



Remuneration report

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.



REMUNERATION COMMITTEE CHAIRPERSON'S STATEMENT

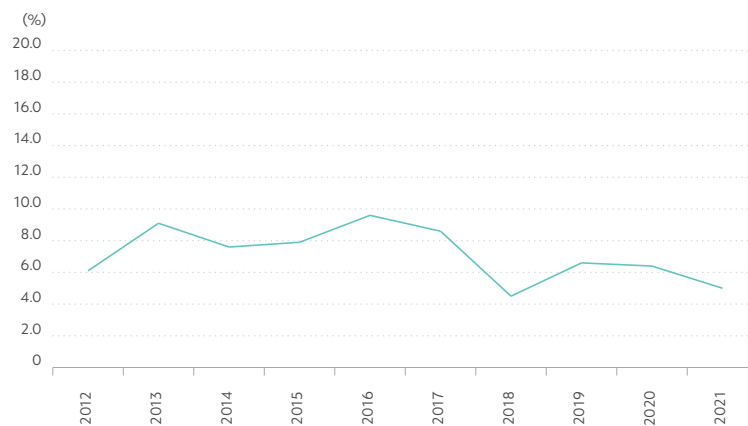
On behalf of Coronation's Board of Directors and its Remuneration Committee, we are pleased to submit the Remuneration Report for 2021.

Coronation's remuneration process is effective in reinforcing the Company's core values, namely client centricity, long-term thinking and integrity, embedded in a team-based meritocracy that has a culture of ownership and high performance at its heart. The Remuneration Committee oversees the application of the Remuneration Policy, ensuring that it is done in a fair and responsible manner, and in line with the Company's strategy.

Coronation is an independent asset manager, and 100% of our assets are redeemable on short notice. We therefore depend on our people to deliver the investment performance and world-class service that our stakeholders have come to expect. In an extremely uncertain economic environment where we are witnessing an increase in emigration and a subsequent drain on skills, the need to attract and retain the intellectual capital required to deliver on our client promise is critical.

In this context, our Remuneration Policy succeeded in recruiting, retaining and motivating highly skilled individuals who are increasingly in demand across the world. While our total global employee complement increased from 339 to 345, our employee turnover across the Company was 4.4% during the reporting period, which is well below the industry standard. This lower-than-average turnover has been a long-term trend in the organisation. In the case of employees who receive deferred remuneration, the turnover was 5.1%.

EMPLOYEE TURNOVER



Our recruitment and retention strategy has a keen focus on promoting transformation, and we continue to make progress in our diversity representation across race and gender. Key senior leadership positions are occupied by black individuals, including our CEO, CFO, COO, Global Head of Institutional Business, Head of Fixed Income and Head of South African Equity Research roles. Of our South Africa-based employees, 60% are black and 51% are women. Coronation is a Level 1 contributor to broad-based black economic empowerment and is 29% black owned as per the Financial Sector Code.

Operating environment

As the Covid-19 pandemic and various levels of economic lockdown extended throughout 2021, Coronation was privileged to remain fully operational throughout, with no retrenchments, furloughs or financial aid required.

As testimony to the high-performance culture and the benefits of active management, despite the difficult environment, Company fund management earnings increased by 23%, which is attributed to continued long-term performance excellence across our portfolios and rigorous cost control measures. For the Company's performance against our stated strategy and objectives → *refer to page 8*.

As the custodian of the savings of millions of South Africans and a selection of global institutional clients, Coronation was in the fortunate position to continue its business-as-usual activities during the various levels of lockdown. Our management teams and employees remained committed to offering seamless services with a core team operating in office throughout. All employees working remotely were equipped with the necessary equipment and training to fulfil their functions. In addition, health and safety measures were implemented in our offices to ensure compliance with Covid-19 requirements. We also ensured that employee wellbeing measures were in place. After nearly two years of lockdown, the office was opened for Coronation's employees to return on 2 November 2021.

Coronation continued in its role as an active corporate citizen during the pandemic through supporting third-party service providers and existing corporate social investment projects, as well as contributing to dedicated Covid-19 relief efforts, with a strong emphasis on food security. Management also continued to play an active role in engaging with regulators, industry bodies and peers to mitigate the effects of Covid-19 and to set South Africa firmly on the road to economic recovery.

Policy principles and enhancements

The benefit of Coronation's remuneration model is that it is symmetrical and clearly aligned with shareholders, flexing up and down in line with Coronation's annual profitability. It also allows for an appropriate split of cash and deferred remuneration.

Annual variable remuneration is always allocated on a 'clean slate' basis, influenced by an individual's value add over the medium term rather than based on years of service, seniority or short-term performance. A further advantage is that a portion of the variable remuneration is able to be used to fund restraint of trades and extended notice periods, which also supports Coronation's desire for creating a sustainable business. In the current year, the deferred remuneration portion had a fairly equal split between Coronation shares, which are bought through the JSE market, and Coronation-managed unit trusts.

Since our listing in 2003, Coronation has not offered share options or similar schemes, as we believe that they are dilutive to shareholders while also being asymmetrical in nature and offering a potentially large upside for senior employees with zero downside. In South Africa and internationally, we have seen that these share option type schemes have often had unintended consequences, including companies undertaking overly aggressive acquisitions that require risky and excessive leverage.

Coronation's Remuneration Policy is largely unchanged since the previous reporting period. Minimum shareholding requirements have been introduced for the executive directors to ensure alignment between executive and shareholder interests. The requirements for each of the executive directors is set out in the Remuneration Policy and Implementation Report → *refer to page 117*. We continued to implement malus and clawback provisions to employee remuneration for 2021.

Key remuneration outcomes

Coronation has a simple business model, which requires no meaningful assets and very little capital in relation to Company profitability. Its only real assets are its employees, and this is why an appropriate and effective remuneration approach is critical. Coronation has always had a fixed remuneration structure that pays senior employees well below market-related salaries, ensuring that its fixed-cost base is materially lower than comparable fund management companies.

The performance and remuneration details of the individual executive directors are detailed below → refer to pages 118 and 120.

As per our Remuneration Policy, variable remuneration is allocated to eligible employees of the Company. All our employees are eligible to receive cash variable remuneration subject to individual performance, and in the current reporting period, 160 employees also received deferred variable remuneration allocations, as depicted below.

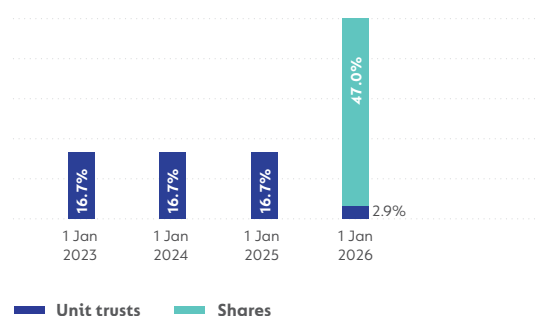
Year	% of variable remuneration allocated to the long term*	No. of eligible employees who received deferred variable remuneration
2021	44	160
2020	47	151

* Deferred remuneration, restraints of trade and extended notice periods. Percentages and numbers pertain to total employee complement of the relevant year.

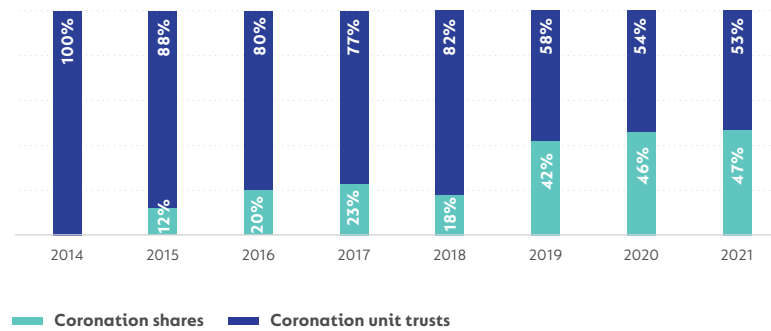
For the period under review, 44% of variable remuneration was allocated to the long term and was invested in Coronation unit trusts (53%) and Coronation shares (47%). In support of our long-term thinking and retention strategy, these allocations vest over a period of 4 ¼ years (51 months), commencing in January 2023, with 50% of the allocation vesting equally over the first 3 ¼ years (39 months) and the balance at the end of the period, being January 2026. Generally, the Company aims to defer a minimum of 40% of the variable remuneration allocation. This outcome very clearly aligns the interests of employees with both shareholders and clients.

Additionally, in 2021, 82 employees had restraints of trade, ranging in duration from three to 12 months, while 305 employees had extended notice periods, ranging from two to 12 months.

VESTING PROFILE OF 2021 DEFERRED REMUNERATION ALLOCATION



INVESTMENTS HELD FOR DEFERRED REMUNERATION AS AT 30 SEPTEMBER 2021



Shareholder engagement and voting

At the 2021 AGM, 82.7% of the votes cast were in favour of the Remuneration Policy and 82.9% were in favour of the Implementation Report. While the outcome was favourable, members of the Remuneration Committee attended numerous stakeholder engagement meetings during the year to ensure that our Policy and implementation thereof are consistent with stakeholder expectations.

Both the Remuneration Policy and its Implementation Report will be presented to shareholders for separate non-binding advisory votes at Coronation's upcoming AGM in February 2022.

In the event that 25% or more of shareholders vote against either the Remuneration Policy or the Implementation Report at the meeting, Coronation will engage with such shareholders through dialogue, requesting written submissions or otherwise, in order to address their concerns, always with due regard to meeting Coronation's stated business objectives while being fair and responsible towards both the employees and shareholders.

External advisers

During the period under review, the Remuneration Committee employed legal and external remuneration 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.

Conclusion

The Remuneration Committee has ensured that remuneration supports the Company's values and is determined fairly in accordance with performance appraisal outcomes and Company performance. We believe that Company management and employees continued to navigate the business impact of Covid-19 according to the highest standards, with very little to no impact on client experience.

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
Chairperson

REMUNERATION POLICY

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

The Remuneration Policy plays a critical role in guiding and supporting Coronation's overall business strategy, values, culture and behaviour.

Remuneration philosophy

The objectives of the Remuneration Policy and process are designed to motivate the executive directors to achieve the long-term corporate strategy through supporting Coronation's values, culture and behaviour, specifically by:

- › always putting clients first;
- › focusing on long-term value creation;
- › 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; and
- › rewarding outstanding and excellent performance.

The above is essential if Coronation's Remuneration Policy and implementation are to successfully support its strong performance culture. In doing so, the Policy should be simple and easy to understand, and result in as few unintended consequences as possible.

Our goal is to ensure that the remuneration process is holistic enough to be able to assess the performances of the executive directors and ensure that the rewards for excellent performance align their interests with that of the Company, its clients, shareholders and regulators.

In order to ensure that the executive directors' remuneration is clearly aligned with stakeholder interests, business sustainability and the Company's long-term culture, it is important that an effective balance is achieved between the cash and deferred components.

It is also critical to ensure 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

Key to the Policy is that the executive directors' salaries are capped materially below market-related salaries, resulting in a low fixed-cost base, which has served shareholders well through the inevitable peaks and troughs of a cyclical industry.

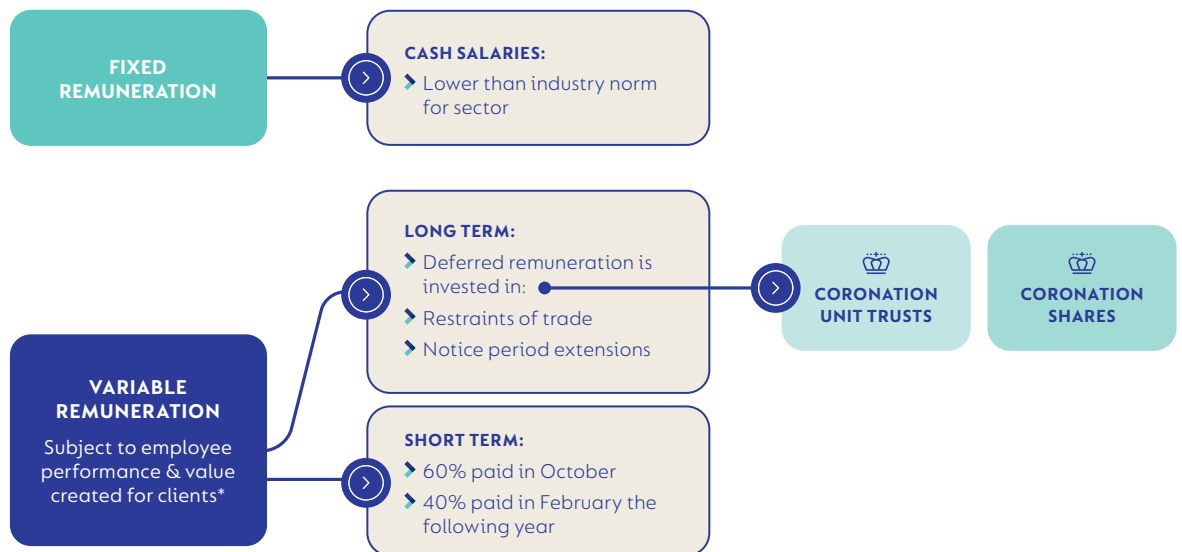
Discretionary variable remuneration has been the cornerstone of Coronation's success since its inception in 1993. It is comprised of cash, Coronation shares and Coronation-managed unit trusts, ensuring that the interests of the executive directors are directly aligned with those of shareholders and clients.

The executive directors are prohibited from selling any Coronation shares during their tenure, regardless of whether they were purchased independently or awarded as part of long-term deferred remuneration. If they do sell any shares, the final tranche (50%) is forfeited.

Coronation does not offer share options or similar schemes, as they are dilutive to shareholders while also being asymmetrical in nature, and can result in unfair remuneration practices, the cost of which is not immediately appreciated by shareholders.

As emphasised by Dr Hugo Nelson in his Remuneration Committee Chairperson's Report, this remuneration structure underpins our values, instils a culture of ownership and promotes a high-performance culture.

Since its listing on the JSE in 2003, and included in its memorandum of incorporation, Coronation has always had a very simple framework via which to achieve these objectives, as depicted in the diagram below.



* All forms of variable remuneration are subject to malus and clawback.

Pay mix

FIXED REMUNERATION

Elements	Outcomes
Fixed remuneration is determined on a total cost-to-company basis, consisting of a base salary and compulsory benefits*.	<ul style="list-style-type: none">▶ Salary levels are based on experience, roles and responsibilities.▶ Executive directors receive fixed remuneration that is set well below market levels. The differential is material.▶ Fixed pay is capped to not only contain fixed costs in an industry where revenues can be volatile, but to encourage a performance-driven culture.

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

VARIABLE REMUNERATION

Discretionary variable remuneration is allocated according to performance. Vesting is further subject to being in the employ of the Company and the provisions of malus and clawback, as detailed below.

Elements	Outcomes
Short term: cash payments	<ul style="list-style-type: none">▶ Short-term payments are paid in two tranches: 60% in October and 40% in February the following year.
Long term: deferred remuneration	<ul style="list-style-type: none">▶ This is invested in either Coronation unit trusts or in listed Coronation shares, which are always purchased on the market.▶ This ensures alignment of executive directors' interests with the interests of shareholders and clients – a key area of focus for asset management firms.▶ This vests over multiple periods, the durations of which are comparatively high. The vesting periods range from 1^{1/4} years (15 months) and 4^{1/4} years (51 months), and the final tranche (50%) vests at the end of the period. This tranche consists predominantly of Coronation shares.▶ The final tranche (50%) is forfeited in the event that Coronation shares are sold. This applies to shares bought in an executive director's personal capacity or awarded. This demonstrates Coronation's real commitment to a culture of ownership and is unique in a JSE-listed company.
Long term: restraints of trade and notice period extensions	<ul style="list-style-type: none">▶ In certain instances, the Remuneration Committee will secure notice period extensions or restraint of trade payments.

OTHER

Elements	Outcomes
Malus and clawback	<ul style="list-style-type: none">▶ Malus applies to all variable remuneration received in the form of cash and deferred remuneration.▶ Clawback applies to all previously vested deferred remuneration and cash payments. Clawback is 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 in the event of a broad range of transgressions, including:<ul style="list-style-type: none">› information used to measure performance was inaccurate;› failure to disclose information that could result in a breach of regulations or reputational harm;› contravention of the Financial Advisory and Intermediary Services Fit and Proper requirements;› a material breach of any law in the scope of employment;› failure to disclose a material misstatement of the Company's financial position; and› failure to disclose that annual financial results do not properly reflect the Company's financial position.

OTHER (CONTINUED)

Elements	Outcomes
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 for relocation costs or to make good on any loss of benefit or obligation that arises from resignation from a previous employer.

Remuneration governance

The Coronation Board 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, fair and responsible, while aligning to the principles of the King IV™ Report on Corporate Governance for South Africa.

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. The Remuneration Committee Charter is available on www.coronation.com.

Remuneration allocations are calculated using a combination of quantitative and qualitative criteria. The process is as holistic as possible and aims to balance the performance of the individual with that of the broader organisation.

The Remuneration Committee is composed of non-executive directors only. It is chaired by Dr Hugo Nelson and other members include Board Chairperson Prof Alexandra Watson and Mr Neil Brown. As such, significant skills and institutional and industry experience are applied to the decision-making process when the committee considers the allocations submitted for approval. The CEO is invited to attend the meetings.

The Remuneration Policy and Implementation Report are tabled at Coronation's AGM for a separate non-binding advisory vote by Coronation shareholders.

Policy review

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.

Coronation's Remuneration Policy is available on www.coronation.com.

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. The Remuneration Committee ensured that the Remuneration Policy achieved its objectives in the current year, and it was implemented without any deviations.

Executive directors' performance

Executive directors are considered each year for discretionary variable remuneration determined by Company and personal performance based on a range of qualitative and quantitative key performance indicators (KPIs) as reflected in each executive director's performance assessment.

Individual KPIs of each executive director are approved at the beginning of each year, with a weighting allocated at a category level as reflected in their individual appraisals that follow.

It should be noted that weightings have been assigned to provide an indication 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.

In assessing the performance of the executive directors, the Remuneration Committee considered the Company's performance, relative to its five strategic focus areas (→ as outlined on [page 23](#)).

Minimum shareholding requirements

Executive directors are encouraged to build up and maintain a shareholding in the Company. The minimum shareholding for the CEO is 1000% of his fixed salary and the incumbent is required to meet this target within five years. The CEO currently exceeds the minimum shareholding target. The CEO has never sold any of his shares, ensuring alignment with shareholders' and Company values.

As the CFO is a new appointment, her shareholding is currently below the CFO minimum target of 300% of her fixed salary. She is required to build up a shareholding in the Company to meet the target within the next five years. Deferred remuneration allocations typically include shares and therefore contribute to increasing executive director ownership.

The Remuneration Committee considered qualitative and quantitative factors across the range of areas detailed above and, to assist in understanding their decision-making process, their assessment of performance is summarised on → [pages 118 and 120](#).

2021 CEO performance assessment

Mr Anton Pillay

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

Reporting to the Board, CEO Anton Pillay leads Coronation in the daily running of the Company. Assessing his performance against KPIs and qualitative measures, the Remuneration Committee decided on an allotment from the variable remuneration allocation. In the current year, his remuneration increased by 24% from the previous reporting period, demonstrating a strong alignment between his remuneration and the experience of the Company's shareholders.

SINGLE FIGURE REMUNERATION



His total remuneration was determined after taking into account the outcome of his performance against 2021 KPIs.

The key outcomes are as follows:

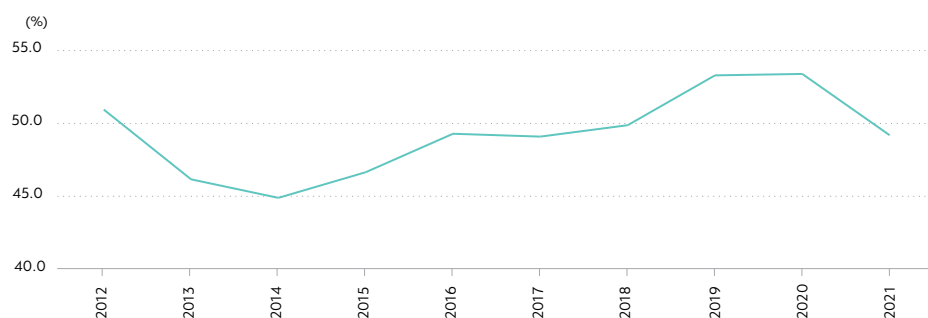
Strategy and values (20%) ●

- Sustained the culture and values of the business in the Covid-19 environment. Ownership culture entrenched by employees owning 25% of the business.
- Ensured below-industry turnover among senior employees and stable employee turnover across the business at 4.4%. In addition, no Covid-19-related retrenchments or furloughs took place in the current year.
- Upheld Coronation's strong brand and reputation through effective marketing campaigns.
- Extended Coronation's global franchise in a challenging environment. International AUM increased by 11% in USD terms.

Operational (30%) ●

- Successfully preserved operational effectiveness through the challenging period. Underpinned by enabling 100% of operational employees to have remote working capability and a seamless client experience.
- Implemented various actions to ensure the health and safety of our employees and clients.
- Successfully implemented strategic IT-related systems and web upgrades.
- Cost management continually driven across the business, and cost-saving culture continually emphasised and embedded:
 - › continued the Company's track record of delivering market-leading cost metrics;
 - › industry-leading operational cost-to-income and cost-to-AUM ratios of 49.4% and 0.14%, respectively; and
 - › three-year compound annual growth rate of 6% on fixed expenses.

COST-TO-INCOME RATIO



- › Delivered continued long-term investment performance with an improvement in short-term performance (relative to mandate benchmarks):
 - › 95% of institutional funds have outperformed their benchmarks since inception; and
 - › 89% of the assets entrusted to our rand-denominated fund range are invested in funds that produced first quartile performance in their respective peer groups over the past 10 years.

Governance (20%) ●

- › Remained compliant with regulatory requirements across all jurisdictions.
- › Maintained strong communication and relationships with key clients and stakeholders.
- › Continued the focus on ESG factors and sustainability reporting.
- › Managed the transformation objectives for the Group.

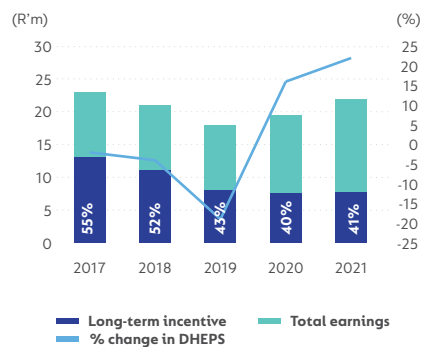
Clients and stakeholders (30%) ●

- › Continued regular and meaningful engagements with clients, regulators and stakeholders throughout the year.
- › An increase in diluted headline earnings per share of 22% in 2021.

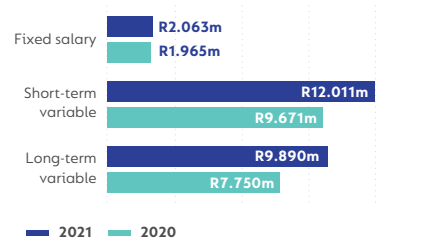
After considering the above, the Remuneration Committee allocated the CEO short and long-term variable remuneration. The long-term allocation is invested in Coronation shares and unit trusts with 50% vesting equally over the first 3^{1/4} years (39 months) and the balance at the end of 4^{1/4} years (51 months).

The CEO has a permanent employment contract, with a notice period of 12 months and a 12-month paid restraint of trade.

CEO SINGLE FIGURE REMUNERATION HISTORY



REMUNERATION OUTCOME



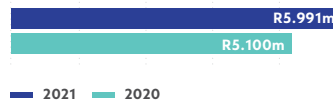
* On an asset-weighted basis; since inception figure refers to strategies with a 10-year+ track record.

2021 CFO performance assessment

Ms Mary-Anne Musekiwa
BCom, HDip Tax, CA(SA)

Reporting to the CEO, CFO Mary-Anne Musekiwa is responsible for finance and governance across the Company. Assessing her performance against KPIs and qualitative measures, the Remuneration Committee approved the discretionary variable remuneration allocation.

SINGLE FIGURE REMUNERATION



As her award opportunity is determined by her individual performance assessment and is also directly aligned with the profitability of the Company and shareholders, we believe mechanistic minimum, on-target and maximum performance outcomes are not applicable. Her total remuneration was determined after taking into account the outcome of her performance against 2021 KPIs.

The key outcomes are that she:

Strategy and values (20%) ●

- Maintained an effective financial operating model and sound controls of the Group, including sound balance sheet management and kept required statutory levels of capital and liquidity across subsidiaries. No breaches throughout the year.
- Focused on employee wellbeing during the Covid-19 pandemic, as well as the transfer of knowledge and embedding of restructured team roles to mitigate key person risk.
- Unlocked efficiencies and benefits from digitisation of accounting processes.

Operational (35%) ●

- Effectively managed cash resources, forex and the balance sheet.
- Ensured that Coronation's cost-to-income and cost-to-AUM ratios continue to outperform leading local and international competitors:
 - › Three-year compound annual growth rate of 6% on fixed expenses;
 - › Industry-leading operational cost-to-income and cost-to-AUM ratios of 49.4% and 0.14%, respectively, and;
 - › Increase in fixed expenses of 5% year on year, inline with inflation.
- Executed unqualified audits across the Group during the financial year and facilitated smooth transition to new auditors appointed in 2021 despite the remote environment.
- Maintained robust and efficient tax compliance.

Governance (25%) ●

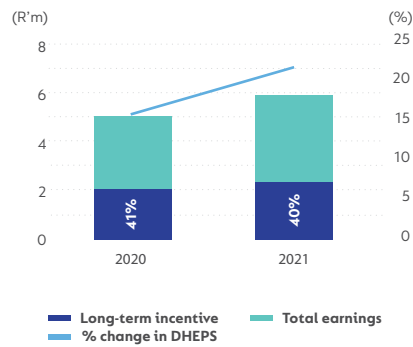
- Implemented the Audit Committee audit firm rotation process.
- Ensured compliance with regulatory requirements across all jurisdictions.
- Completed the Coronation carbon footprint exercise and supported corporate ESG initiatives. Achieved a net-zero position through our carbon reduction and carbon offset initiatives.
- Improved the B-BBEE scorecard.

Clients and stakeholders (20%) ●

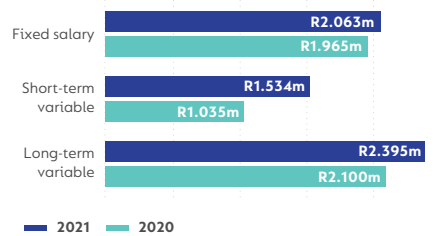
- Developed strong relationships with various key stakeholders.
- Delivered an increase in diluted headline earnings per share of 22%.

After considering the above, the Remuneration Committee allocated the CFO short and long-term variable remuneration. The long-term allocation is invested in Coronation shares and unit trusts with 50% vesting equally over the first 3^{1/4} years (39 months) and the balance at the end of 4^{1/4} years (51 months).

CFO SINGLE FIGURE REMUNERATION HISTORY



REMUNERATION OUTCOME



The CFO has a permanent employment contract with a six-month notice period.

Non-executive directors

Non-executive directors of Coronation received an annual fixed fee and an attendance fee for Board and subcommittee meetings, as contained in a resolution that was subject to shareholder approval in 2021. They do not participate in any of the remuneration structures addressed in this Policy document or receive share options.

2021 FEES PAID TO THE NON-EXECUTIVE DIRECTORS

Non-executive directors	Basic fee R'000	Board meetings R'000	Audit ¹	Audit ¹	Risk ¹	Remuneration and Nominations	SET	Total 2021 R'000	Total 2020 R'000
			Committee meetings R'000	Committee meetings R'000	Committee meetings R'000	Committee meetings R'000	Committee meetings R'000		
Shams Pather	135	386	71			269		861	1 250
Alexandra Watson	162	638	243	36		311	147	1 537	1 256
Judith February	162	442	71	36			179	890	844
Jock McKenzie	122	221	147			221		711	989
Lulama Boyce	141	384	128	78	64			795	679
Madichaba Nhlumayo	141	384	62	64	64		128	843	647
Hugo Nelson	162	442	147	74	74	343		1 242	1 035
Neil Brown	134	384	62	31		192		803	
Phakamani Hadebe	134	384	62	31				611	
Saks Ntombela	134	411	62	64	78			749	
Total	1 427	4 076	1 055	414	280	1 336	454	9 042	6 700

¹ As of 10 August 2021, the Audit and Risk Committee was separated into two committees, namely the Audit Committee and the Risk Committee, and separate meetings held.

In preparation for the 2022 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.

We engaged with PwC to assess whether our fee structure is still appropriate. Its assessment found that the majority of South African listed companies make use of an annual fixed fee structure for non-executive directors. We have therefore proposed a change to the fee structure for 2022, whereby directors will receive a fixed fee for Board and subcommittee membership. As a result, no meeting attendance fees will be payable to any non-executive directors. 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.

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