ul style="list-style-type: none"> <li>» LTIS 2010/2018: continued employment and achievement of corporate performance targets</li> <li>» Critical skills cash scheme: continued employment, JSE's overall corporate performance and individual performance</li> </ul>

	Fixed pay	Variable pay	
Element	Guaranteed pay and benefits	Annual incentives	Long-term incentives
Deferral	Not applicable	<ul style="list-style-type: none"> <li>» No deferral of discretionary bonus cash awards</li> <li>» When a portion of the discretionary bonus pool is paid in JSE Limited ordinary shares, the shares vest within 12 months of year-end</li> </ul>	<ul style="list-style-type: none"> <li>» LTIS 2010/2018: shares vest over three and four years</li> <li>» Critical skills cash scheme: cash awards vest over two years</li> <li>» Malus and clawback provisions apply</li> </ul>
Link between remuneration and Group performance (pages 20 to 21 and 25 to 27)	Not applicable	<ul style="list-style-type: none"> <li>» Deliver on the financial, operational and strategic targets as set out in the corporate scorecard</li> <li>» Targets are not weighted, although the Group Remco places greater emphasis on financial performance outcomes</li> </ul>	LTIS 2018 <ul style="list-style-type: none"> <li>» Return on equity (ROE)</li> <li>» Growth in earnings (HEPS)</li> <li>» Relative total shareholder return (TSR)</li> <li>» Strategic metrics</li> </ul>

### Pay mix and potential remuneration

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

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



<sup>1</sup> The on-target discretionary bonus cash award is equivalent to 125% of guaranteed pay.

<sup>2</sup> The maximum discretionary bonus cash award of R13.2 million (200% of guaranteed pay) can be supplemented with an award of JSE Limited ordinary shares at the discretion of Group Remco for exceptional corporate performance in any year.

<sup>3</sup> The Group CEO receives an annual allocation of JSE Limited ordinary shares equivalent to 150% of guaranteed pay, which is subject to corporate performance measured over the subsequent three and four years. On-target performance over this measurement period equates to 70% of these shares vesting. Maximum performance over this measurement period equates to 100% of these shares vesting. The values in this graph are based on grant value.

<sup>1</sup> The on-target discretionary bonus cash award is equivalent to 50% of guaranteed pay.

<sup>2</sup> The maximum discretionary bonus cash award is equivalent to 150% of guaranteed pay.

<sup>3</sup> The CFO receives an annual allocation of JSE Limited ordinary shares equivalent to 80% of guaranteed pay, which is subject to corporate performance measured over the following three and four years. On-target performance over this measurement period equates to 70% of these shares vesting. Maximum performance over this measurement period equates to 100% of these shares vesting. The values in this graph are based on grant value.

## Guaranteed pay and annual incentives

The JSE's guaranteed pay consists of basic salary, defined contribution pension plan and medical aid benefits. We operate an annual incentive scheme (discretionary bonus scheme) that applies to permanent employees and cash awards vary with seniority. There were no changes to the guaranteed pay and annual incentives models during 2020. The details of both elements are set out in the remuneration model on [page 8](#).

## Long-term incentives

The LTIS 2010 scheme was approved by shareholders at the April 2010 AGM, and closed in December 2018 after eight years, in accordance with the scheme rules. The final allocation under LTIS 2010 was awarded in 2017 and vested effective December 2020. The LTIS 2018 scheme, modelled on the same basis as the 2010 scheme, was approved by shareholders at the May 2018 AGM.

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

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

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

<p><b>Earnings growth (HEPS)</b> <b>Return on equity (ROE)</b></p>	<p>Threshold, on-target and above-target levels for each annual allocation are determined by the Group Remco. These targets are specifically set at levels that recognise the JSE's wider responsibilities to the financial markets, and take into account the business cycle and medium-term outlook.</p> <p>HEPS targets require average earnings growth of CPI plus a premium. ROE targets are based on a premium over cost of capital.</p>
<p><b>Total shareholder return (TSR)</b></p>	<p>Evaluated against the FINI 15 Index constituents and a selection of global exchange groups (comparator group).</p> <p>Threshold awards equate to median performance against the comparator group while above target performance requires the JSE to achieve top quartile performance against the comparator group.</p> <p>For LTIS 2018 allocations, TSR performance will be measured against the growth in the capped SWIX index over the vesting period.</p>
<p><b>Strategic metrics</b></p>	<p>Targets aimed at transformational business efforts. The strategic targets vary for each annual allocation. This allows Group Remco to focus management's attention on fundamental strategic actions that might not have an immediate financial payoff but are nevertheless critical to future business success, long-term financial performance and value creation for stakeholders.</p>

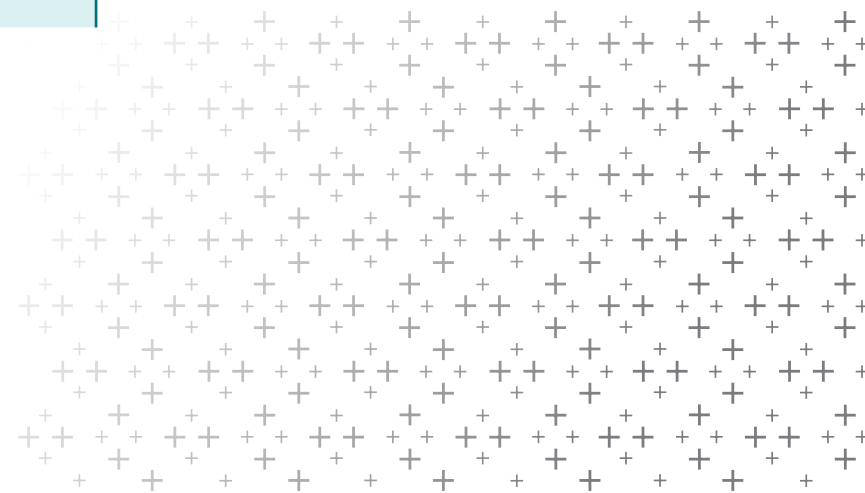
## Vesting

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

The Board remains satisfied that a three to four-year vesting horizon is appropriate for the JSE business and is in line with competitive practice in South Africa.

In order to make the share awards, the LTIS 2010 and 2018 Trusts acquire a specific number of JSE Limited ordinary shares in the open market on behalf of participants. These Trusts are funded by the JSE and there is no fresh issue of shares (nor any gearing). Group Remco is mindful of the schemes' dilutive effect and that they represent a transfer of value from shareholders to employees (as would any incentive scheme). Accordingly, various limits apply to the schemes in order to restrict the size of awards, both in aggregate and to individual participants.

LTIS 2010/2018 limit	Description
<p><b>Aggregate limit: number of shares</b> 0.625% of JSE's issued share capital (per annum)</p>	<p>Over any rolling four-year period, dilution may not be more than 2.5% of issued share capital or 0.625% per annum.</p>
<p><b>Aggregate limit: cash cost</b> Aggregate rand value of awards is limited to no more than 10% of prior year's NPAT.</p>	<p>The Board is mindful of the cash cost of the scheme, and exercises discretion on the cash cost of each aggregate annual allocation.</p>
<p><b>Annual award individual limit</b></p>	<ul style="list-style-type: none"> <li>» Group CEO allocation limit of 150% of guaranteed pay (2019: 150%)</li> <li>» Exco allocation limit of 80% of guaranteed pay (2019: 80%)</li> <li>» Senior employee allocation limit of 45% of guaranteed pay (2019: 45%)</li> </ul>



## LTIS 2010

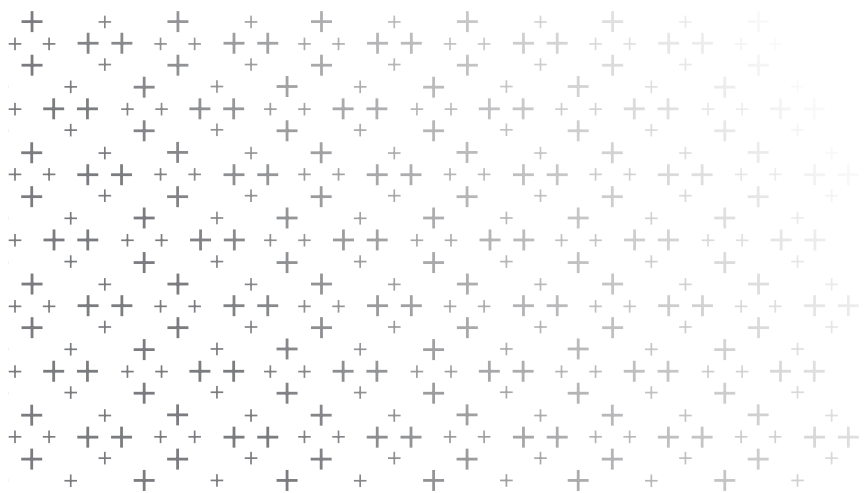
The following table sets out the performance metrics and the weighting and targets for awards that vested in 2020.

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

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

### Performance targets per allocation

Assessment criteria	ROE	EBIT	TSR	Strategic metrics
	(average per annum)	(compound growth per annum)	(comparator group quartile)	
Weighting	30%	20%	10%	40%
<b>Allocation 7 (awarded 2016; first 50% vested in 2019, second 50% vested in 2020)</b>				
Threshold target	16%	CPI+1%	Median	» ITaC technology project 2 delivered » Minimum new revenue target from new business lines
On-target	21.63%	CPI+2.88%	65th percentile	
Maximum	25%	CPI+4%	Upper quartile	
<b>Allocation 8 (awarded 2017; vested in 2020 and 2021)</b>				
Threshold target	16%	CPI+1%	Median	» Achievement of non-equity transactional business diversification
On-target	21.63%	CPI+2.88%	65th percentile	
Maximum	25%	CPI+4%	Upper quartile	



## LTIS 2018

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

### Performance targets per allocation

Assessment criteria	ROE	EBIT	TSR	Strategic metrics
	(average per annum)	(compound growth per annum)	(comparator group quartile)	
	Non-discretionary	Non-discretionary	Non-discretionary	Group Remco discretion
<b>Weighting</b>	<b>40%</b>	<b>20%</b>	<b>10%</b>	<b>30%</b>
<b>Allocation 1 (awarded 2018; to vest in 2021 and 2022)</b>				
Threshold target	16%	CPI+1%	Median	Deliver a future-fit JSE assessed against various requirements relating to culture, structure and operations
On-target	21.63%	CPI+2.88%	65th percentile	
Maximum	25%	CPI+4%	Upper quartile	
<b>Weighting</b>	<b>45%</b>	<b>20%</b>	<b>10%</b>	<b>25%</b>
<b>Allocation 2 (awarded 2019; to vest in 2021 and 2022)</b>				
<b>Allocation 3 (awarded 2020; to vest in 2022 and 2023)</b>				
Threshold target	16%	CPI	Equal to average growth in capped SWIX <sup>1</sup>	Deliver a future-fit JSE assessed against various requirements relating to culture, structure and operations.
On-target	20%	CPI+1.71%	Straight line between threshold and above target	
Maximum	23%	CPI+3%	At least one standard deviation over average historical return in capped SWIX	

### Critical skills cash scheme

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



<sup>1</sup> Capped version of the all share index.



### Minimum shareholding requirement

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

New LTIS participants must build-up steadily towards the minimum shareholding over a five-year period.

### Malus and clawback

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

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

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

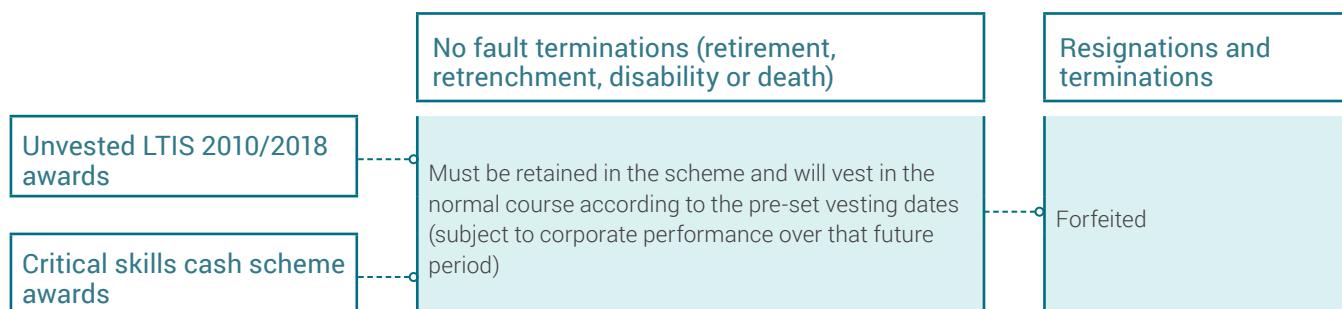
### Service contracts and other appointments

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

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

Employees are required to retire at age 65.

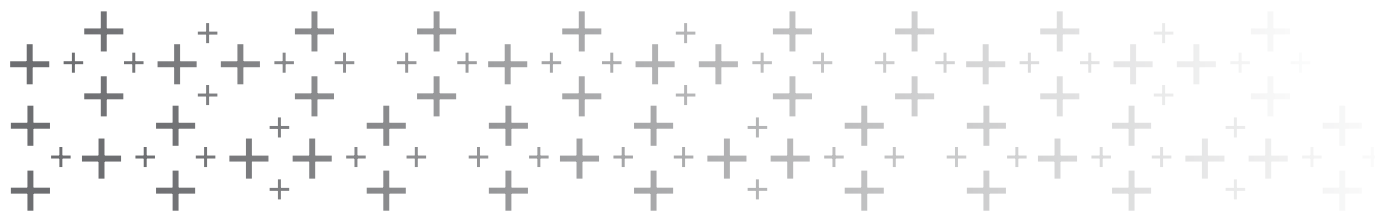
As from August 2018, no annual incentives are subject to deferral. The treatment of deferred elements of long-term incentives in the event of terminations, are highlighted in the table below.



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

### Appointments

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



## Group CEO service contract<sup>10</sup>

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

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

### Summary of remuneration structure

#### Guaranteed pay

- » Graded as Patterson F-Band
- » Benchmarked against independent market data (PwC Remchannel data for financial services)
- » Structured on a cost-to-company basis and comprises basic salary and pension plan and medical aid contributions
- » Provides a guaranteed level of earnings

#### Annual incentive

- » Participates in the discretionary bonus scheme
- » Group CEO performance is assessed by Group Remco against corporate scorecard and personal objectives
- » Group Remco's performance assessment of Group CEO is endorsed by the Board
- » Awards are payable in cash, calculated as a percentage of guaranteed pay
- » Performance levels:
  - Below target: 0%
  - On-target: 125%
  - Maximum: 200%
- » For exceptional corporate performance, the discretionary bonus award may be scaled beyond 200% of annual guaranteed pay, subject to the size of the DB bonus pool with the percentage over 200% payable in JSE Limited ordinary shares
- » No deferral of awards

#### Long-term incentive

- » Participates in LTIS 2018
- » Share awards granted annually at 150% of guaranteed pay
- » Awards vest over three and four-year time horizons subject to continued employment and meeting pre-set corporate performance targets measured over the vesting period
- » No retesting of performance
- » Share awards are forfeited if performance conditions not achieved

## CFO employment agreement

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

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

### Summary of remuneration structure

#### Guaranteed pay

- » Graded as Patterson E-Band
- » Benchmarked against independent market data (PwC Remchannel data for financial services)
- » Structured on a cost-to-company basis and comprises basic salary and pension plan and medical aid contributions
- » Provides a guaranteed level of earnings

#### Annual incentive

- » Participates in the discretionary bonus scheme
- » Discretionary bonus cash award is linked to individual performance and contribution to corporate performance as assessed by the Group CEO
- » Awards are payable in cash, calculated as a percentage of guaranteed pay
- » Performance levels:
  - Below target: 0%
  - On-target: 50%
  - Above target: 100%
- » Discretionary bonus cash award may be scaled up to a maximum of 150% of annual guaranteed pay subject to the size of the discretionary bonus pool
- » No deferral of awards

#### Long-term incentive

- » Participates in LTIS 2010/2018
- » Share awards granted annually at 80% of guaranteed pay
- » Awards vest over three and four-year time horizons subject to continued employment and meeting pre-set corporate performance targets measured over the vesting period
- » No retesting of performance
- » Share awards are forfeited if performance conditions not achieved

## Non-executive director emoluments

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

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

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

#### Board committee chairmen

Paid a premium set at twice the fee for a committee member, as compensation for the additional responsibilities and time commitment expected of their roles. The premium for the Group Audit Committee chairman is up to 2.5 times.

#### Lead independent director

Paid a premium of 30% of the annual non-executive director retainer.

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

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

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

#### Voting

The JSE's non-executive director emoluments for 2021 are subject to a vote by shareholders at the AGM (special resolution number 3).

In 2020 no increases to the emoluments for the 2020 financial year were proposed to shareholders in solidarity with the unusual circumstances facing companies during the COVID-19 pandemic.

For 2021 the Board has reviewed the recommendation of Group Remco, based on an independent benchmarking exercise, and is proposing a 9.5% increase to emoluments (representing an annualised increase of 4.62% per annum since 2019).

#### Non-executive director fee benchmarks

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

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

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

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

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

# IMPLEMENTATION REPORT <sup>14</sup>

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**We seek to deliver financial performance that generates competitive returns and creates long-term value for shareholders over time – our performance in 2020 has contributed towards this goal.**

## Fair and responsible remuneration

The Board, working through Group Remco, seeks to ensure that total remuneration paid by the Group is aligned with the JSE's value-creating strategies, is sustainable and meets the legitimate expectations of stakeholders.

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

This implementation report sets out the details and key outcomes of the remuneration paid in 2020.

## Guaranteed remuneration adjustments

Guaranteed remuneration serves as compensation for work performed and is:

- » linked to clear role descriptions;
- » based on the principle of equal pay for equal work;
- » benchmarked against independent market data in order to pay at market median, and validated by the JSE's independent remuneration advisors; and
- » reviewed annually for all staff, with adjustments applicable from 1 January each year.

Annual increases cater for inflation adjustments, grade changes where applicable, as well as merit increases for top performers. Any unjustifiable income disparities (including race, gender and tenure) are subject to adjustment. Overall pay ratios between executives and other employees are also considered when determining annual salary increments.

Adjustments to guaranteed pay approved by Group Remco were as follows:

For years commencing	2019	2020	2021
All eligible staff	6.5%	5.5%	4.5%

Pay ratios	2020	2019
<b>CEO – guaranteed pay</b>	<b>6 600 000</b>	5 777 000
Lowest grade – guaranteed pay	<b>384 000</b>	366 000
<i>Pay ratio</i>	<b>17x</b>	16x
All grades – median guaranteed pay	<b>880 000</b>	832 763
<i>Pay ratio</i>	<b>8x</b>	7x
<b>CEO guaranteed pay and discretionary bonus</b>	<b>16 500 000</b>	13 500 000
All grades – median guaranteed pay and discretionary bonus	<b>956 429</b>	912 427
<i>Pay ratio</i>	<b>17x</b>	15x

Adjustments to guaranteed remuneration for executive directors for 2020 were as follows:

**Group CEO** – no adjustment granted as base pay was set for a 15-month period upon appointment (1 October 2019 – 31 December 2020).

**Group CFO** – 5% annual adjustment granted in line with benchmarking report from Group Remco's independent remuneration advisors.

Pay levels for executives are determined by Group Remco based on benchmarking inputs.

## Corporate performance 2020

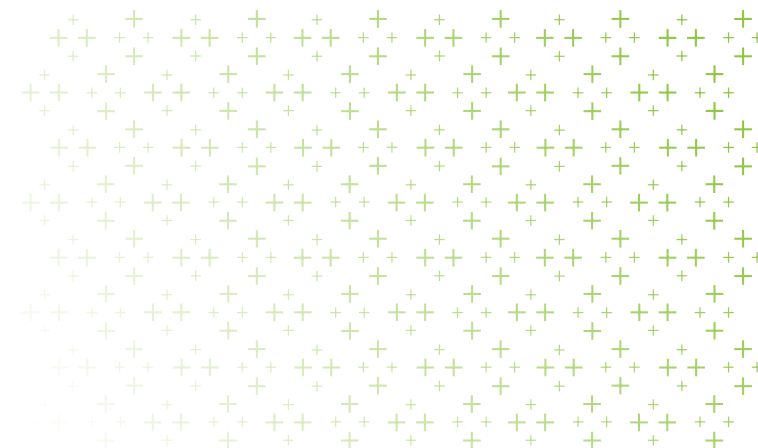
### Group Remco considered the evidence supporting the Exco’s self-assessment and rated corporate performance for 2020 as “excellent”.



Our scorecard for 2020 includes initiatives that address all our material matters. Our 2022 strategic priorities are firmly tied in with our corporate and Group CEO scorecards for 2020, which were approved by the Board in November 2019.

A self-assessment of our strategic delivery was undertaken by Exco and interrogated by the Group Remco, and a summary on the status of each deliverable is included below. For 2020, each scorecard element was assessed as achieved by the Board.




Group Remco considered the evidence supporting Exco’s

self-assessment and determined a corporate performance rating for 2020, which was reviewed and ratified by the Board. Although we do not assign specific weightings to these deliverables, financial performance does contribute materially to the scorecard assessment, and the self-assessment directly informs the size of the discretionary bonus pool for 2020.



2022 strategic priorities	Corporate and Group CEO scorecard <sup>1</sup> 2020	Summary self-assessment and comment	Performance metrics
 <p><b>Partner to co-create for inclusive and sustainable growth</b> and reduce equity market dependence.</p>	<ul style="list-style-type: none"> <li>» Deliver financial performance in line with 2020 budget</li> <li>» Execute on inorganic growth strategy</li> <li>» Deliver new products and services in Capital Markets and Information Services</li> <li>» Integrate Link SA into the JSE</li> </ul> <p><small>* Subject to the outcome of the Competition Tribunal decision.</small></p>	<ul style="list-style-type: none"> <li>» Delivered financial performance in line with budget</li> <li>» New products delivered, including Johannesburg Interbank Average Rate (JIBAR) futures, new bond indices, the sustainability segment, virtual AGMs and electronic mailboxes</li> <li>» Link SA transaction successfully closed on 2 November 2020 with progress on incorporating into JSE Group as JSE Investor Services</li> <li>» Globacap transaction announced</li> </ul>	<p>Refer to the CEO’s review for performance highlights and the CFO’s review for performance metrics in the <a href="#">integrated annual report on pages 13 to 19</a> and <a href="#">pages 39 to 50</a> respectively.</p>
 <p><b>Run trusted markets, products and services</b> by ensuring market quality, settlement assurance, governance, operational availability and resilience.</p>	<ul style="list-style-type: none"> <li>» Improve our operational resilience</li> <li>» Improve our information security readiness in line with the plan</li> <li>» Complete MIT upgrade</li> <li>» Improve governance requirements</li> </ul>	<ul style="list-style-type: none"> <li>» Operated our markets flawlessly and remotely throughout 2020</li> <li>» Significant improvements delivered through improved cybersecurity upgrades</li> <li>» Core trading platform upgraded</li> <li>» Agile response to issuer regulation of Primary Market with numerous interventions including new shares for cash process, new Debt Listing Requirements, standard listings and major progress on investigations</li> </ul>	<p>Refer to the technology and information section in the <a href="#">integrated annual report on pages 59 to 62</a>.</p>

<sup>1</sup> The Group CEO is assessed by the GRC based on both the performance of the JSE against the 2020 corporate scorecard and on the impact of the Group CEO’s leadership on the JSE.

2022 strategic priorities	Corporate and Group CEO scorecard <sup>1</sup> 2020	Summary self-assessment and comment	Performance metrics
 <p><b>Enhance the stakeholder experience</b> through collaborative value creation and the highest quality of service delivery.</p>	<ul style="list-style-type: none"> <li>» Improve our client response times and quality of engagement</li> <li>» Improve on our 2019 client engagement score</li> <li>» Maintain the integrity and trust of our regulatory relationships</li> </ul>	<ul style="list-style-type: none"> <li>» Excellent client service centre performance with speedy turn-around times and high resolution velocity</li> <li>» Positive shift in client engagement reflected in independent NPS survey results</li> <li>» Solid relationships with the FSCA and PA following extensive on-site engagements throughout 2020 and no unresolved regulatory matters</li> </ul>	<p>Refer to the NPS score details in the <a href="#">integrated annual report</a> on <a href="#">page 108</a>.</p>
 <p><b>Attract and retain diverse top talent</b> that allows an exchange of knowledge to support a transition from the markets of today to the markets of tomorrow.</p>	<ul style="list-style-type: none"> <li>» Revise and launch our vision, values and JSE Way</li> <li>» Deliver efficiencies through new ways of work and agile capability</li> <li>» Improve on our 2018 employee engagement score</li> </ul>	<ul style="list-style-type: none"> <li>» Vision, values and JSE Way successfully launched through extensive engagement with leadership and staff</li> <li>» Effective remote working since February 2020 delivering efficiencies even with challenging projects such as system upgrades and disaster recovery tests</li> <li>» Clear upward shift in staff engagement scores reflected in independent survey results</li> </ul>	<p>Refer to the employee engagement survey in the <a href="#">integrated annual report</a> on <a href="#">page 69</a>.</p>
 <p><b>Lead by example on the national agenda</b> and promote South Africa as a global investment destination by partnering with the public and the private sector.</p>	<ul style="list-style-type: none"> <li>» Deliver impactful CSI, and financial literacy education, to enable future inclusion</li> <li>» Lead on the sustainability agenda</li> <li>» Partner with government and promote South Africa as an attractive investment destination</li> <li>» Maintain our BBBEE level 3 score and improve our BBBEE internal transformation</li> </ul>	<ul style="list-style-type: none"> <li>» Strong CSI programme together with virtual Investment Challenge successfully delivered</li> <li>» Extensive engagement locally and internationally through the FSCRF, the UNGISD co-chair role, the SSE Climate Disclosure co-chair role and the JSE's own sustainability showcase days</li> <li>» The 8th SA Tomorrow conference delivered virtually in November 2020</li> <li>» Achieved level 2 BBBEE score</li> </ul>	<p>Refer to the <a href="#">online social value report</a>.</p>

<sup>1</sup> The Group CEO is assessed by the GRC based on both the performance of the JSE against the 2020 corporate scorecard and on the impact of the Group CEO's leadership on the JSE.

### Annual incentives awarded for 2020

In terms of the JSE’s approved remuneration policy, the maximum amount that may be awarded in annual short-term incentives is limited to 10% of that year’s NPAT. The JSE’s financial performance in any given year is a key determinant, but not the sole factor, in determining the final quantum of the discretionary bonus pool.

Group Remco determined that management and staff had delivered an excellent corporate performance in 2020 under challenging conditions, and awarded a discretionary bonus pool of R75.7 million (2019: R64 million). This translates into a bonus pool of 9.6% of NPAT (2019: 9.2%), which is within the Group’s policy guideline of 10% of NPAT for the size of the discretionary bonus pool. No bonus shares were awarded for the 2020 year, and all discretionary bonus awards were payable in cash.

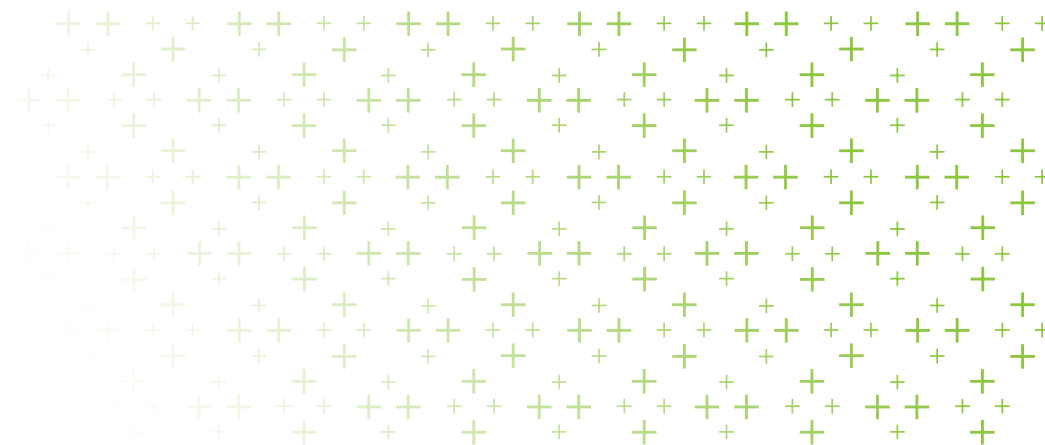
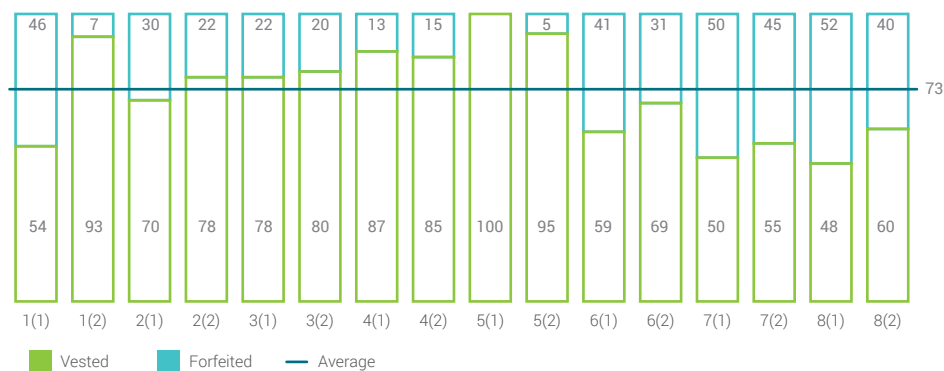
### Long-term incentives vesting in 2020

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

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

The LTIS 2010 has closed with all allocations having vested. Over the life of the LTIS 2010, the overall vesting percentage is 73%. Where corporate performance targets are not met, the relevant portion of the share awards are forfeited (there is no subsequent retesting of performance).

LTIS 2010 vesting profile over the life of the LTIS 2010 scheme (%)

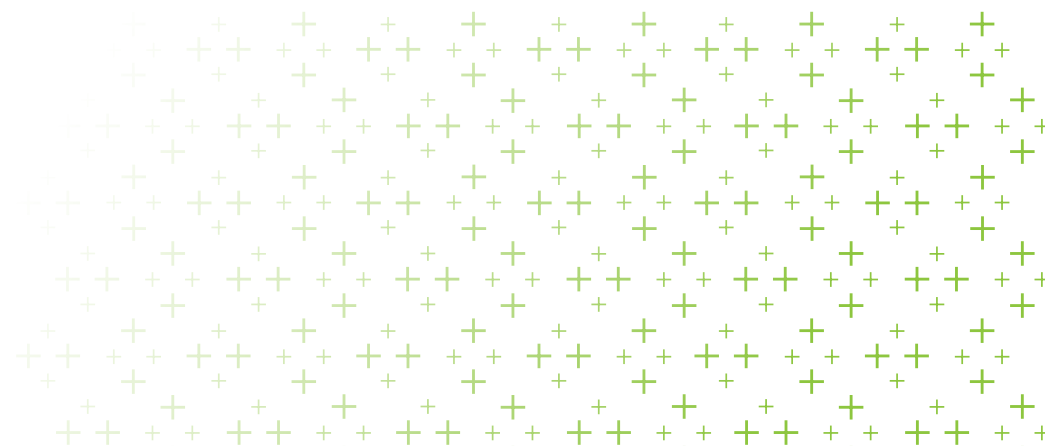




### Corporate metrics and targets for long-term incentives granted in 2020

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

Performance metrics	Return on equity capital	Earnings growth	TSR	Strategic metric
<b>Measurement basis</b>	Average annual return on equity (ROE) for JSE Group against JSE cost of capital	Average growth in JSE Group HEPS vs average CPI	JSE TSR against FTSE/JSE Capped SWIX All Share total return	Specific to Allocation
<b>Threshold vesting target</b>	16% average annual ROE over measurement period	Average annual growth in HEPS not less than average growth in CPI over the measurement period	JSE TSR performance not less than the average growth in Capped SWIX over measurement period	Specific to Allocation
<b>On-target vesting target</b>	20% average annual ROE over measurement period (straight line basis)	Average annual growth in HEPS of CPI + 1.71% (straight-line basis)	JSE TSR performance on straight line basis between threshold and full performance targets	Specific to Allocation
<b>Full performance vesting target</b>	23% average annual ROE over measurement period	Average annual growth in HEPS of CPI + 3%	JSE TSR performance not less than one standard deviation over average historical return in Capped SWIX	Specific to Allocation
<b>Nature of metric</b>	Quantitative (no discretion)	Quantitative (no discretion)	Quantitative (no discretion)	Qualitative (discretion by Group Remco)



## Vesting of long-term share awards 2020

### LTIS 2010 Allocation 8(2) vesting based on corporate performance measured over four years, 2017 – 2020

Measure	Weighting	Target range for metric	Actual performance against metric for vesting period	Score for metric (0 – 100%)	Weighted score for metric
ROE	30%	Average ROE of 16% – 23%	21.2%	66.3%	19.89%
Earnings growth	20%	Compound annual growth in earnings of CPI +1% to CPI +4%	-5.28%	0%	0%
TSR	10%	Medium to upper quartile performance against peer group	-1.85%	0%	0%
Strategic metric	40%	Revenue-enhancing initiatives	Above target delivery	100%	40%
<b>Vesting percentage for Allocation 8(2)</b>					<b>59.89%</b>

Corporate performance drives the vesting of the LTIS 2010 share awards:

- » ROE performance improved in 2020 to 19% and over the vesting period was 21.2% – this translated into a weighted score of 19.89% (66% of the shares linked to this ROE metric vested, with the balance forfeited).
- » Earnings growth declined over the vesting period and therefore all shares linked to this metric were forfeited.
- » JSE Limited total shareholder return did not meet the threshold level for vesting and therefore all shares linked to this metric were forfeited.
- » Group Remco assessed that this metric has being fully achieved based on the successful execution of the Link SA acquisition during the year, (now named JSE Investor Services) and the on-boarding of this acquisition into the Group. The acquisition represents a key first step in seeking to deliver high-quality non-equity transactional revenue for the JSE, pushing further along the value chain into transfer secretary and related business areas where annuity income can be generated. In addition, management successfully executed the Globacap transaction – the equity investment and private markets initiative – which represents a key step in opening new market segments for the JSE, and the opportunity to collaborate with a leading international fintech. All shares linked to this metric vested.

The balance of the shares for Allocation 8(2), being 40.11% of that Allocation, were forfeited.

- » All participants in these LTIS 2010 Allocations are subject to the same vesting percentages as set out in these vesting tables.
- » ROE is stated as average ROE pa over the relevant vesting periods.
- » Earnings growth is stated as CAGR over the relevant vesting periods.
- » TSR is measured against a financial services peer group (see sidebar on this page).

Compliance with MSR requirement: Aarti Takoordeen (executive director) has completed five years' service with the Group and as at 31 December 2020, meets the MSR requirement of holding 80% of her guaranteed remuneration in vested JSE shares.

### Comparator group for TSR performance assessment

ABSA Group Limited  
 ASX  
 BMF Bovespa  
 Bursa Malaysia  
 Capitec Bank  
 Discovery  
 FirstRand  
 Investec Limited  
 Investec Plc  
 Liberty Holdings  
 London Stock Exchange Group  
 Nedbank Group  
 Old Mutual  
 PSG Group  
 Reinet Investments  
 RMB  
 Sanlam  
 Santam  
 Sasfin Holdings  
 Standard Bank Group  
 TMX Group  
 Zurich Financial



## Executive director performance

**Dr Leila Fourie**

**Group Chief Executive Officer**

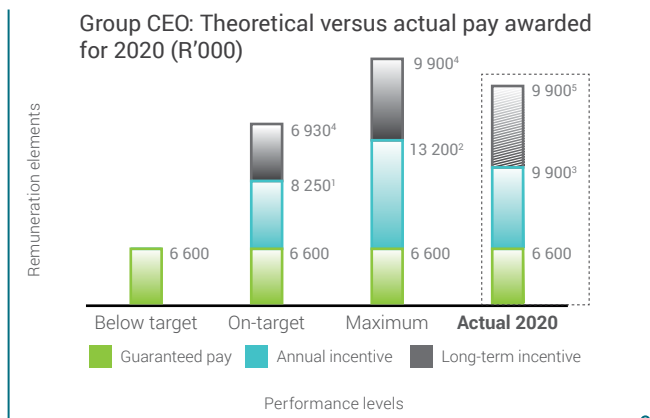
*Appointed October 2019*

The JSE Group CEO is accountable for:

- » shaping and executing the Group’s strategies;
- » overseeing operations;
- » delivering financial performance that creates enduring value in line with the Group’s return on equity and earnings targets;
- » driving the JSE’s environmental, social and governance (ESG) initiatives; and
- » leading the executive team and our stakeholder engagements.

These executive responsibilities map to the JSE’s corporate scorecard for 2020. Although each dimension of the scorecard is not individually weighted, the Group Remco placed particular emphasis on **financial outcomes, leadership engagements and delivery of transformational initiatives** – and the CEO’s specific impact in each of these areas – when assessing Leila’s performance in 2020.

Leila’s contribution and delivery of key outcomes across each element of the JSE’s scorecard, especially in a year of unprecedented challenge, is recognised by Group Remco. This is evident not only in the strategy pivot, and the rapid progress in driving the growth strategy, but also in how these achievements have been delivered. Leila has instilled a collaborative ethos within the executive team and has modelled authentic, courageous and empathetic leadership during her first year in office.



- <sup>1</sup> The on-target discretionary bonus cash award is equivalent to 125% of guaranteed pay.
- <sup>2</sup> The maximum discretionary bonus cash award is R13.2 million (200% of guaranteed pay).
- <sup>3</sup> Based on the performance assessment by Group Remco, Leila was awarded a discretionary bonus of R9.9 million for 2020, equivalent to 150% of guaranteed pay (75% of the maximum award).
- <sup>4</sup> The Group CEO receives an annual allocation of JSE Limited ordinary shares equivalent to 150% of guaranteed pay, which is subject to corporate performance measured over the subsequent three and four years. On-target performance over this measurement period equates to 70% of these shares vesting. Maximum performance over this measurement period equates to 100% of these shares vesting. The values in this graph are based on grant value.
- <sup>5</sup> No share awards vested in the hands of the CEO in 2020. This amount of R9.9 million represents the grant value of the shares awarded in 2020 (in accordance with policy at 150% of guaranteed remuneration). These are restricted shares and will only vest in three and four years if corporate performance targets are achieved. There is no guarantee that the share award will vest – historically our LTIS awards have vested at 73% of grant levels.

## Strategy

Key outcomes have included:

- » Successful conclusion of the R243 million Link SA acquisition on 2 November 2020, following an extensive review by the Competition Tribunal – this acquisition is expected to be profit accretive and to enhance the JSE’s quality of earnings over time through annuity revenue. The systematic on-boarding of Link SA into the JSE Group commenced during 2020 and remains on track.

- » The collaboration arrangement and £4 million investment in Globacap, which will extend the JSE’s reach into private markets and digital registry services, and provide an opportunity to explore distributed ledger technology in collaboration with Globacap as a leading capital markets fintech.
- » Signing agreements to enable the distribution of JSE data for two years to mainland China, with progress on similar arrangements to enable data flows to Singapore and Hong Kong.

## Operations

Key outcomes have included:

- » Significant decline in the number and severity of Priority 1 incidents (from 19 incidents in 2019 to 7 in 2020) and excellent uptime for all markets operated by the JSE, notwithstanding the significant market volatility in H1|2020.
- » Seamless switch to remote working for the entire organisation with outstanding operational resilience throughout the year.
- » Agile and responsive regulation of the primary markets, through extensive engagement with a wide range of regulatory authorities, securing extensions to financial reporting requirements and a temporary amendment to the JSE Listings Requirements for the issue of shares for cash.
- » Delivery of a major MIT upgrade (on time and on budget) and improvements in cybersecurity readiness, allowing the JSE to operate a trusted and resilient marketplace on a fully remote basis.

## Financial

Key outcomes have included:

- » EBITDA growth of 19% with HEPS up 15%, ahead of 2020 budget.
- » Return on equity improved to 19.3% from 17.5% in 2019.
- » Excellent cash generation at a record R991 million, and a continuation of the JSE’s progressive dividend policy, growing the ordinary dividend by 5% in a difficult operating year.
- » Funding acquisitions from cash reserves while meeting all regulatory capital requirements.

**ESG**

Key outcomes have included:

- » Leila co-chairs the GISD and serves on a forum for female global economists as well as the global Climate Committee convened by the UN Secretary General, in addition to co-chairing with the LSEG CEO a Sustainable Stock Exchanges Initiative (in partnership with the United Nations) – this representation assists in positioning South Africa and the JSE as a leader on the global stage in financial markets and sustainability.
- » Our #Trade4Solidarity raised more than R30 million in collaboration with capital market participants and other social responsibility initiatives.

**Stakeholders**

Key outcomes have included:

- » The JSE’s NPS score reflects a material turnaround from negative to positive, which marks the start of deeper and effective client engagement.
- » Strong results from the staff engagement survey in 2020, indicating high levels of trust, empathy and engagement from leaders.
- » Solid progress on transformation, improving the JSE’s BEE status to Level 2 while advancing employment equity at Exco and senior levels.



**Ms Aarti Takoordeen  
Chief Financial Officer**

*Appointed February 2013*

The JSE CFO is accountable for:

- » supporting the acquisitions strategy;
- » shaping and executing the Group’s financial function;
- » supporting key controls and governance initiatives; and
- » supporting the CEO in stakeholder engagements.

As a member of the Exco, Aarti’s performance is assessed by the Group CEO, while Group Remco provides oversight of the performance assessments undertaken by the CEO of all executives. The assessment of the CFO’s specific impact in each relevant business area in 2020 is set out below, together with her remuneration outcomes for the year.

**Strategy**

Key outcomes have included:

- » Led the due diligence work for acquisition targets.
- » Provided post-deal support for the Link SA acquisition, and co-led the successful integration of the Link SA business without operational disruption.
- » Co-led the presentation of the Globacap transaction to the Group Deal Committee.

**Operations**

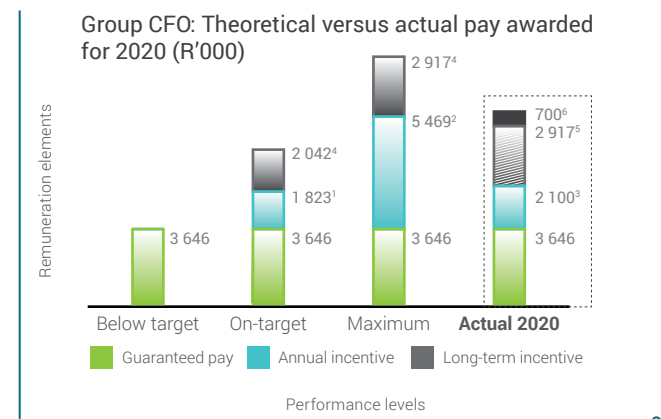
Key outcomes have included:

- » Improved operational resilience through partnering with risk and compliance teams to sign-off a new internal controls framework in compliance with new Listing Requirements.

**Financial**

Key outcomes have included:

- » Provided oversight and leadership of the Group finance function.
- » Successfully managed FX cash flows to optimise yield and potential FX gains.
- » Delivered a new costing model for the Group in support of the independent clearing house (ICH) application, and to drive insights into key business areas across the Group.



<sup>1</sup> The on-target discretionary bonus cash award is equivalent to 50% of guaranteed pay.  
<sup>2</sup> The maximum discretionary bonus cash award is equivalent to 150% of guaranteed pay.  
<sup>3</sup> Based on the performance assessment by the Group CEO, Aarti received a discretionary bonus award of R2.1 million for 2020, equivalent to 58% of guaranteed pay (39% of the maximum award).  
<sup>4</sup> The CFO receives an annual allocation of JSE Limited ordinary shares equivalent to 80% of guaranteed pay, which is subject to corporate performance measured over the following three and four years. On-target performance over this measurement period equates to 70% of these shares vesting. Maximum performance over this measurement period equates to 100% of these shares vesting. The values in this graph are based on grant value.  
<sup>5</sup> This amount of R2.9 million represents the grant value of the shares awarded in 2020 (in accordance with policy at 80% of guaranteed remuneration). These are restricted shares and will only vest in three and four years if corporate performance targets are achieved. There is no guarantee that the share award will vest – historically our LTIS awards have vested at 73% of grant levels.  
<sup>6</sup> Share awards from the 2017 allocation vested in the hands of the CFO in 2020: R700 000 at an average vesting percentage of 50.5% (balance of the 2017 share award was forfeited based on corporate performance).

**ESG**

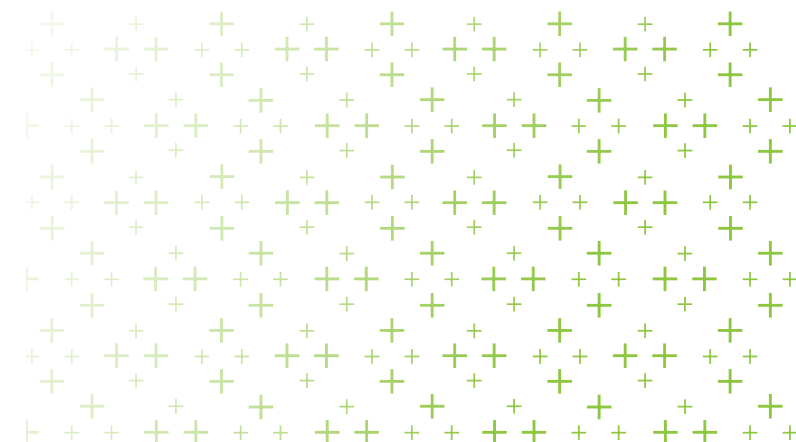
Key outcomes have included:

- » Supported the SA Schools Challenge, and other initiatives for successful championing of South Africa as an investment destination.
- » Supported the development of the small and medium-sized enterprise business case, including commercial insights and guidance on operating model and design.

**Stakeholders**

Key outcomes have included:

- » Facilitated divisional culture programmes (vision, values and JSE Way with Ambassadors).
- » Led and directed the divisional employee engagement survey and achieved a divisional score above the South Africa and financial services norms.



**Long-term incentive scheme 2018**  
**Executive director – Leila Fourie**

Summary of restricted unvested shares granted to Group Chief Executive Officer.

Award	Date of award	Vesting date of first tranche	Vesting date of second tranche	Status of award	Grant price (rand per share)	Opening number of unvested shares	Number of shares awarded during the year	Number of shares vested in the year	Number of shares lapsed in the year	Closing number of LTIS 2018 unvested shares	Indicative rand value of unvested shares at share price on 31 December 2020 (R112.50 per share)	Indicative expected rand value of unvested shares at share price on 31 December 2020 (R112.50 per share at projected 70% on-target vesting)
Restraint	2019			Unvested	128.49		51 364	Nil	Nil	51 364	6 139 025	4 297 318
Allocation 3	2020	Mar 2023	Mar 2024	Unvested	102.73		84 570	Nil	Nil	84 570	9 514 125	6 659 887

**Executive director – Aarti Takoordeen**

Summary of restricted unvested shares granted to Chief Financial Officer.

Award	Date of award	Vesting date of first tranche	Vesting date of second tranche	Status of award	Grant price (rand per share)	Opening number of unvested shares	Number of LTIS 2018 shares awarded during the year	Number of LTIS 2018 shares vested in the year	Number of LTIS 2018 shares lapsed in the year	Closing number of unvested LTIS 2018 shares	Indicative rand value of unvested LTIS 2018 shares at share price on 31 December 2020 (R112.50 per share)	Indicative expected rand value of unvested LTIS 2018 shares at share price on 31 December 2020 (R112.50 per share at projected 70% on-target vesting)
Allocation 1	2018	Mar 21	Mar 22	Unvested	153.75		16 680	Nil	Nil	16 680	1 993 593	1 395 515
Allocation 2	2019	Mar 22	Mar 23	Unvested	159.80	16 680	16 710	Nil	Nil	33 390	1 997 179	1 398 025
Allocation 3	2020	Mar 2023	Mar 2024	Unvested	102.73	33 390	24 916	Nil	Nil	53 306	6 559 425	4 591 598

**Directors' and executives' remuneration<sup>3</sup>**

		Basic <sup>1</sup> salary R'000	Defined <sup>1</sup> contribution pension plan R'000	Medical aid <sup>1</sup> UIF and other R'000	Total guaranteed pay R'000	Contracted bonus <sup>1</sup> (included deferral) R'000	Discre- tionary bonus <sup>1,2,4</sup> R'000	Total annual incentives R'000	Total current year remuneration R'000	Total long-term and other benefits <sup>5</sup> R'000	Total number of shares granted in the LTIS schemes and other <sup>6</sup>
<b>Executive directors – Current year remuneration</b>											
<b>2020</b>											
L Fourie	CEO	6 297	257	46	6 600	–	9 900	9 900	16 500	–	84 570
A Takoordeen	CFO	3 328	153	165	3 646	–	2 100	2 100	5 746	715	24 916
		<b>9 625</b>	<b>410</b>	<b>211</b>	<b>10 246</b>	<b>–</b>	<b>12 000</b>	<b>12 000</b>	<b>22 246</b>	<b>715</b>	<b>109 486</b>
<b>2019</b>											
L Fourie <sup>7</sup>	CEO	1 579	64	7	1 650	6 637	–	6 637	8 287	–	51 364
NF Newton-King <sup>8</sup>	CEO	5 255	346	176	5 777	–	7 700	7 700	13 477	3 824	52 112
A Takoordeen	CFO	3 201	146	127	3 474	–	2 000	2 000	5 474	2 499	16 710
		10 035	556	310	10 901	6 637	9 700	16 337	27 238	6 323	120 186
<b>Other key executives – Current year remuneration</b>											
<b>2020</b>											
JH Burke <sup>11</sup>	Director of Issuer Regulation	548	38	39	625	7 058	–	7 058	7 683	787	–
A Greenwood	Director of Post-Trade Services	3 669	209	1	3 879	–	2 700	2 700	6 579	760	26 506
D Khumalo	Director of Human Resources	2 727	112	39	2 878	–	2 200	2 200	5 078	507	19 668
H Kotze	CIO	3 104	131	126	3 361	–	2 200	2 200	5 561	–	22 962
Z Luhabe- Morrison <sup>9</sup>	Director of Marketing and Corporate Affairs	1 391	66	915	2 372	–	–	–	2 372	–	16 060
MH Randall	Director of Information Services	2 816	118	104	3 038	–	2 200	2 200	5 238	202	20 754
VJ Reddy <sup>12</sup>	Director Capital Markets	2 785	192	232	3 209	1 750	3 000	4 750	7 959	336	23 918
E I Haniff <sup>13</sup>	Managing Director: JSE Investor Services	363	40	–	403	–	–	–	403	–	–
		<b>17 403</b>	<b>906</b>	<b>1 456</b>	<b>19 765</b>	<b>8 808</b>	<b>12 300</b>	<b>21 108</b>	<b>40 873</b>	<b>2 592</b>	<b>129 868</b>

		Defined <sup>1</sup> contribution pension plan R'000	Medical aid <sup>1</sup> UIF and other R'000	Total guaranteed pay R'000	Contracted bonus <sup>1</sup> (included deferral) R'000	Discre- tionary bonus <sup>1,2,4</sup> R'000	Total annual incentives R'000	Total current year remuneration R'000	Total long-term and other benefits <sup>5</sup> R'000	Total number of shares granted in the LTIS schemes and other <sup>6</sup>	
<b>Other key executives – Current year remuneration (continued)</b>											
<b>2019</b>											
JH Burke	Director of Issuer Regulation	3 312	230	214	3 756	–	–	–	3 756	2 752	18 420
A Greenwood	Director of Post-Trade Services	3 494	199	2	3 695	–	2 300	2 300	5 995	676	17 776
D Khumalo	Director of Human Resources	2 634	107	2	2 743	–	1 590	1 590	4 333	410	13 190
H Kotze	CIO	2 934	133	135	3 202	–	1 600	1 600	4 802	–	15 400
Z Luhabe-	Director of Marketing and Corporate										
Morrison <sup>9</sup>	Affairs	1 605	77	76	1 758	–	1 000	1 000	2 758	–	9 626
D Nemer <sup>10</sup>	Director of Capital Markets	3 182	200	147	3 529	–	–	–	3 529	2 934	20 372
MH Randall	Director of Information Services	2 685	113	96	2 894	–	1 350	1 350	4 244	365	13 920
		19 846	1 059	672	21 577	–	7 840	7 840	29 417	7 137	108 703

Footnotes 1-11 below are applicable to [pages 28 and 29](#).

<sup>1</sup> Represents short-term employee benefits.

<sup>2</sup> Contractual bonuses includes a sign-on bonus for the incoming CEO in 2019.

<sup>3</sup> All executive directors and other key executives are full-time employees of JSE Limited.

<sup>4</sup> CEO's discretionary bonus – cash only.

<sup>5</sup> Represents the net value (after forfeiture for corporate performance) of share awards granted under provisions of the LTIS 2010 LTIS in 2012 and 2013 that vested during the current financial year.

<sup>6</sup> Represents the net value (after forfeiture for corporate performance) of share awards granted under provisions of the LTIS 2010 in 2012 and 2013 that vested during the current financial year.

<sup>7</sup> Appointed CEO effective 1 October 2019.

<sup>8</sup> Resigned effective 30 September 2019.

<sup>9</sup> Appointed Director of Marketing and Corporate Affairs effective 1 February 2019, resigned effective 31 August 2020

<sup>10</sup> Resigned effective 31 October 2019.






<sup>11</sup> Resigned effective 29 February 2020.

<sup>12</sup> Appointed Director Capital Markets effective 1 February 2020.

<sup>13</sup> Managing Director JSE Investor Services (Pty) Limited.

## Looking forward – scorecard 2021

Our 2022 strategic priorities are firmly tied in with our corporate and Group CEO scorecards for 2021.

2022 strategic priorities	Corporate and Group CEO scorecard <sup>1</sup> 2021
 <p><b>Partner to co-create for inclusive and sustainable growth</b> and reduce equity market dependence.</p>	<ol style="list-style-type: none"> <li>1. Deliver financial performance in line with budgeted targets</li> <li>2. Progress our inorganic growth strategy</li> <li>3. Progress relevant products and services across the value chain</li> <li>4. Close out and complete onboarding of acquisitions</li> </ol>
 <p><b>Run trusted markets, products and services</b> by ensuring market quality, settlement assurance, governance, operational availability and resilience.</p>	<ol style="list-style-type: none"> <li>1. Maintain our operational resilience</li> <li>2. Invest in information security robustness</li> <li>3. Drive continued improvements in our technology architecture</li> <li>4. Deliver efficiencies in the regulation of our markets</li> <li>5. Implement ICH operating model</li> </ol>
 <p><b>Enhance the stakeholder experience</b> through collaborative value creation and the highest quality of service delivery.</p>	<ol style="list-style-type: none"> <li>1. Improve customer experience across the value chain</li> <li>2. Maintain the integrity and trust of our regulatory relationships</li> </ol>
 <p><b>Attract and retain diverse top talent</b> that allows an exchange of knowledge to support a transition from the markets of today to the markets of tomorrow.</p>	<ol style="list-style-type: none"> <li>1. Strengthen our corporate culture, Agile and new ways of work</li> <li>2. Build new capabilities (skills of the future)</li> <li>3. Enhance employee engagement</li> </ol>
 <p><b>Lead by example on the national agenda</b> and promote #SAInc. as a global investment destination by partnering with the public and the private sector.</p>	<ol style="list-style-type: none"> <li>1. Promote access to global investment opportunities in the South African market</li> <li>2. Broaden access to financial markets and promote financial literacy</li> <li>3. Build public/private partnerships and promote South Africa as an attractive investment destination</li> <li>4. Embed sustainability products</li> <li>5. Maintain BBBEE level 2 score and progress transformation in line with employment equity (EE) plan</li> </ol>

<sup>1</sup> The Group CEO is assessed by the GRC based on both the performance of the JSE against the 2020 corporate scorecard and on the impact of the Group CEO's leadership on the JSE.



## Non-executive director emoluments

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

### For the 2020 year

In solidarity with the unusual circumstances facing companies during the COVID-19 pandemic, no increases to the non-executive director emoluments were proposed for 2020. Therefore the emoluments paid in 2020 were based on the retainer rates approved by shareholders for the 2019 year, and these actual emoluments paid are set out in the table below. Differences in actual emoluments paid in 2020 versus 2019 are reflective of the period served by some directors (emoluments are pro-rated to date of resignation and from date of appointment).

		<b>Total R'000</b>	<b>Board member fees R'000</b>	<b>Committee member fees R'000</b>
<b>2020</b>				
ZBM Bassa	Chairman of Group SRO Oversight Committee	<b>1 025</b>	<b>370</b>	<b>655</b>
MS Cleary <sup>1</sup>		<b>833</b>	<b>339</b>	<b>494</b>
F Daniels <sup>2</sup>		<b>474</b>	<b>192</b>	<b>281</b>
VN Fakude	Chairman of Group Remuneration Committee	<b>790</b>	<b>370</b>	<b>420</b>
M Jordaan <sup>3</sup>		<b>268</b>	<b>185</b>	<b>83</b>
SP Kana	Lead Independent Director; Chairman of Group Audit Committee; Chairman of Group Sustainability Committee	<b>1 501</b>	<b>370</b>	<b>1 131</b>
FN Khanyile		<b>851</b>	<b>370</b>	<b>481</b>
IM Kirk <sup>5</sup>		<b>246</b>	<b>93</b>	<b>154</b>
BJ Kruger	Chairman of Group Deals Committee	<b>943</b>	<b>370</b>	<b>573</b>
DM Lawrence <sup>4</sup>		<b>485</b>	<b>185</b>	<b>300</b>
MA Matooane	Chairman of Group Risk Management Committee	<b>820</b>	<b>370</b>	<b>450</b>
NMC Nyembezi	Board Chairman, Chairman of Group Nominations Committee	<b>2 300</b>	<b>370</b>	<b>1 930</b>
		<b>10 535</b>	<b>3 584</b>	<b>6 951</b>
<b>2019</b>				
ZBM Bassa	Chairman of Group SRO Oversight Committee	950	370	580
F Daniels		1 100	370	730
VN Fakude	Chairman of Group Remuneration Committee	790	370	420
M Jordaan		535	370	165
SP Kana	Chairman of Group Audit Committee, Chairman of Group Sustainability Committee	1 501	481	1 020
FN Khanyile		875	370	505
BJ Kruger		760	370	390
DM Lawrence		1 020	370	650
MA Matooane	Chairman of Group Risk Management Committee	895	370	525
NMC Nyembezi	Board Chairman, Chairman of Group Nominations Committee	2 300	2 300	–
		10 726	5 741	4 985

<sup>1</sup> Appointed 1 February 2020.

<sup>2</sup> Resigned 8 July 2020.

<sup>3</sup> Retired 25 June 2020.

<sup>4</sup> Retired 25 June 2020.

<sup>5</sup> Appointed 1 October 2020.

**For the 2021 year**

Looking ahead to 2021, Group Remco reviewed a benchmarking proposal for non-executive emoluments, supported by independent data, and settled on a recommendation to the JSE Board for an increase to the emoluments for 2021. In determining this recommendation for 2021 the Group Remco:

- » made no changes to the peer group against which these emoluments are benchmarked, as the committee was of the view that the peer group remains relevant for this benchmarking exercise (see [page 18](#) for peer group constituents);
- » targeted an incremental adjustment to the retainers for the chairmen and members of the Group Audit Committee and Group Risk Management Committee so as to reflect the increasing importance of these roles;
- » noted that fees payable to a non-resident non-executive director will be computed at the approved ZAR rate (same as the rate for all other directors) and paid in the relevant foreign currency on a quarterly basis, using the average foreign exchange rate for the calendar quarter for which the fees are due;
- » maintained the 2x ratio in respect of the retainers for Committee chairmen and Committee members in line with the existing JSE non-executive emoluments policy, save for the Group Audit Committee where JSE policy provides that this ratio should be closer to 2.5x the retainer paid to Audit Committee members; and
- » sought to align the JSE’s proposed fees for 2021 with the median of the peer group (aiming for a compa-ratio within 80% – 120% of median for all non-executive roles) – the proposed adjustment for 2021 will result in a 91% compa-ratio to the peer group.

**Based on the above benchmarking exercise, the Board and Group Remco are of the view that emoluments for 2021 ought to be increased by approximately 9.5% on average, which will bring the emoluments payable to the JSE’s non-executive directors to ~91% of the median of the peer group companies. (This average increase represents an annualised increase of 4.62% per annum since 2019, which is broadly in line with CPI over this period.)**

	Existing fees for 2019 and 2020 ZAR	Proposed fees for 2021 ZAR
Board Chairman	2 300 000	<b>2 500 000</b>
Non-executive director	370 000	<b>425 000</b>
Lead independent director	111 000	<b>127 500</b>
Group Audit Committee		
<i>Committee chairman</i>	400 000	<b>440 000</b>
<i>Member</i>	190 000	<b>200 000</b>
Group Risk Management Committee		
<i>Committee chairman</i>	330 000	<b>370 000</b>
<i>Member</i>	165 000	<b>185 000</b>
Group Remuneration Committee		
<i>Committee chairman</i>	300 000	<b>320 000</b>
<i>Member</i>	150 000	<b>160 000</b>
Group Sustainability Committee		
<i>Committee chairman</i>	240 000	<b>260 000</b>
<i>Member</i>	120 000	<b>130 000</b>
Group SRO Oversight Committee		
<i>Committee chairman</i>	300 000	<b>320 000</b>
<i>Member</i>	150 000	<b>160 000</b>
Group Nominations Committee		
<i>Member</i>	65 000	<b>85 000</b>
<i>Ad hoc fee (per meeting)</i>	25 000	<b>30 000</b>

The Board has therefore resolved, on the recommendation of the Group Remco, to propose for approval special resolution number 3, at the AGM to be held on 3 June 2021, authorising the payment of emoluments to the non-executive directors for their services as directors in 2021, in accordance with the existing all-inclusive fee model, together with the payment of VAT to the extent applicable. The resolutions being proposed to shareholders at the AGM are set out in the notice of AGM, available at [www.jse.co.za](http://www.jse.co.za)

