

## TRANSFORMATION AT THE JSE

Transformation at the JSE is regarded as a business and moral imperative, and the Group continues to do the right thing by playing its part in addressing South Africa's socio-economic challenges. The JSE remains committed to responding in the best, most practical and affordable manner to the challenges facing the organisation and the wider financial sector.

### Major highlights of 2014

- Improvement in BEE status from Level 4 to Level 3. This was verified by a South African National Accreditation System (SANAS) accredited agent in September 2014, under the existing Financial Sector Charter (FSC) Code, and is valid until September 2015.
- A renewed discussion and review of the existing transformation strategy that will be completed in the first quarter of 2015.

### Summary of key performance elements for 2014

	Black	Black females
Equity ownership of JSE Limited (calculated using the high water mark principle)	18.35%	6.89%

### Management control and representation at the JSE was as follows as at 31 December 2014:

<b>Board members*: 12</b> Black 50% Black female 33% Black African 25%	<b>Exco members: 11</b> Black 27% Black female 27% Black African 9%	<b>Senior management: 51</b> Black 16% Black female 6% Black African 4%
<b>Middle management: 212</b> Black 47% Black female 20% Black African 22%	<b>Junior management: 184</b> Black 80% Black female 46% Black African 50%	<b>Staff with disabilities: 4</b> Black 2 Black female 2 Black African 2
<b>Skills spend: R4.3m</b> Black R2m Black female R0.5m Black African R1.1	<b>Learnerships: 15</b> Black 6 Black female 1 Black African 2	<b>Overall gender</b> Male 48% Female 52%

\*Non-executive and executive directors.

## TRANSFORMATION AT THE JSE (CONTINUED)

### Challenges and potential responses

Like most organisations, the JSE is concerned that the revised Financial Sector Code may set unrealistic hurdles. Nevertheless, while the areas listed in the table below remain challenges, the JSE is committed to achieving the best possible outcomes for all stakeholders. The Human Resources, Social and Ethics Committee is charged with oversight in this regard and reports progress made by the executive team to the JSE Board.

Area	2014 and beyond
<b>Executive and senior management</b>	Recruiting skilled staff at senior levels and retaining talent in the black senior management category remain challenges. Ongoing efforts are concentrated on employment equity. However, the JSE continues to experience the same challenges with regard to senior management that are faced generally in its industry. The JSE mitigates this by encouraging all employees to continually enhance and develop their skills, knowledge and competencies in their areas of expertise. More attention will be given to investigating ways to eliminate internal barriers to the growth and development of staff into leadership positions. In addition, the process to identify and develop employees with potential to fill key leadership positions needs to be enhanced.
<b>Skills development</b>	Initiatives are in place to support the ongoing development of employees, including learnerships; the JSE mentorship programme; sponsored education; the annual training and development budget; and formal performance management reviews that require any manager-employee agreed learning and development initiatives to be recorded and facilitated by the learning and development teams. While the above initiatives exist, the JSE needs to investigate new ways to refresh and/or reignite learnership programmes, graduate trainee programmes or other appropriate interventions.
<b>Procurement</b>	The JSE's challenge in this area remains the procurement of goods and services from 30% black female-owned businesses and, to a lesser extent; from qualifying small enterprises (QSEs) and exempt micro-enterprises (EMEs). During 2015 we plan to focus on supplier development initiatives and preferential procurement practices to bring about the desired results in this area.