

## THE JSE'S TRANSFORMATION JOURNEY



### Most notable progress recorded during the year under review in the following areas

<b>Employment equity</b>	Black senior managers doubled Black female senior managers almost tripled
<b>Skills development</b>	Skills spend has increased by 67%
<b>Learnerships</b>	29 learnerships implemented in 2015, contributing to the JSE talent pipeline
<b>Procurement</b>	Procurement policy and processes redesigned

### Employment equity

Management	# AIC black	December 2014	December 2015 (unaudited)	% increase
Senior	# Black	8	16	100
	# Black females	3	8	167
Middle	# Black	99	122	23
	# Black females	43	55	28

### Skills development

Developmental stats	# AIC black	December 2014	December 2015 (unaudited)	% increase
Skills spend	# Black	R4.3 million	R6.3 million	47
	# Black females	R0.9 million	R3.7 million	311
Number of learnerships	# Black	7	29	314
	# Black females	1	18	1 700

### Procurement

Procurement spend	December 2014	December 2015 (unaudited)	% increase
All black suppliers	R388 million	R513 million	32
Black EMEs and QSEs*	R56 million	R81 million	45
50% black owned	R18 million	R59 million	327
30% black female owned	R18 million	R53 million	294

\* EME stands for exempt micro-enterprise; QSE stands for qualifying small enterprise.



## Transformation strategy

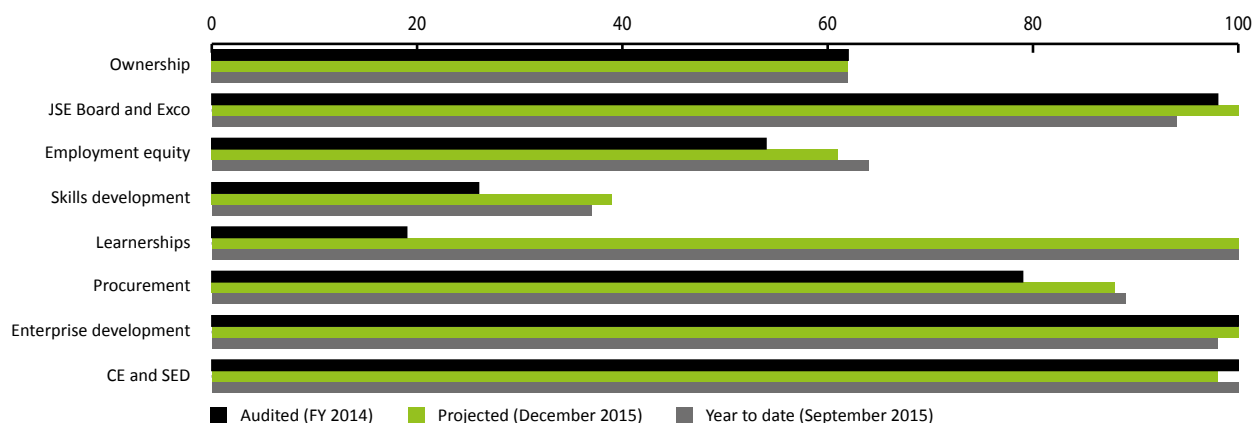
The Board, executive management and senior members of the JSE recognise that transformation is a moral and strategic business imperative and embrace the challenge of being a progressive and transformed organisation. The Board values equity, fairness and diversity in the business, and seeks to provide meaningful work opportunities for all JSE employees. The Board views itself as an active participant in addressing the socioeconomic challenges faced by South Africa, and aims to create prosperity for all South Africans.

The Board believes that this mindset will ensure that the JSE's transformation efforts are focused in areas that will broaden the talent pool, develop people, improve stakeholder relationships, such as in enterprise and supplier development, and support procurement initiatives.



## BBBEE measurement under the Financial Sector Code

During the period under review, the Board approved a revised transformation strategy focused on delivering the above outcomes and is confident that the JSE will regain its level 3 BEE status in respect of the 2015 financial period. The strategy was designed to yield the best possible rating under the Revised Financial Sector Code (RFSC) in respect of future financial periods.

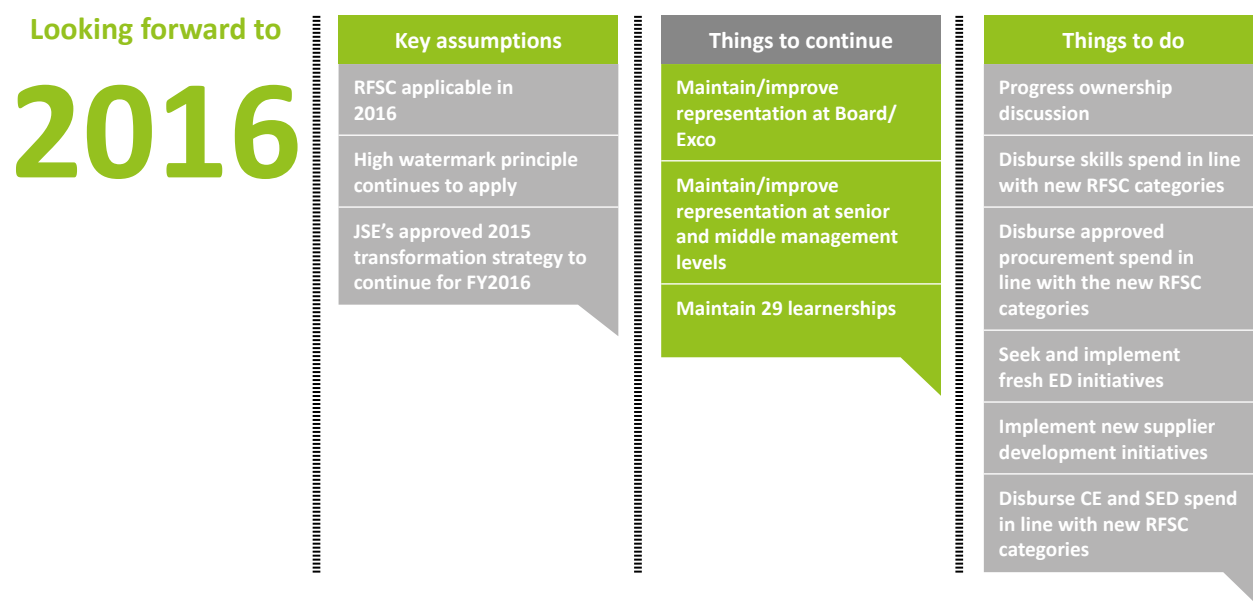


	2014 Audited	BOY 2015 JSE Projected	EOY 2015 Unaudited
Total aggregate %	72%	79%	80%
BEE status	Level 4 achieved	Level 3 anticipated	Level 3 anticipated

## THE JSE'S TRANSFORMATION JOURNEY (CONTINUED)

### Remaining challenges

<b>Ownership</b>	The JSE already has a core black ownership following the BEE scheme that was implemented when the JSE listed in 2006. Looking ahead, the Board and the executive management team will seek to improve black and black women ownership of the JSE. The Board has tasked the executive management team with keeping abreast of the issues at hand and finding meaningful, sustainable and economically viable solutions that are broad-based, allow for sufficient black employee representation and are inclusive of the JSE's major stakeholders.
<b>Retention of staff</b>	Natural attrition is part and parcel of business life. <ul style="list-style-type: none"> <li>• Unforeseen changes at Board/Exco and senior management level</li> <li>• Natural attrition of black staff</li> <li>• Employee training fatigue</li> <li>• Loss of persons participating in learnerships</li> </ul>
<b>Procurement</b>	JSE suppliers may experience challenges in achieving empowering supplier status



### Recent changes in financial sector

It is likely that the Revised Financial Sector Code (RFSC) will be gazetted for implementation during 2016. Management will remain abreast of developments.

The JSE is part of a working group that has actively contributed to the FSC alignment process.