



# Remuneration

One consistent Remuneration Policy applies to all employees across our business, with total variable remuneration allocation for the year based on a set formula and allocated to all eligible employees.

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## REMUNERATION COMMITTEE CHAIRMAN'S STATEMENT

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On behalf of Coronation's Board of Directors and its Remuneration Committee, we are pleased to submit the Remuneration Report for 2019.

### Background

Any successful remuneration process should support the Company's core values. In the case of Coronation, the process should reinforce its long-term ethos, its commitment to put clients first, its ownership culture and the high-performance environment it strives to achieve.

### 2019 remuneration outcomes

Notwithstanding a year of anaemic market returns and declining earnings, the business had some important successes. Recent investment performance has been very good, with many of our portfolios strongly outperforming their benchmarks. In addition to this, the process of transitioning to a new administration platform and service provider was completed with no disruption to clients.

The variable remuneration mechanism shields shareholders in periods of declining profits and is a rarity in the financial services industry, where remuneration tends to be sticky in down periods. In a year of declining profits, the remuneration process strongly demonstrated its inbuilt alignment of employee and shareholder interests. Company earnings were down by 19% and variable remuneration consequently declined by 19%, notwithstanding the fact that our total global employee complement increased from 331 to 337 people.

At the 2019 annual general meeting (AGM), 79.52% of Coronation's shareholders voted in favour of both the Remuneration Policy and the Implementation Report. While the outcome was favourable, members of the management team attended numerous stakeholder engagement meetings during the year to ensure that our policies are consistent with stakeholder expectations.

During the period under review, the Remuneration Committee employed external advisers to analyse

and make recommendations on the Company's remuneration practices. The Remuneration Committee is satisfied that these consultants were both independent and objective.

As in the past, no share options were issued to employees in the period, underlining our commitment to save shareholders the cost of what we believe to be a form of remuneration that is asymmetrical and often significantly more expensive than the estimates provided by typical quantitative modelling.

### Policy enhancements

Coronation's Remuneration Policy has remained largely unchanged. Coronation continues to be supportive of the need for increased alignment of employees and shareholders, and the growing emphasis on accountability. As indicated last year, we have implemented malus and clawback provisions to employee remuneration for 2019. While international remuneration best practice typically limits the application of malus and clawback to senior managers and risk takers, the Remuneration Committee has opted to apply malus conditions to all employees, while clawback is applicable to certain categories of senior managers from 2019.

Clawback provisions will apply to all cash and deferred remuneration allocations and will be imposed for up to three years from the date of payment or from the date of the vesting of tranches of deferred remuneration.

Malus and clawback provisions will be applied if an employee has been found guilty of a broad range of transgressions. These include: fraud, misrepresentation, insufficient/incorrect disclosure of matters known to the employee, any serious breach of any law applicable in the scope of and during the course of their employment, or failure to disclose any act to the Company that could result in the Company being found guilty of breaching any regulatory provision.

## Future areas of focus

While clawback has been applied to senior managers in the current year, this will be applied to all employees who benefit from the CFM Deferred Remuneration Trust from 2020. Prior to the 2020 implementation, members of the management team have undertaken to workshop the rollout of these provisions to all affected employees.

The Remuneration Committee continues to review its remuneration disclosures to ensure that the information relayed to stakeholders is both transparent and meaningful.

## Remuneration review

The Remuneration Committee oversees the application of the Remuneration Policy, ensures that the remuneration process is fair and responsible, and that it supports the performance-based culture of the Company.

Coronation is an independent asset manager and depends on its people to deliver the investment performance and world-class service that its stakeholders expect of it. In a weak economic environment, with a trend of increased emigration, the need to attract and retain the intellectual capital required to deliver on our client promise is acutely felt.

In this context, our Remuneration Policy succeeded in retaining and motivating the highly skilled individuals who are increasingly in demand across the world. Employee turnover across the Company was only 7%, well below the industry standard. In the case of employees who receive deferred remuneration, the turnover was 5%. In addition, Coronation succeeded in making a number of valuable appointments, particularly of black professionals.

In order to support our long-term ethos, the vesting periods for deferred remuneration were extended from three years in the previous year to four years in the current year. Vesting periods currently extend as far as 2024. A significant number of key employees have restraints of trade and extended notice periods in addition to these deferrals. These were entirely funded by the variable remuneration pool.

In 2019, 51% of the variable remuneration pool was allocated to the long term:

Year	% of variable remuneration allocated to the long term*
2019	51
2018	57
2017	48
2016	57
2015	55

\* Deferred remuneration, restraints of trade and notice period extensions

In 2019, 27% of employees had restraints of trade, ranging in duration from three to 12 months, while 81% of employees had abnormal notice periods, ranging from two to 12 months.

As per our Remuneration Policy, variable remuneration is allocated to eligible employees of the Company. In 2019, 99.7% of eligible employees received cash variable remuneration, and 43% benefited from deferred variable remuneration as depicted below:

Year	% of eligible Coronation employees who received deferred variable remuneration*
2019	43
2018	44
2017	46
2016	41
2015	42

Percentages pertain to total employee complement  
\* Coronation shares and Coronation unit trusts only

We provide details of executive performance and remuneration on → [pages 60 to 65](#).

## Conclusion

The Remuneration Committee has ensured that remuneration supports the Company's values and that it is determined fairly in accordance with performance appraisal outcomes and Company performance. As in the past, we will continue to measure global remuneration trends to ensure our Remuneration Policy retains its best-practice status and continues to deliver long-term value creation for our stakeholders.

Sincerely

**Hugo Nelson**

Chairman

Remuneration Committee

# REMUNERATION POLICY

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## Introduction

Our remuneration framework is designed to create long-term value for all stakeholders – shareholders, clients, our employees and our community, in a manner that is fair and responsible.

The Remuneration Policy plays a critical role in supporting the overall business strategy of encouraging a high-performance, competitive business with a structure that attracts, retains, motivates and rewards high-performance employees.

This section contains a summary of the Remuneration Policy, the full contents of which is available at [www.coronation.com](http://www.coronation.com).

## Remuneration philosophy

The objectives of the policy remain the following:

The remuneration process must motivate employees to achieve the long-term corporate strategy through supporting the Coronation values, specifically by:

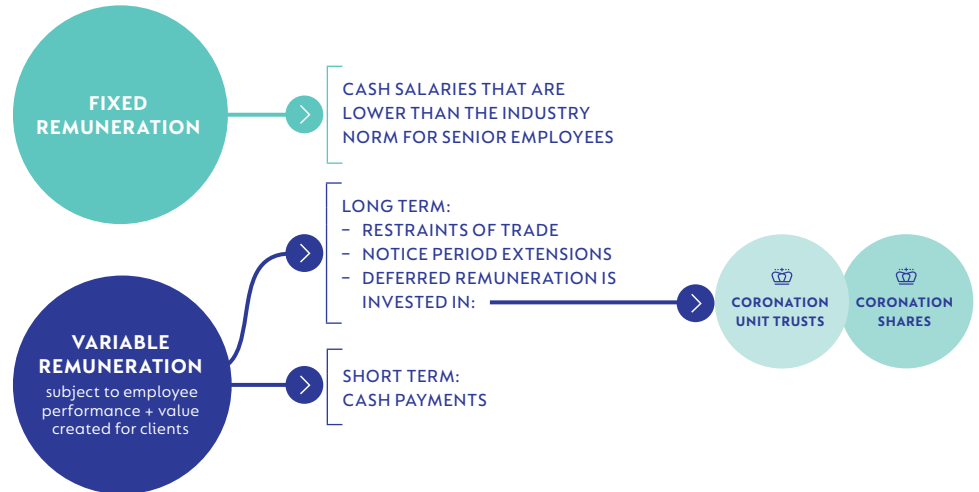
- ▶ focusing on long-term value creation;
- ▶ always putting clients first;
- ▶ creating a culture of ownership;
- ▶ recognising that Coronation is a team-based organisation;

- ▶ helping to attract, retain and motivate highly talented and sought-after individuals;
- ▶ rewarding employees for outstanding and excellent performance. This is essential if the Company's remuneration process is to successfully support its strong performance culture;
- ▶ ensuring that the remuneration structures and implementation are simple and easy to understand, and result in as few unintended consequences as possible;
- ▶ ensuring that the remuneration process is holistic enough to be able to assess the performance;
- ▶ ensuring that the rewards for excellent performance align employees' interests with that of the broader Company and its clients;
- ▶ ensuring that an effective balance is achieved between cash and deferred remuneration in order to ensure alignment with stakeholder interests, business sustainability and the Company's long-term ethos; and
- ▶ ensuring that good corporate governance in relation to remuneration is applied and that the approach to remuneration is consistent with, and promotes, sound and effective risk management.

## Remuneration principles and structure

Variable remuneration has been the cornerstone of Coronation's success since inception 26 years ago. It underpins our values, instils a culture of ownership and promotes a performance culture that directly aligns employee and stakeholder interests.

Coronation has a very simple framework to achieve these objectives. It endeavours to avoid complicated structures that can result in unintended consequences. It applies the principles and practices to all employees, including executives, although the structure and value of individual packages vary by role, seniority and contribution. Total employee remuneration for all employees consists of fixed and variable (performance-based) remuneration as depicted in the diagram below.



## FIXED REMUNERATION

Elements	Outcomes
➤ Fixed remuneration is determined on a total cost-to-company basis, consisting of a base salary and compulsory benefits*	➤ This is based on roles and responsibilities. Senior employees receive fixed remuneration that is set well below market levels. This is capped to encourage a performance-driven culture. In the case of our most senior employees, the differential is material.

\* Compulsory benefits include retirement provision (including disability plans, death and funeral cover) and medical insurance

## VARIABLE REMUNERATION

Elements	Outcomes
➤ Variable remuneration is allocated to all employees according to their contribution	➤ This is directly dependent on Company earnings and is paid from an allocation of 30% of audited pre-tax net profit. This is a contractual obligation in terms of our memorandum of incorporation and in employment contracts. It was communicated to shareholders in our prospectus on listing in 2003.
➤ Variable remuneration: short-term cash payments	
➤ Deferred remuneration	
	➤ Allocated to eligible employees. Invested in either Coronation unit trusts or in listed Coronation shares, which are purchased on the market.
	➤ This ensures alignment of employee interests with the interests of shareholders and clients.
	➤ These are forfeited if employees resign or sell Coronation shares.

## OTHER

➤ Restraints of trade and notice period extensions	➤ In certain instances, the Remuneration Committee will secure notice period extensions or restraint of trade payments.
➤ Malus and clawback	➤ Malus applies to all employees in respect of their cash and deferred remuneration. ➤ Clawback applies to vested deferred remuneration and cash payments and only applies to certain categories of managers.
➤ Termination payments	➤ Coronation does not make termination payments unless obliged to do so under labour law or if a labour dispute has been settled.
➤ Once-off allocations	➤ In exceptional circumstances, once-off allocations will be made to relocation costs or to make good on any loss of benefit or obligation that arises from the particular employee's resignation from their previous employer.

## Remuneration governance

The Coronation Board of Directors has the ultimate responsibility for the governance of the remuneration framework. It ensures that the process that governs the assessment of employees' performance is robust and fair.

The Remuneration Committee is responsible for key decisions regarding remuneration, including the implications for overall risk management. It has full oversight and control of the Remuneration Policy and practices.

Remuneration allocations are calculated using a combination of quantitative and qualitative criteria. The process aims to be as holistic as possible and to balance the performance of the individual with both that of the team in which the employee operates and that of the broader organisation. Management's final recommended allocations in respect of the variable components are submitted to the Committee for consideration and approvals.

Following the Remuneration Committee's approval of deferred remuneration allocations, the underlying investments are recommended to the CFM Deferred Remuneration Trust. The trustees of the CFM Deferred Remuneration Trust are independent of the Company's executives. Their primary responsibility is to ensure that, once allocations have been made, the rules that govern vesting criteria are strictly and fairly applied to all beneficiaries.

## Conclusion

The Remuneration Policy and the Implementation Report are tabled at Coronation's AGM for a separate non-binding advisory vote by Coronation shareholders. The Board regularly reviews the remuneration framework to ensure that it supports achieving our strategic objectives and promotes positive long-term outcomes for all stakeholders. As part of this process, Coronation actively seeks out the views of its shareholders where appropriate in relation to its remuneration practices.



# Remuneration policy implementation report

## Introduction

The Remuneration Committee is responsible for implementing the Remuneration Policy. It is constituted to enable it to exercise competent and independent judgement on remuneration policies and practices. The Remuneration Committee ensures that the remuneration process is fair and responsible, and accounts for all employees.

As outlined below, the Remuneration Committee found that the Policy achieved its objectives in the current year, and it was implemented without any deviations.

## Fixed allocation

The fixed component of total remuneration increased by 12% to R346 million. This was due to inflationary adjustments and new employee appointments, most of which were driven by changes to our fund administration outsourcing arrangements. As at 30 September 2019, the total global employee complement increased from 331 to 337, and there were 22 vacancies versus 27 in 2018.

## Variable allocation

Based on the contractual 30% allocation from audited pre-tax net profit of the Coronation Group, the amount available for cash allocations and deferred remuneration declined by 19% in 2019. For the period under review, 51% of the variable remuneration allocation was deferred and was invested in Coronation unit trusts (58%) and Coronation shares (42%).

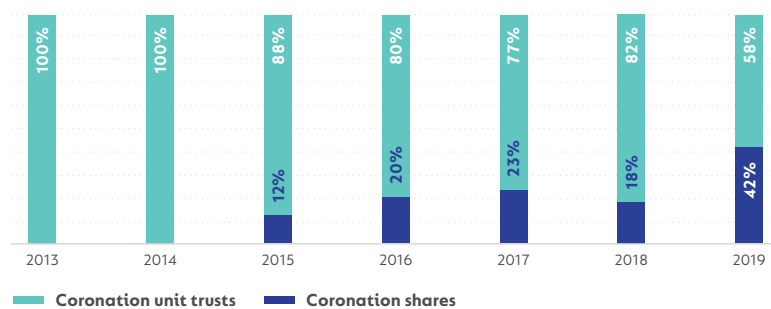
## Executive directors' key performance measures – 2019

The Remuneration Committee determines the awards to the executive directors based on individual performance, which is measured quantitatively and qualitatively.

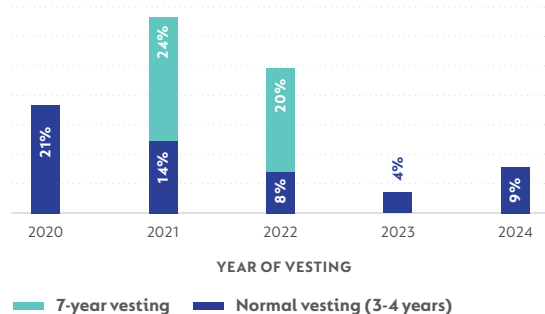
Please note that, in some instances, the Remuneration Committee considers the disclosure of certain details on the performance measures to be commercially sensitive.

The following tables provide details of the key performance indicators (KPIs) that the Remuneration Committee has considered. It should be noted that the weightings have been assigned to each KPI only to give the reader a sense of the relative importance of each measure in the current financial year. They have not been used to perform a formulaic, overall score for the executive concerned.

**INVESTMENTS HELD BY THE CFM DEFERRED REMUNERATION TRUST AS AT 30 SEPTEMBER 2019**



**VESTING PROFILE OF DEFERRED VARIABLE REMUNERATION AS AT 30 SEPTEMBER 2019**





## CEO PERFORMANCE REVIEW

### Mr Anton Pillay

BBusSc, CA(SA), CFA, AMP (Harvard)

Chief Executive Officer

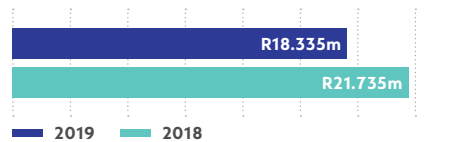
KPI	Weighting	Responsibility	Action
<b>Strategic/Values</b>	<b>35%</b>		
<b>Culture and values</b>		<i>The CEO is accountable for building the meritocratic and entrepreneurial culture of Coronation. It is the CEO's responsibility to ensure that the core values of putting clients first, uncompromising ethics and teamwork remain entrenched in a growing business.</i>	<ul style="list-style-type: none"> <li>➤ Employees were engaged both informally and more formally through regular business updates and information sessions.</li> <li>➤ An intensive series of "stay interviews" were conducted across the business to understand staff issues and trends. This provided insightful information on the employees' view of Company culture.</li> </ul>
<b>Talent management</b>		<i>The CEO is responsible for creating a high-performance working environment that attracts, retains and develops world-class skills. In this respect, industry-leading staff turnover ratios (in both the investment and operating teams) provide a key deliverable. The CEO must also ensure that there are appropriate succession plans in place with respect to key roles in Coronation.</i>	<ul style="list-style-type: none"> <li>➤ Employee turnover remained below the industry average at 7%.</li> <li>➤ Significant effort was put into increasing and improving the opportunity that employees have to participate in various training courses.</li> <li>➤ The Aspiring Leaders Programme was introduced in 2018 for high-potential individuals whose influence will positively impact the business. The programme was continued in 2019 and participants continue to add value in the business.</li> <li>➤ Succession plans were actively advanced and formally reviewed at the Remuneration and Nominations Committee meetings.</li> </ul>
<b>Brand and reputation</b>		<i>Coronation is in the process of building its brand in the consumer space. The CEO will be accountable for building the Coronation brand and ensuring it becomes a household name in the savings industry. Key performance metrics include brand awareness and recognition surveys.</i>	<ul style="list-style-type: none"> <li>➤ New innovations have been used to build brand awareness and improve brand recall.</li> <li>➤ Formal programmes monitoring brand awareness yielded encouraging results.</li> </ul>
<b>Rollout of global product range</b>		<i>Continuation of the rolling out of international products, in an attempt to replicate its success in SA in international markets. This is the single biggest strategic initiative of the last decade. The CEO is accountable for building the franchise value of our key global products: Africa frontiers, global frontiers, emerging market equities, global multi-asset class and global equity funds. Key deliverables include building out the investment teams, building relationships with the asset allocators and clients, and establishing compelling performance track records across the fund range.</i>	<ul style="list-style-type: none"> <li>➤ Since 2015 the International AUM allocation has increased from 23% to 29% of total AUM.</li> <li>➤ In 2019 the product range was widened with the launch of several key products.</li> </ul>
<b>Platform efficiency and technology</b>		<i>Coronation moved its asset administration to JP Morgan and the transfer agency to Intembeko in 2018. Focus in 2019 was on extracting efficiencies and synergies from the transition. The CEO is accountable for the successful implementation without disruption to clients.</i>	<ul style="list-style-type: none"> <li>➤ The transition was completed successfully with no disruption to clients.</li> <li>➤ The operational teams were restructured in 2019 to extract efficiencies from the new process.</li> <li>➤ An Operational Risk and Control Function was created in 2019. It is tasked with improving controls and identifying inefficiencies within current processes.</li> </ul>

KPI	Weighting	Responsibility	Action
<b>Operational</b>	<b>30%</b>		
<b>Cost control</b>		<i>The CEO is accountable for the implementation of sound Company financial management and controls, including ensuring that costs are judiciously managed and, where appropriate, reduced. This is a key challenge given the cost burden of increasing regulation and compliance, as well as from the continued rollout of the global business. Key performance indicators include the benchmarking of cost-to-income and cost-to-AUM ratios against leading local and international competitors.</i>	<ul style="list-style-type: none"> <li>➤ Costs were well controlled given the current economic environment, without negatively impacting on the sustainability of the business.</li> <li>➤ Fixed costs increased by a very commendable 2%.</li> <li>➤ Variable costs decreased, resulting in total costs decreasing in the current year.</li> <li>➤ The success in sustaining a strong cost culture is evident in a total cost increase of only 3.7% p.a. over the past five years.</li> </ul>
<b>Investment performance</b>		<i>The CEO is accountable for ensuring that all Coronation funds deliver compelling investment performance over meaningful periods (five years+).</i>	<ul style="list-style-type: none"> <li>➤ Our funds had a strong recovery in 2019 performance relative to benchmarks across most of our portfolios.</li> <li>➤ Our long-term performance continues to be exemplary.</li> </ul>
<b>Governance</b>	<b>20%</b>		
<b>Governance and risk management</b>		<i>The CEO is responsible for building an appropriate risk and compliance culture and processes across the Company in order to protect client assets and minimise the risk of reputational damage and of financial losses.</i>	<ul style="list-style-type: none"> <li>➤ Successful reviews were conducted by various regulatory authorities in the period with no significant negative findings.</li> <li>➤ Investment was made in new systems to ensure compliance with the new FIC reporting requirements.</li> </ul>
<b>Transformation</b>		<i>The CEO is accountable for driving industry-leading and credible transformation through the business. In addition to partnering with others on industry-wide projects, the CEO is responsible for driving the following initiatives:</i> <ul style="list-style-type: none"> <li>› <i>sustain and improve black representation in key leadership roles and investment team</i></li> <li>› <i>increase procurement spend with black owned businesses</i></li> <li>› <i>improve gender diversity broadly in the business and key leadership</i></li> </ul>	<ul style="list-style-type: none"> <li>➤ In 2018, our rating increased to Level 2 B-BBEE contributor, and progress continues to be made to maintain and improve the level.</li> <li>➤ 53% of new hires were black; 56% of all employees are black.</li> <li>➤ The Company's Board of Directors is 56% female and 78% black.</li> <li>➤ Coronation has established Lean In circles to support female employees and provide a collaborative space for all employees to share their experiences.</li> </ul>
<b>Clients/ stakeholders</b>	<b>15%</b>		
<b>Clients</b>		<i>The CEO is responsible for ensuring that relationships with key clients are maintained and strengthened.</i>	<ul style="list-style-type: none"> <li>➤ The business put in a very purposeful and intensive effort to engage with clients in order to build relationships in a very challenging environment for the savings industry.</li> </ul>
<b>Stakeholder relations</b>		<i>The CEO has to ensure that transparent communications and sound relationships are maintained with key stakeholders.</i>	<ul style="list-style-type: none"> <li>➤ Coronation is part of the CEO Initiative and is a member of Business Leadership South Africa.</li> <li>➤ The CEO regularly engaged with regulators, clients and other stakeholders on key issues within the asset management industry.</li> <li>➤ Our first Stewardship Report was released in 2019, which outlines our approach to responsible investing and how we engage investee companies to unlock value for our clients.</li> <li>➤ Regular ad hoc interaction with investors and analysts.</li> </ul>

## 2019 CEO performance assessment

Assessing the CEO's performance against KPIs and qualitative measures, the Remuneration Committee decided on an allotment from the variable remuneration allocation. As the executives' award opportunity is determined by and directly aligned with the profitability of the Company, we believe minimum, on-target and maximum performance outcomes are not applicable. In the current year, the CEO's remuneration declined by 16% from the previous reporting period, reflecting the decline in Company profits. This demonstrates a strong alignment between the CEO's remuneration and the experience of the Company's shareholders.

### SINGLE-FIGURE REMUNERATION



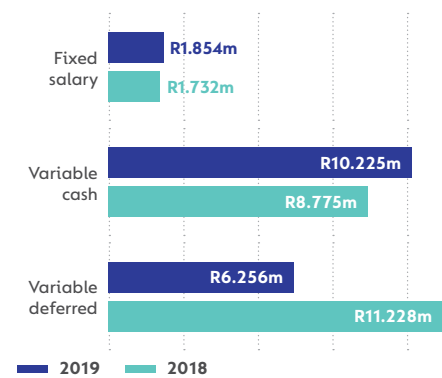
The CEO's total remuneration was determined after taking into account the outcome of his performance against 2019 KPIs as detailed above, the key outcomes being:

- ▶ a significant improvement in short-term investment performance (relative to mandate benchmarks);
- ▶ below-industry turnover among senior employees and stable employee turnover across the business;
- ▶ a restructuring of the operational teams to extract further efficiencies from the transfer to JP Morgan, as well as the establishment of an Operational Risk and Control function;

- ▶ outstanding cost control, which continued its track record of delivering market-leading cost metrics;
- ▶ continued compliance with regulatory requirements across all jurisdictions;
- ▶ maintained strong communication and relationships with key clients and stakeholders;
- ▶ maintained Coronation's strong brand and reputation by monitoring of key marketing information and exceeding ad impression targets; and
- ▶ the extension of Coronation's global franchise in a tough environment.

The Remuneration Committee allocated the CEO a long-term allocation, which is invested in Coronation shares and unit trusts with vesting periods of between one and five years.

### REMUNERATION OUTCOME



The CEO's shareholding in Coronation's issued share capital is 1.34%. The CEO has not sold any of his shares, ensuring alignment with shareholders and Company values. The CEO has a permanent employment contract, with a notice period of 12 months and a 12-month paid restraint of trade.

## CFO PERFORMANCE REVIEW

**Ms Mary-Anne Musekiwa**

BCom, HDip Tax, CA(SA)

Chief Financial Officer (appointed 12 June 2019)

KPI	Weighting	Responsibility	Action
<b>Strategic/values</b>	<b>25%</b>		
<b>Financial operating model</b>		<i>The CFO is responsible for ensuring the implementation of an effective financial operating model and controls of the Company, including sound balance sheet management and maintaining required statutory levels of capital and liquidity. The number of reportable items raised by external auditors being the key metric.</i>	<ul style="list-style-type: none"> <li>➤ Balance sheet, capital and liquidity management is monitored on an ongoing basis to ensure sound balance sheet management and regulatory compliance.</li> <li>➤ Financial control environment monitored on an ongoing basis as a part of our comprehensive Risk Management Framework.</li> </ul>
<b>Talent management</b>		<i>The CFO is responsible for ensuring the finance department employs the appropriate world-class skills to deliver on its responsibilities and roles (finance, company secretarial and transformation).</i>	<ul style="list-style-type: none"> <li>➤ Training and upskilling of key team members.</li> <li>➤ Implementation of the restructuring of team roles to mitigate key-person risk.</li> </ul>
<b>Operational</b>	<b>35%</b>		
<b>Cost control</b>		<i>A focus on controllable costs is entrenched in the culture of Coronation. The CFO is responsible for ensuring the required cost controls are implemented and adhered to across the Company. The CFO is also responsible for the preparation of and reporting on budgets and holding the departmental heads accountable to projected budgets. The business must continue to benchmark favourably on cost-to-income and cost-to-AUM ratios against leading local and international competitors.</i>	<ul style="list-style-type: none"> <li>➤ Cost management messaging was communicated across the business, and new cost-saving initiatives were implemented.</li> <li>➤ Fixed costs increased by a very commendable 2%.</li> <li>➤ The budget process for financial year 2020 was undertaken with a focus on further containing fixed costs.</li> </ul>
<b>Financial reporting</b>		<i>The CFO is responsible for maintaining a high level of internal and external reporting (including relevant statutory and regulatory reporting) as measured by the relevance, accuracy and timeliness of the reporting.</i>	<ul style="list-style-type: none"> <li>➤ Internal and external financial reporting is accurate and timely.</li> <li>➤ The unqualified Audit Report and Integrated Annual Report are delivered on time.</li> </ul>
<b>Tax</b>		<i>The CFO is responsible for the management of Company tax affairs, including appropriate implementation of tax regulation and interaction with the respective regulatory bodies.</i>	<ul style="list-style-type: none"> <li>➤ Tax affairs are managed closely, with appropriate engagement with key stakeholders, including regulatory bodies.</li> <li>➤ The current tax dispute with SARS is proactively managed and is thus far expected to be successfully resolved in line with our legal opinions.</li> </ul>

KPI	Weighting	Responsibility	Action
<b>Governance</b>	<b>25%</b>		
<b>Governance and risk management</b>		<i>The CFO should ensure that an environment of appropriate corporate governance and effective risk management prevails across Coronation and is specifically responsible for oversight of and assisting the Coronation Company secretarial function.</i>	<ul style="list-style-type: none"> <li>➤ Strong stakeholder relationship with the Risk and Compliance function established.</li> <li>➤ No material governance breaches were noted.</li> <li>➤ Close ongoing monitoring of governance and risk reporting.</li> </ul>
<b>Transformation</b>		<i>The CFO is responsible for monitoring and reporting on transformation initiatives and goals from an internal and external perspective.</i>	<ul style="list-style-type: none"> <li>➤ The Company's B-BBEE rating was actively monitored and the Level 2 contributor status attained in 2018 is expected to be maintained as a minimum.</li> </ul>
<b>Clients/stakeholders</b>	<b>15%</b>		
<b>Stakeholder relations</b>		<i>The CFO needs to ensure excellent and relevant communication is maintained with shareholders, analysts, regulators and Board of Directors.</i>	<ul style="list-style-type: none"> <li>➤ The CFO has developed strong relationships with various key stakeholders.</li> <li>➤ Ensured that the relevant investor and stakeholder communication collateral is developed and distributed timeously.</li> </ul>

## 2019 CFO performance assessment

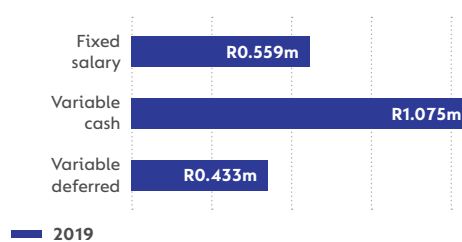
The CFO was appointed in June 2019 and had fulfilled this role for four months of the reporting period. Given this relatively short period, her performance was measured based on the relevant statutory and governance obligations that apply to the role, as well as the establishment and development of internal and external stakeholder relations. Assessing the CFO's performance against KPIs and qualitative measures, the Remuneration Committee decided on an allotment from the variable remuneration allocation. The award opportunity is directly aligned with the profitability of the Company.

### SINGLE-FIGURE REMUNERATION



The CFO's total remuneration was determined after taking into account the outcome of her performance against 2019 KPIs as detailed above, the key outcomes being: development of strong relationships with various key stakeholders; unqualified audits across the Company during the financial year; Coronation's cost-to-income and cost-to-AUM ratios outperforming leading local and international competitors; all subsidiaries maintaining required levels of regulatory capital and liquidity; compliance with regulatory requirements across all jurisdictions; and maintenance and improvements of B-BBEE scorecard.

### REMUNERATION OUTCOME



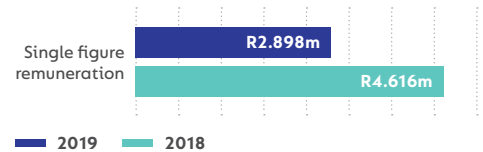
Ms Musekiwa's remuneration for 2019 includes income earned as of 12 June 2019, the date of her appointment as CFO. Ms Musekiwa has a permanent employment contract with a six-month notice period.

## Mr John Snalam

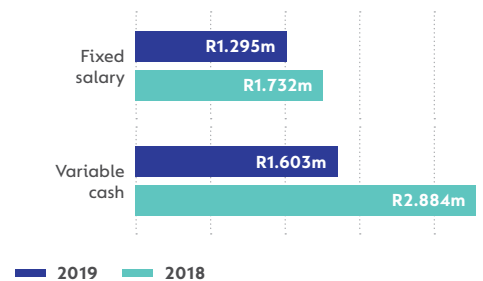
BCom, CTA, CA(SA)

Chief Financial Officer  
(retired 12 June 2019)

Mr John Snalam's remuneration for 2019 included income earned up to 12 June 2019, the date of his resignation as CFO. Mr Snalam remained employed by Coronation on a consultancy basis until his retirement on 30 September 2019. He did not receive a deferred remuneration allocation in 2018.



### REMUNERATION OUTCOME



## Non-executive directors

Non-executive directors of Coronation receive an annual fixed fee and an attendance fee for Board and subcommittee meetings, as contained in a resolution that is subject to shareholder approval. They do not participate in any of the remuneration structures addressed in this policy document or receive share options. In preparation for the 2019 fee proposal for non-executive directors, the Remuneration Committee considered the increased demands on directors to contend with the growing complexity of a global business and a dynamic regulatory environment. In addition, director fees were reviewed by PricewaterhouseCoopers against a group of comparable companies within the financial services sector. They observed that Coronation's non-executive director fees were reasonable in light of this comparison.

### 2019 FEES PAID TO THE NON-EXECUTIVE DIRECTORS\*

Non-executive directors	Basic fee R'000	Board meetings R'000	Audit and Risk Committee meetings R'000	Remuneration and Nominations Committee meetings R'000	SET Committee meetings R'000	Total 2019 R'000	Total 2018 R'000
Mr Shams Pather	145	697	97	242		1 181	1 019
Prof Alexandra Watson	145	449	328		131	1 053	825
Ms Judith February	145	393	97		161	796	678
Mr Jock McKenzie	145	393	197	197		932	831
Ms Lulama Boyce	126	342	171			639	542
Dr Hugo Nelson	145	393	197	242		977	792
Mrs Madichaba Nhlumayo**	38	114	28			180	-
<b>Total</b>	<b>889</b>	<b>2 781</b>	<b>1 115</b>	<b>681</b>	<b>292</b>	<b>5 758</b>	<b>4 687</b>

\* Actual non-executive directors' fees paid (excluding VAT where applicable)

\*\* Mrs Nhlumayo was appointed on 12 June 2019

We have proposed an inflation-based increase for 2020. We continue to monitor the fees to ensure that we are able to attract and retain non-executive directors with the required experience and expertise, especially given that we will be focusing on succession in the immediate future.

The proposal (as detailed in our Notice to Shareholders, which is available on [www.coronation.com](http://www.coronation.com)) will be submitted for approval by shareholders by way of a special resolution tabled at the AGM, in compliance with the Act. Approvals for non-executive directors' fees are sought excluding VAT, and where necessary non-executive directors will levy VAT on their fees.