

 

# JSE



**JSE LIMITED**  
**Notice of Annual General Meeting and Proxy Form**  
FOR THE YEAR ENDED 31 DECEMBER 2016



This notice of annual general meeting (AGM) is being distributed to all shareholders, together with the JSE Limited's integrated annual report for the year ended 31 December 2016. This AGM notice forms part of and should be read in conjunction with the integrated annual report, and references in this AGM notice to "the report" or "this report" constitute references to the integrated annual report.

## **JSE Limited**

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

NOTICE IS HEREBY GIVEN that the twelfth AGM of shareholders of the JSE will be held at 16:00 on Thursday, 18 May 2017 at the registered office of the Company, One Exchange Square, 2 Gwen Lane, Sandown, to consider and, if deemed fit, to pass the resolutions, with or without modifications, as set out in this AGM notice. This AGM notice includes the attached proxy form.

Included in this document are the following:

- the resolutions to be proposed at the AGM, together with explanatory notes, where appropriate;
- guidance notes if you wish to attend the AGM or to vote by proxy; and
- a proxy form for completion, signature and submission, should you prefer this method of voting.

### **PURPOSE OF THE MEETING**

The purpose of the AGM is to:

- present the audited annual financial statements of the Company and its subsidiaries (the Group) for the year ended 31 December 2016, the report of the Group Audit Committee, the report of the directors and the independent auditor's report thereon;
- appoint the Group Audit Committee of the Company;
- approve the appointment of EY South Africa as the independent auditors of the Company for the ensuing financial year or until the next AGM, whichever is the later;
- elect directors of the Company;
- consider any matters raised by shareholders; and
- consider and, if deemed fit, to pass, with or without modification, the resolutions set out in this AGM notice.

### **MAJORITY REQUIRED FOR THE ADOPTION OF RESOLUTIONS**

Unless otherwise indicated, in order for the Ordinary Resolutions to be adopted, the support of a simple majority (that is, 50% + 1) of the total number of voting rights exercised on the resolutions is required.

In order for the Special Resolutions to be adopted, the support of at least 75% of the total number of voting rights exercised on the resolutions is required.

Votes recorded as abstentions are not taken into account for the purposes of determining the final percentage of votes cast in favour of the resolutions. This is in line with the Companies Act 71 of 2008, as amended (Companies Act).

### **RECORD DATE TO RECEIVE AGM NOTICE TOGETHER WITH INTEGRATED ANNUAL REPORT**

The record date to determine which shareholders would receive the AGM notice together with the report was Friday, 17 March 2017.

### **RECORD DATE TO ATTEND AND VOTE**

The date on which an individual must be registered as a shareholder in the Company's securities register for the purposes of being entitled to attend and vote at the AGM is Friday, 12 May 2017 (the record date). The last day to trade to be entitled to attend and vote at the AGM is therefore Tuesday, 9 May 2017. Only persons physically present at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

### **VOTING PROCESS BY REGISTERED SHAREHOLDERS**

If you are a registered shareholder (a shareholder who has not dematerialised your shares or who has dematerialised your shares with own name registration) as at the record date, Friday, 12 May 2017, you may attend the AGM in person. Alternatively, you may appoint a proxy, or two or more proxies, (who need not be shareholders of the Company) to attend, participate in and vote in your place at the AGM. Any appointment of a proxy may be effected by using the attached proxy form. In order for the proxy to be effective and valid, it must be completed and delivered in accordance with the instructions contained in the attached proxy form.

## VOTING PROCESS BY BENEFICIAL SHAREHOLDERS

If you are a beneficial shareholder, but not a registered shareholder, as at the record date Friday, 12 May 2017:

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

## PROXY FORMS

Proxy forms must be lodged with the Company's transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to PO Box 61051, Marshalltown, 2107, to reach them by no later than 16:00 on Tuesday, 16 May 2017. Any proxy forms not received by this time must be handed to the chairperson of the AGM immediately prior to the AGM. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to the proxy form unless previously recorded by the transfer secretaries or waived by the chairman of the AGM.

## PARTICIPATION BY WAY OF TELECONFERENCE

Shareholders or their proxies may participate in the AGM by way of a teleconference call and, if they wish to do so:

- must contact the JSE's Investor Relations team: [ir@jse.co.za](mailto:ir@jse.co.za) or +27 (0)11 520 7000 by **no later than 16:00 on Tuesday, 16 May 2017**;
- will be required to provide reasonably satisfactory identification (such as valid passport or South African identity document or driver's licence); and
- will be billed separately by their own telephone service providers for their telephone call to participate in the AGM.

Please note that shareholders or their proxies will not be entitled to exercise voting rights at the AGM by way of teleconference call; a shareholder or proxy has to be physically present at the AGM in order to vote.

## GENERAL

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

All attendees and participants at the AGM will be required to provide reasonably satisfactory identification to the chairman of the AGM, and the chairman of the AGM must be reasonably satisfied that the right of that person to participate and/or vote, either as shareholder or as proxy for a shareholder, has been verified. This process may be facilitated by the transfer secretaries, Computershare Investor Services Proprietary Limited.

## SUMMARY OF RESOLUTIONS BEING PROPOSED AT THIS AGM

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## ORDINARY RESOLUTIONS

### Ordinary Resolution 1: Adoption of audited consolidated annual financial statements and reports

“Resolved that the Group audited annual financial statements for the year ended 31 December 2016, the report of the directors and the auditors thereon, and the Group Audit Committee report for the year so ended, be and are hereby received and adopted.”

### Re-election of directors who retire by rotation (triennial rotation)

#### Ordinary Resolution 2.1

“Resolved that Ms N Nyembezi-Heita be and is hereby re-elected as a director of the Company with immediate effect.”

#### Ordinary Resolution 2.2

“Resolved that Ms NF Newton-King be and is hereby re-elected as a director of the Company with immediate effect.”

#### Ordinary Resolution 2.3

“Resolved that Dr M Jordaan be and is hereby re-elected as a director of the Company with immediate effect.”

### REASON FOR AND EFFECT

The memorandum of incorporation of the Company requires that one-third of all directors shall retire at every AGM of the Company, and that if eligible, such directors may be re-elected by shareholders. Mesdames N Nyembezi-Heita and NF Newton-King, and Dr M Jordaan, are obliged to retire by rotation at this AGM in accordance with this requirement. Having so retired, these members of the Board are eligible for re-election as directors.

The Group Nominations Committee has reviewed the composition of the Board and has made recommendations in this regard to the Board. The Board has considered the proposals of the Group Nominations Committee regarding the composition of the Board, and is now recommending the re-election of the directors listed above, by way of separate resolutions. Brief curricula vitae of the directors standing for re-election are included after these resolutions.

## Annual re-election of directors who retire in terms of the Company's policy on non-executive director tenure

### Ordinary Resolution 2.4

"Resolved that Mr AD Botha be and is hereby re-elected as a director of the Company for the ensuing year with immediate effect."

### Ordinary Resolution 2.5

"Resolved that Mr AM Mazwai be and is hereby re-elected as a director of the Company for the ensuing year with immediate effect."

### Ordinary Resolution 2.6

"Resolved that Mr NG Payne be and is hereby re-elected as a director of the Company for the ensuing year with immediate effect."

## REASON FOR AND EFFECT

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

- non-executive directors of the Company who have served for nine consecutive years shall thereafter stand for annual re-election by shareholders at each subsequent AGM; and
- non-executive directors of the Company shall serve for no more than twelve consecutive years, unless in the opinion of the Board, exceptional circumstances exist for motivating an extended term in office beyond twelve years.

This policy recognises that the Company operates in a specialised niche within the financial services sector. The policy therefore aims to balance the need to retain knowledge, skills and experience on the board whilst adhering to the recommendations of the King Code on Corporate Governance regarding independence and diversity.

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

The appointments of Messrs Botha, Mazwai and Payne as directors were first ratified by shareholders at the 2006 AGM, and accordingly, as at the date of the 2017 AGM each will have served for eleven years.

The Group Nominations Committee has assessed the interests, independence and contribution of these three directors and the guiding roles played by each as chairs of the Group Human Resources Committee, SRO Oversight Committee and Group Audit Committee, respectively. The Group Nominations Committee has recommended to the Board that these directors be proposed for re-election for a further year.

The Board has considered this proposal and the important roles played by each of these directors. The Board is also satisfied that each of these directors continue to exercise independent and objective judgement, and that there is no interest, position, association or relationship which would unduly influence or cause bias in decision-making. The Board is therefore recommending the re-election of these three directors, by way of separate resolutions, for a further one-year term. These directors are eligible for such re-election in terms of the Company's memorandum of incorporation. Brief curricula vitae of the directors standing for re-election are included after these resolutions.

The Board has arrangements in place for the periodic, staggered rotation of the non-executive directors so as to introduce over time directors with new skills, insights and perspectives as well as to ensure appropriate diversity of gender and race on the Board, while retaining valuable knowledge, skills and experience and maintaining continuity. The Group Nominations Committee is currently engaged in a formal process to identify candidates for appointment to the Board in due course, to ensure the orderly succession of directors.

Brief curricula vitae for the above directors follow:

2.1	<p><b>Ms N Nyembezi-Heita (Age 56)</b></p>	<p><b>Board assessment and classification:</b> Independent non-executive director</p>
<p><b>Appointed to the Board:</b> 22 June 2009 <b>Appointed as Chairman:</b> 9 May 2014</p>		<p><b>Shareholding:</b></p> <ul style="list-style-type: none"> <li>• 2 050 JSE Limited shares (direct beneficial holding)</li> <li>• 0.002% of total issued share capital</li> </ul>
<p><b>Tenure as director:</b> 7 years</p>		<p><b>Board meetings attended in 2016:</b> 100% ( 4/4 meetings)</p>
<p><b>Qualifications:</b> BSc (EE); MSc (EE); MBA</p>		<p><b>Committee membership and attendance:</b></p>
<p><b>Experience:</b></p> <ul style="list-style-type: none"> <li>• Nonkululeko has extensive experience as a chief executive in multi-national corporations across a wide range of industries and disciplines, including financial services, steel and mining. She has also served as an executive in the telecommunications industry.</li> <li>• Previously the Chief Executive Officer (CEO) of ArcelorMittal South Africa Limited, she is currently the chief executive of IchorCoal N.V.</li> <li>• Nonkululeko is also an independent non-executive director on the boards of Old Mutual plc, Old Mutual Group Holdings Proprietary Limited, Macsteel International Holdings BV and Macsteel Services Centres SA Proprietary Limited.</li> </ul>		<ul style="list-style-type: none"> <li>• Chairman of Group Nominations Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Group Human Resources Committee (100% attendance: 3/3 meetings)</li> <li>• Invitee to Group Audit Committee (100% attendance: 3/3 meetings)</li> <li>• Invitee to Group Risk Management Committee (66% attendance: 2/3 meetings)</li> <li>• Invitee to SRO Oversight Committee (66% attendance: 2/3 meetings)</li> </ul>
2.2	<p><b>Ms NF Newton-King (Age 50)</b></p>	<p><b>Board assessment and classification:</b> Executive director</p>
<p><b>Appointed to the Board:</b> 2005 <b>Appointed as Chief Executive:</b> 1 January 2012</p>		<p><b>Shareholding:</b></p> <ul style="list-style-type: none"> <li>• 37 910 JSE Limited shares (direct beneficial holding)</li> <li>• 152 492 JSE Limited shares (indirect beneficial holding)</li> <li>• Total holding represents 0.219% of total issued share capital</li> </ul>
<p><b>Tenure as director:</b> 11 years</p>		<p><b>Board meetings attended in 2016:</b> 100% (4/4 meetings)</p>
<p><b>Qualifications:</b> BA; LLB; LLM</p>		<p><b>Committee membership and attendance:</b></p>
<p><b>Experience:</b></p> <ul style="list-style-type: none"> <li>• Nicky is currently the CEO of JSE Limited. She was appointed CEO in January 2012.</li> <li>• Nicky joined the JSE in 1996 and was responsible for negotiating and implementing many of the JSE's major corporate transactions.</li> <li>• In her role as deputy CEO, Nicky gained extensive experience in corporate finance, administrative law, securities regulation and strategic corporate development.</li> <li>• She serves as a non-executive director of Strate Limited and chairs JSE Clear Proprietary Limited.</li> <li>• Nicky serves on the board of the World Federation of Exchanges and is a past member of the Financial Markets Advisory Board, the Standing Advisory Committee on Company Law and the Presidential Remuneration Commission.</li> </ul>		<ul style="list-style-type: none"> <li>• Member of Group Risk Management Committee (66% attendance: 2/3 meetings)</li> <li>• Invitee to all other Board Committee meetings</li> </ul>
2.3	<p><b>Dr M Jordaan (Age 48)</b></p>	<p><b>Board assessment and classification:</b> Independent non-executive director</p>
<p><b>Appointed to the Board:</b> 1 January 2014</p>		<p><b>Shareholding:</b></p> <ul style="list-style-type: none"> <li>• 5 900 JSE Limited shares (direct beneficial holding)</li> <li>• 0.007% of total issued share capital</li> </ul>
<p><b>Tenure as director:</b> 3 years</p>		<p><b>Board meetings attended in 2016:</b> 75% (3/4 meetings)</p>
<p><b>Qualifications:</b> MCom (Economics), PhD (Banking Supervision)</p>		<p><b>Committee membership:</b></p>
<p><b>Experience:</b></p> <ul style="list-style-type: none"> <li>• Michael is currently an independent non-executive director of JSE Limited. He was appointed to the Board with effect from 1 January 2014.</li> <li>• He is the CEO of Montegray Capital Proprietary Limited and is the former CEO of First National Bank of Southern Africa Limited.</li> </ul>		<ul style="list-style-type: none"> <li>• Member of the Group Risk Management Committee as from 1 January 2017</li> </ul>

2.4	<b>Mr AD Botha (Age 63)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Appointed to the Board:</b> 1 July 2005		<b>Shareholding:</b> <ul style="list-style-type: none"> <li>• 72 960 JSE Limited shares (indirect beneficial holding)</li> <li>• All 72 960 shares are held by the director's associate, in which the director has the ability to influence and control 50% of the voting rights</li> <li>• 0.084% of total issued share capital</li> </ul>
<b>Tenure as director:</b> 11 years		<b>Board meetings attended in 2016:</b> 100% (4/4 meetings)
<b>Qualifications:</b> <i>BCom (Hons); BProc; Stanford Executive Programme</i>		<b>Committee membership and attendance:</b>
<b>Experience:</b> <ul style="list-style-type: none"> <li>• Throughout his career, Anton has served as non-executive director on the boards of various mining, industrial and financial companies in South Africa, Europe and the United States of America.</li> <li>• He also served on the Boards of Business Unity SA and The Investment Analysts Society SA. He is a director and co-owner of Imalivest Proprietary Limited.</li> <li>• Anton currently holds non-executive director roles at Sanlam Limited and African Rainbow Minerals Limited. He is the chairman of Vukile Property Fund Limited.</li> <li>• He is also a member of the Council of the University of Pretoria.</li> </ul>		<ul style="list-style-type: none"> <li>• Chairman of Group Human Resources Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Group Audit Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Group Nominations Committee (100% attendance: 3/3 meetings)</li> </ul>
2.5	<b>Mr AM Mazwai (Age 45)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Appointed to the Board:</b> 1 July 2005		<b>Shareholding:</b> <ul style="list-style-type: none"> <li>• 100 JSE Limited shares (direct beneficial holding)</li> <li>• 0.000% of total issued share capital</li> </ul>
<b>Tenure as director:</b> 11 years		<b>Board meetings attended in 2016:</b> 100% (4/4 meetings)
<b>Qualifications:</b> <i>BCom (Honours)</i>		<b>Committee membership and attendance:</b>
<b>Experience:</b> <ul style="list-style-type: none"> <li>• Andile began his stockbroking career with Barnard Jacobs Mellet Securities as an equity sales trader then founded Mazwai Securities in 2001, a stockbroking member of the JSE.</li> <li>• BJM Securities bought out Mazwai Securities and Andile was appointed joint CEO of the merged entity.</li> <li>• Andile is currently the chief executive of the National Stokvel Association of South Africa (NASASA).</li> </ul>		<ul style="list-style-type: none"> <li>• Member of Group Risk Management Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Group Human Resources Committee (100% attendance: 3/3 meetings)</li> <li>• Chairman of Self Regulatory Organisation Oversight Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Group Audit Committee (100% attendance: 3/3 meetings)</li> </ul>
2.6	<b>Mr NG Payne (Age 56)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Appointed to the Board:</b> 1 July 2005		<b>Shareholding:</b> <ul style="list-style-type: none"> <li>• NIL</li> </ul>
<b>Tenure as director:</b> 11 years		<b>Board meetings attended in 2016:</b> 100% (4/4 meetings)
<b>Qualifications:</b> <i>BCom (Hons); HDip (Acc); CA(SA); Certified Internal Auditor; MBL</i>		<b>Committee membership and attendance:</b>
<b>Experience:</b> <ul style="list-style-type: none"> <li>• Nigel is the independent non-executive chairman of Mr Price Group Limited.</li> <li>• He is also a non-executive director of Bidvest Limited, Vukile Property Fund Limited, BSi Steel Limited and Strate Proprietary Limited.</li> <li>• Nigel Payne has served as a partner at KPMG and as head of internal audit at Transnet SOC Limited.</li> </ul>		<ul style="list-style-type: none"> <li>• Chairman of Group Audit Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Group Risk Management Committee (100% attendance: 3/3 meetings)</li> <li>• Member of Self Regulatory Organisation Oversight Committee (100% attendance: 3/3 meetings)</li> </ul>

**Note:** Biographical details are correct as at 31 December 2016. Tenure is calculated from the date that an appointment is first ratified by shareholders to the date of the 2017 AGM.

### Ordinary Resolution 3: Appointment of independent auditors of the Company for the ensuing year

“Resolved that EY South Africa be and is hereby appointed as the independent registered auditors of the Group for the ensuing financial year or until the next AGM, whichever is the later and that the auditor’s remuneration be left to the discretion of the Board.”

#### REASON FOR AND EFFECT

- The Group Audit Committee has adopted a formal policy on audit firm rotation. In terms of this policy, the JSE’s external audit account was put to tender during the course of 2016.
- KPMG Inc has served for an extended period as the independent auditors of the Company, and has executed these responsibilities with diligence and distinction. Given the tenure of KPMG Inc as independent auditors, the firm was not considered for re-appointment in 2017.
- The audit fees paid to KPMG Inc for the independent audit of JSE Group entities for the year ended 31 December 2016 amounted to R3.9 million (2015: R4.3 million).
- KPMG Inc also provided various non-audit services to the Company during the year under review, including agreed upon procedures in relation to the JSE’s Long-term Incentive Scheme, scrutineering services at the AGM and advisory services in relation to the Company’s registration under the Foreign Account Tax Compliance Act (FATCA) of the United States. The total value of these non-audit services amounted to R0.25 million, or 6% of the independent audit fee, which is within the 30% guideline set out in the Company’s policy on non-audit services.
- The Board has endorsed the recommendation of the Group Audit Committee to shareholders that EY South Africa be appointed as the new independent auditors of the Group with effect from the date of this AGM.
- The Group Audit Committee has confirmed that EY South Africa is independent of the Company as required by section 90 of the Companies Act. The Board agrees with the Group Audit Committee’s assessment.
- The proposed audit fee to be paid to EY South Africa for the independent audit of JSE Group entities for the year to 31 December 2017 amounts to R3.75 million.

### Annual re-elections of independent non-executive directors of the Company as members of the Group Audit Committee

#### Ordinary Resolution 4.1

“Resolved that Mr NG Payne be and is hereby re-elected as a member and as chairman of the Group Audit Committee with immediate effect, subject to the passing of Ordinary Resolution 2.6.”

#### Ordinary Resolution 4.2

“Resolved that Mr AD Botha be and is hereby re-elected as a member of the Group Audit Committee with immediate effect, subject to the passing of Ordinary Resolution 2.4.”

#### Ordinary Resolution 4.3

“Resolved that Dr SP Kana be and is hereby re-elected as a member of the Group Audit Committee with immediate effect.”

#### Ordinary Resolution 4.4

“Resolved that Ms NP Mnxasana be and is hereby re-elected as a member of the Group Audit Committee with immediate effect.”

#### REASON FOR AND EFFECT

- The Group Audit Committee acting as a collective should be adequately skilled to perform its role having regard to the size and circumstances of the Company.
- Individual members of the Group Audit Committee therefore ought to possess appropriate qualifications, skills and experience in order to discharge their responsibilities. However, it is not expected that each member should possess all the required qualifications, skills and experience.
- The collective skill set includes an understanding of financial and sustainable reporting practices, internal audit controls, external audit processes, corporate law, risk management, IT governance as it relates to integrated reporting and the governance processes of the Company.
- The Board is satisfied that the proposed members of the Group Audit Committee meet the provisions of the Companies Act and that they are all independent.
- The Board is also satisfied that the Group Audit Committee has diligently executed its mandate and responsibilities during 2016 and that no matters of concern have been flagged during the annual review of the Group Audit Committee’s effectiveness (which review was conducted by an independent service provider to the Company in November 2016).
- The Board is therefore proposing that shareholders re-elect, by way of separate resolutions, the above independent non-executive directors as members of the Group Audit Committee for the ensuing financial year.

Brief curricula vitae for the above members follow:

4.1	<b>Mr NG Payne (Age 56)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Tenure as Group Audit Committee member:</b> 7 years, 7 months		<b>Shareholding:</b>
<b>Qualifications:</b> <i>BCom (Hons), MBL, HDip Acc, CA(SA), Certified Internal Auditor</i>		<ul style="list-style-type: none"> <li>• None</li> <li>• Group Audit Committee meeting attendance: 100% (3/3 meetings)</li> </ul>
<b>Audit experience:</b> <ul style="list-style-type: none"> <li>• Nigel is currently a member of the Group Audit Committee.</li> <li>• Nigel has extensive experience in auditing, corporate governance and risk. He is a former member of the King Committee on Corporate Governance, the Institute of Internal Auditors, the Institute of Chartered Accountants, the Institute of Directors and the Institute of Directors Council.</li> <li>• Nigel has also served as a partner at KPMG and as head of Internal Audit at Transnet SOC Limited.</li> </ul>		
4.2	<b>Mr AD Botha (Age 63)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Tenure as Group Audit Committee member:</b> 11 years		<b>Shareholding:</b>
<b>Qualifications:</b> <i>BCom (Hons); BProc; Stanford Executive Programme</i>		<ul style="list-style-type: none"> <li>• 72 960 JSE Limited shares (indirect beneficial holding)</li> <li>• All 72 960 shares are held by the director's associate, in which the director has the ability to influence and control 50% of the voting rights</li> <li>• 0.084% of total issued share capital</li> <li>• Group Audit Committee meeting attendance: 100% (3/3 meetings)</li> </ul>
<b>Audit experience:</b> Anton is currently a member of the Group Audit Committee. He has wide-ranging experience in finance and audit matters across various sectors (mining, industrial and financial services).		
4.3	<b>Dr SP Kana (Age 61)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Tenure as Group Audit Committee member:</b> 1 year, 11 months		<b>Shareholding:</b>
<b>Qualifications:</b> <i>CA(SA); MCom; PhD (Honorary)</i>		<ul style="list-style-type: none"> <li>• None</li> <li>• Group Audit Committee meeting attendance: 100% (3/3 meetings)</li> </ul>
<b>Audit experience:</b> <ul style="list-style-type: none"> <li>• Suresh is currently a member of the Group Audit Committee.</li> <li>• Suresh has retired as CEO and territory senior partner of PwC Africa. He has wide experience in contributing to matters that affect the auditing and accounting profession and acting in the public interest.</li> </ul>		
4.4	<b>Ms NP Mnxasana (Age 60)</b>	<b>Board assessment and classification:</b> <b>Independent non-executive director</b>
<b>Tenure as Group Audit Committee member:</b> 4 years, 6 months		<b>Shareholding:</b>
<b>Qualifications:</b> <i>CA(SA)</i>		<ul style="list-style-type: none"> <li>• None</li> <li>• Group Audit Committee meeting attendance: 100% (3/3 meetings)</li> </ul>
<b>Audit experience:</b> <ul style="list-style-type: none"> <li>• Nomavuso is currently a member of the Group Audit Committee.</li> <li>• Nomavuso served as Group Audit and Risk Head at Imperial Holdings Limited (Imperial Group). She was also a partner on the Transnet SOC Limited audit.</li> <li>• Nomavuso was a senior partner and a member of the executive committee of Sizwe Ntsaluba VSP. During her tenure at Sizwe Ntsaluba she specialised in consulting, internal auditing and the attest functions.</li> </ul>		

**Note:** Tenure as a Group Audit Committee member is calculated from the date of appointment to the committee to the date of the 2017 AGM.

#### Ordinary Resolution 5: Non-binding advisory vote on the remuneration policy of the Company

“Resolved that the shareholders endorse the remuneration policies of the Company as set out in part A of the remuneration report, available online at <http://www.jsereporting.co.za/ar2016/>.”



#### REASON FOR AND EFFECT

- The King Code on Governance for South Africa recommends that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM.
- This enables shareholders to express their views on the remuneration policies adopted. Ordinary Resolution 5 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements.
- However, the Board will take the outcome of the vote into consideration when considering amendments to the Company’s remuneration policy.

#### Ordinary Resolution 6: Non-binding advisory vote on the implementation of the remuneration policy of the Company

“Resolved that the shareholders endorse the remuneration implementation report of the Company as set out in part B of the remuneration report, available online at <http://www.jsereporting.co.za/ar2016/>.”



#### REASON FOR AND EFFECT

- The King Code on Governance for South Africa recommends that the implementation of a company’s remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.
- This enables shareholders to express their views on the implementation of the Company’s remuneration policies. Ordinary Resolution 6 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements.
- However, the Board will take the outcome of the vote into consideration when considering amendments to the Company’s remuneration policy.

#### Ordinary Resolution 7: Authorisation of a director or the Group Company Secretary to implement resolutions

“Resolved that any one director of the Company or the Group Company Secretary be and are hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to implement all resolutions passed at the meeting at which this Ordinary Resolution is considered.”

## SPECIAL RESOLUTIONS

### Special Resolution 1: General authority to repurchase shares in terms of section 48 of the Companies Act

“Resolved that the directors of the Company are hereby authorised, by way of a renewable general authority which shall be valid until the earlier of the next AGM of the Company or the day 15 months from the date of passing of this Special Resolution, for purposes of section 48 of the Companies Act, to approve the purchase of its own ordinary shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, upon such terms and conditions as the directors of the Company may from time to time determine, but subject to the provisions of the Companies Act and the JSE Listings Requirements.”

This general approval shall endure until the earlier of the following AGM of the Company or the day 15 months from the date of passing of Special Resolution 1, whereupon this approval shall lapse, unless it is renewed at such AGM. The Company will only make a general repurchase of securities subject to the following limitations, namely that:

1. the general repurchase of securities is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
2. authorisation thereto has been given by the Company’s memorandum of incorporation;
3. at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company’s behalf;
4. the Company or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation). Such a programme will be submitted to the JSE and the Financial Services Board (FSB) prior to commencement of any repurchase;
5. repurchases may not be made at a price more than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected. The FSB should be consulted for a ruling if the securities have not traded in such five business day period;
6. an announcement containing full details of such repurchase(s) is published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue as at the date of the AGM;
7. a resolution has been passed by the directors of the Company authorising the repurchase and confirming that the Company has passed the solvency and liquidity test stipulated in the Companies Act and that, since such test was done, there have been no material changes to the financial position of the Group;
8. any such repurchase is subject to exchange control regulations and approval at that point in time; and
9. the number of shares repurchased by the Company and its subsidiaries and held at any time shall not in any one financial year exceed 5%, in the aggregate, of the Company’s issued shares of that class, as at the beginning of the financial year.

### REASON FOR AND EFFECT

The reason for and effect of Special Resolution 1 is to authorise the Company and/or a subsidiary of the Company by way of a general authority to acquire the Company’s issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company, subject to the limitations set out above.

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

### Statement by directors of the Company in respect of Special Resolution 1

The directors undertake that, after considering the effect of the general repurchase under Special Resolution 1, they will not effect any such repurchases unless:

- the Company and the Group will be able to repay their debts as they become due in the ordinary course of business for a period of 12 months following the date of such repurchase;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of such repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of such repurchase;
- the Company and the Group’s assets, as fairly valued, will exceed the liabilities of the Company and the Group, as fairly valued, for a period of 12 months following the date of such repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements that comply with the Companies Act.

### Special Resolution 2.1: Adjustments to non-executive director emoluments for 2017

“Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to adjust the emoluments approved by shareholders at the AGM of the Company held in 2016 and payable to its non-executive directors for their services as directors in respect of the period from 1 January 2017 to the date of the AGM of the Company to be held during 2018 (the 2017 period), by the amount of any value-added tax (VAT) to the extent applicable.”

### Special Resolution 2.2: Proposed non-executive director emoluments for chairman and members of the Group Social and Ethics Committee for 2017

“Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay emoluments to its non-executive directors for their services as directors (specifically with regard to their roles on the Group Social and Ethics Committee) in respect of the period from 1 January 2017 to the date of the AGM of the Company to be held during 2018 (the 2017 period), as set out in the table below plus any VAT to the extent applicable.”

	Proposed emoluments for approval by shareholders for the 2017 period R
Proposed all-inclusive annual fees for specific roles	
Group Social and Ethics Committee chairperson	200 000
Group Social and Ethics Committee member	100 000

#### REASON FOR AND EFFECT

- The reason for and effect of Special Resolutions 2.1 and 2.2 is to authorise the Company to pay emoluments to its non-executive directors for their services as directors, subject to the limitations set out above.
- Section 66(9) of the Companies Act requires that remuneration payable to directors of a company in respect of their services as directors must be approved by Special Resolution of shareholders, adopted within the previous two years.
- The Board has resolved, on the recommendation of the Group Human Resources Committee, to propose that:
  - the emoluments for the 2017 period as already approved by shareholders at the AGM held in May 2016, be increased by the amount of VAT to the extent applicable, as a consequence of the Binding General Rulings 40 and 41 issued by the South African Revenue Services (SARS) on 10 February 2017; and
  - the Committee chairman and members of the newly-established Group Social and Ethics Committee be paid emoluments for the 2017 period as set out in Special Resolution 2.2, plus VAT to the extent applicable.
- Once Special Resolutions 2.1 and 2.2 are approved by shareholders, the emoluments will be applied retrospectively to 1 January 2017.
- For ease of reference, the emoluments for the 2017 period as already approved by shareholders at the AGM held in May 2016 are set out in the table below for the information of shareholders. These fees will now attract VAT at the applicable rate in accordance with the Binding General Rulings 40 and 41 issued by SARS.

	Emoluments already approved by shareholders for the 2017 period R
Approved all-inclusive annual fees for specific roles	
Chairman	2 000 000
Non-executive director	325 000
Lead Independent Director	97 500
Group Audit Committee chairperson	343 000
Group Audit Committee member	160 000
Group Nominations Committee member	60 000
Group Human Resources Committee chairperson	250 000
Group Human Resources Committee member	125 000
Group Risk Management Committee chairperson	280 000
Group Risk Management Committee member	140 000
SRO Oversight Committee chairperson	250 000
SRO Oversight Committee member	125 000
<i>Ad hoc</i> meeting fee (per meeting)	24 000

- The social and ethics mandate as set out in the Companies Act was previously discharged by the Group Human Resources Committee. In order to balance the workload of the Group Human Resources Committee, and to allow for additional focus on social, ethics and sustainability matters, the Board has resolved to establish a Group Social and Ethics Committee as a separate standing committee of the Board, with effect from January 2017.
- At the AGM held in April 2012, shareholders approved a single-fee model for non-executive director emoluments, rather than the previous model of annual fixed retainers and a fee per Board or Board Committee meeting attended. The role of a non-executive director, especially within financial services companies, extends substantially beyond attendance at meetings. Emoluments should therefore be a function of Board and Board Committee membership rather than a reward for attending meetings. A single annual retainer, reflective of the role and responsibilities being discharged by a non-executive director, also has the advantages of being administratively simple, easy to understand and allows for clear comparisons by shareholders from year-to-year.
- Non-executive directors do not receive short-term incentives, nor do they participate in the JSE's long-term incentive schemes. There is no requirement for non-executive directors to hold a minimum shareholding in the JSE in order to qualify for Board membership, and there are no provisions for emoluments or other payments in respect of loss of office.
- Non-executive directors are, however, encouraged to hold shares in the Company equal to 1 times their annual retainer in terms of a policy on non-executive director emoluments adopted by the Board. The shares in the Company held by non-executive directors are set out in the Directors' Report.
- Out-of-pocket expenses, such as travel and accommodation costs, incurred by non-executive directors in the execution of their responsibilities are also re-imbursed on request.

#### **ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTIONS**

In compliance with 11.26 of the JSE Listings Requirements, the following information, some of which may appear elsewhere in the report or in the separately published audited consolidated annual financial statements, is provided for purposes of the general authority set out in Special Resolution 1:

- Major shareholders: refer to page 79 of the report
- Share capital and reserves of the Company: refer to note 19 on page 45 of the audited consolidated annual financial statements.
- Material change and responsibility statement: refer to paragraphs below.

#### **OTHER BUSINESS**

To transact such other business as may be transacted at an AGM.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names are given on pages 38 – 39 of the report, collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these resolutions contain all information required by law and the JSE Listings Requirements.

#### **NO MATERIAL CHANGES TO REPORT**

Other than the facts and developments reported on in the report, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this AGM notice.

Copies of the report for the year ended 31 December 2016 and of the separately published audited consolidated annual financial statements for the year then ended, may be obtained from the JSE's Investor Relations Division.

By order of the Board

**GA Brookes**

*Group Company Secretary*

24 March 2017



# Proxy Form

## JSE Limited

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

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

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the AGM.

This proxy form relates to the 12th AGM of shareholders of the JSE to be held at the offices of the JSE at One Exchange Square, 2 Gwen Lane, Sandown, on Thursday, 18 May 2017, at 16:00 and is for use by registered shareholders whose shares are registered in their own names by the record date, 12 May 2017.

Terms used in this proxy form have meanings given to them in the notice of AGM to which this proxy form is attached. Please print clearly when using this form and see the instructions and notes at the end of this form for an explanation of the use of this proxy form and the rights of the shareholder and the proxy.

I/We

(Name in block letters)

of

(Address)

being the holder(s) of  JSE ordinary shares, hereby appoint (see note 1 overleaf)

or failing him/her the chairman of the AGM, as my/our proxy to attend and speak for me/us on my/our behalf and to vote or abstain from voting on my/our behalf at the AGM of the Company to be held at One Exchange Square, 2 Gwen Lane, Sandown, on Thursday, 18 May 2017, at 16:00. We desire to vote as follows:

	For	Against	Abstain
<b>Ordinary Resolutions</b>			
<b>Resolutions 1 to 7 require the support of a simple majority (that is, 50% + 1) of the votes exercised in respect of each resolution in order to be adopted</b>			
1 Adoption of the audited consolidated annual financial statements and reports			
2.1 To re-elect Ms N Nyembezi-Heita as a director			
2.2 To re-elect Ms NF Newton-King as a director			
2.3 To re-elect Dr M Jordaan as a director			
2.4 To re-elect Mr AD Botha as a director for the ensuing year			
2.5 To re-elect Mr AM Mazwai as a director for the ensuing year			
2.6 To re-elect Mr NG Payne as a director for the ensuing year			
3 To appoint EY South Africa as the independent auditors of the Company for the ensuing year			
To re-elect the following independent non-executive directors of the Company to serve as members of the Group Audit Committee for the ensuing year:			
4.1 Mr NG Payne – Audit Committee Chairman			
4.2 Mr AD Botha			
4.3 Dr SP Kana			
4.4 Ms NP Mnxasana			
5 Non-binding advisory vote on the remuneration policy of the Company			
6 Non-binding advisory vote on the implementation of remuneration policy of the Company			
7 Authorisation of a director or Group Company Secretary of the Company to implement resolutions			
<b>Special Resolutions</b>			
<b>Items 8 – 10 (referred to as Special Resolutions 1 and 2) require the support of at least 75% of the votes exercised in respect thereof in order to be adopted</b>			
8 Special Resolution 1: General authority to repurchase shares			
9 Special Resolution 2.1: Adjustments to non-executive director emoluments for 2017			
10 Special Resolution 2.2: Proposed non-executive director emoluments for chairman and members of the Group Social and Ethics Committee for 2017			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2017

Signature \_\_\_\_\_

(Authorised representative of shareholder) or (individual shareholder) Please read the notes to the proxy overleaf.

# Notes to the proxy form

A registered shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided overleaf, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the chairman of the AGM. The person whose name appears first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she thinks fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.

A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

To be valid, the completed proxy forms must be lodged with the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to PO Box 61051, Marshalltown, 2107, to reach them by no later than 48 hours before the AGM.

Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the transfer secretaries or waived by the chairman of the AGM.

The proxy form must be dated and signed. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this proxy form must be initialled by the signatory/ies.

The chairman of the AGM shall be entitled to decline or accept the authority of a person signing the proxy form under a power of attorney or on behalf of a Company unless his/her power of attorney is deposited at the offices of the Company or that of the transfer secretaries no later than 48 hours before the AGM.

The proxy appointment in terms of the proxy form shall remain valid only until the end of the 2017 AGM.

## **SUMMARY OF THE RIGHTS OF A SHAREHOLDER TO BE REPRESENTED BY PROXY IN TERMS OF SECTION 58 OF THE COMPANIES ACT**

At any time, a shareholder may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:

- participate in, and speak and vote at a shareholders' meeting on behalf of the shareholder; or
- give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Companies Act.

A shareholder of the Company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.

Irrespective of the form of instrument used to appoint a proxy, the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; the appointment is revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder.





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