TSOGO SUN

Notice of annual general meeting 2019

50 YEARS

OF HOSPITALITY & ENTERTAINMENT

Contents

Summarised consolidated financial statements

1 BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 March 2019 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa applicable to summarised consolidated financial statements. The Listings Requirements require summarised consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. Chief Financial Officer, RB Huddy CA(SA), supervised the preparation of the summarised consolidated financial statements. The accounting policies applied in the preparation of the audited consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements as at 31 March 2018 unless otherwise noted below. The summarised consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2019 which were approved by the board on 25 July 2019 and are available online or can be requested from the Company Secretary. The summarised consolidated annual financial statements are extracted from audited information, but are not themselves audited. The unmodified audit report of PricewaterhouseCoopers Inc ('PwC')., the independent auditors, on the consolidated annual financial statements for the year ended 31 March 2019, dated 25 July 2019, is available for inspection at the registered office of the company and is included in the audited annual financial statements available online.

2 CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

New and amended standards adopted by the group

The group has adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the group from 1 April 2018, the significant accounting pronouncements being:
– IFRS 9 *Financial Instruments*; and
– IFRS 15 *Revenue from Contracts with Customers*.

The adoption of IFRS 9 and IFRS 15 was applied retrospectively without restating comparative figures. There was no material impact identified on the group's financial statements and therefore the group's opening retained income has not been adjusted. The impact of these new standards is discussed below. No other pronouncements had any material impact on the group.

2.1 IFRS 9 *Financial Instruments*

The adoption of IFRS 9 with effect from 1 April 2018 resulted in changes in accounting policies and had no material impact on the group's financial statements.

Classification and measurement

Investments in unlisted equity instruments were previously classified as available-for-sale financial assets. The group has elected to measure these equity instruments at fair value through other comprehensive income ('FVOCI') in terms of IFRS 9 as these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of R1.275 billion were reclassified from available-for-sale financial assets to financial assets at FVOCI and the fair value reserve of R9 million was reclassified from the available-for-sale financial assets reserve to the FVOCI reserve on 1 April 2018. These reclassifications had no impact on the measurement of these assets. This designation to FVOCI is irrevocable from date of transition and the FVOCI reserve will not be recycled to profit or loss.

The majority of financial assets held by the group include debt instruments being loan receivables, trade and other receivables and cash and cash equivalents which continue to qualify for measurement at amortised cost under IFRS 9 because they are held to collect contractual cash flows comprising principal and interest, therefore there is no change to the accounting for these assets.

2 CHANGE IN SIGNIFICANT ACCOUNTING POLICIES continued

2.1 IFRS 9 *Financial Instruments* continued

Classification and measurement continued

There was no impact on the group's retained earnings due to the aforementioned changes in the classification and measurement of equity instruments, loan receivables, trade and other receivables or cash and cash equivalents as at 1 April 2018. The main effects of this reclassification are as follows:

	31 March 2018 as previously reported Rm	IFRS 9 Rm	**1 April 2018 under IFRS 9 Rm**
Balance sheet extract			
Non-current assets			
Available-for-sale financial assets	1 275	(1 275)	**–**
Financial assets at FVOCI	–	1 275	**1 275**
Other reserves extract			
Other reserves			
Available-for-sale investments fair value reserve	(9)	9	**–**
Financial assets at FVOCI reserve	–	(9)	**(9)**

Hedge accounting

The new hedge accounting rules align the accounting for hedging instruments more closely with the group's risk management practices and the group's interest rate swaps in place at 31 March 2018 continue to qualify as cash flow hedges upon the adoption of IFRS 9, having no material impact on the group's previously reported financial statements.

Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 *Financial Instruments: Recognition and Impairment*, and in accordance with the new requirements, the group now applies the IFRS 9 simplified approach to measuring expected credit losses ('ECL') which uses a lifetime expected loss allowance for trade receivables measured at amortised cost. The balance of the group's financial assets measured at amortised cost are loan receivables and cash and cash equivalents to which the general model is applied. The group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets and no material impact was identified on adoption or at the reporting date.

At the reporting date, trade receivables totalled R115 million and are provided for R13 million. The group measures the loss allowance for trade receivables by applying a provision matrix which is prescribed by IFRS 9 as mentioned above. These lifetime expected credit losses are estimated using a provision matrix. Trade receivables are categorised into respective characteristics, namely geographical and business type and the provision matrices have been developed by making use of judgement, past default experience of debtors but also incorporate forward looking information such as general economic conditions of the industry as at the reporting date. The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9.

Loan receivables consists of site operator loans and advances of R120 million (2018: R103 million). The loss allowance recognised during the period is based on the general model. This takes into account probability of default, loss given default and exposure at default. Loss allowances are based on a 12-month ECL for performing loans and lifetime ECL for underperforming and non-performing loans. The ECL at 31 March 2019 is R39 million. Each loan is advanced, monitored and provided for on an individual basis. The creation of the provision is offset by the release of provisions for impaired receivables and has been included in other expenses in the income statement.

The closing loss allowance for site operator loan receivables at 31 March 2019 reconciled to the opening loss allowance as follows:

	2019 Rm	2018 Rm
At 1 April	**30**	31
Increase in loss allowance as calculated under IFRS 9	**–**	–
At 1 April calculated under IFRS 9	**30**	31
Provision for receivables impairment	**10**	1
Written off as uncollectable	**(1)**	(2)
At 31 March	**39**	30

2 CHANGE IN SIGNIFICANT ACCOUNTING POLICIES continued

2.2 IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. The group adopted IFRS 15 from 1 April 2018 which resulted in changes in accounting policies. The group derives revenue over time with the exception of food and beverage which is derived at a point in time, together with its hotel customer reward programmes for which revenue is recognised as rewards are recognised as they are redeemed or expire. The group has no contract assets. The table on page 19 presents revenue by segment which excludes gaming win and other income which are included in the segmental analysis. The adoption of IFRS 15 did not have a material impact on the group's revenue recognition and no change has been made to the group's opening retained income. In terms of IFRS 9, betting transactions concluded under gaming operations meet the definition of derivatives and therefore income from gaming operations represents the net position arising from financial instruments and is accounted for in terms of IFRS 9.

3 RESTATEMENT OF PRIOR YEAR RESULTS

3.1 Discontinued operations

With reference to the SENS announcement published on 15 March 2019 and the prelisting statement published on 23 May 2019, on 14 March 2019 the Tsogo Sun Holdings Limited ('Tsogo Sun') board approved the separation of Tsogo Sun Hotels Limited ('THL') (previously Southern Sun Hotels Proprietary Limited) from Tsogo Sun so that THL will be an independent, publicly traded company. The separation was achieved by way of Tsogo Sun unbundling its entire THL shareholding to Tsogo Sun shareholders registered as such in the Tsogo Sun register at the close of business on the record date, Friday, 14 June 2019, by way of a distribution in specie to Tsogo Sun shareholders of one THL share for every Tsogo Sun share held, reflected as being held by that Tsogo Sun shareholder on the record date. The unbundling was effected in terms of section 46 of the Companies Act and otherwise on the terms and conditions set out in the Tsogo Sun SENS announcement dated 23 May 2019 and the prelisting statement. The JSE agreed to the listing of the entire issued share capital of THL in the "Travel and Leisure" sector on the main board of the JSE with effect from the commencement of trade on Wednesday, 12 June 2019, subject to the declaration of the distribution for the purposes of the unbundling. As of the distribution date, Tuesday, 18 June 2019, Tsogo Sun and THL are independent public companies, the shares of which are listed on the JSE and have separate public ownership, boards of directors and management.

At the time of the unbundling, all intercompany loan balances, which are not in the ordinary course of business, will be settled between Tsogo Sun and THL, including the treasury loan owing by THL to Tsogo Sun. The remaining intercompany balances incurred in the ordinary course of business are not material.

Therefore, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the respective assets and liabilities of THL have been presented as held for distribution to owners, the profits from the discontinued operations have been disclosed separately and the prior year income statement, statement of other comprehensive income, cash flow statement and respective notes, have been restated.

Profit attributable to discontinued operations for the year ended 31 March	**2019 Rm**	2018 Rm
Revenue	**4 389**	4 364
Expenses	**(3 038)**	(2 821)
Fair value adjustment of investment properties	**(445)**	(187)
Property rentals	**(208)**	(189)
Amortisation and depreciation	**(306)**	(269)
Operating profit	**392**	898
Net finance costs	**(417)**	(480)
Share of profit of associates and joint venture	**15**	55
(Loss)/profit before tax	**(10)**	473
Income tax (expense)/credit	**(49)**	187
(Loss)/profit for the year from discontinued operations	**(59)**	660

3 RESTATEMENT OF PRIOR YEAR RESULTS continued

3.1 Discontinued operations continued

The carrying amount of assets and liabilities classified as held for distribution to owners as at 31 March 2019:	2019 Rm
Non-current assets	
Property, plant and equipment	**7 684**
Investment properties	**4 881**
Goodwill and other intangible assets	**405**
Investments in associates and joint ventures	**608**
Non-current receivables	**7**
Derivative financial instruments	**2**
Deferred income tax assets	**71**
Current assets	
Inventories	**46**
Trade and other receivables	**516**
Current income tax assets	**4**
Cash and cash equivalents	**407**
Total assets classified as held for distribution to owners	**14 631**
Long-term liabilities	
Interest-bearing borrowings	**2 885**
Derivative financial instruments	**2**
Deferred income tax liabilities	**228**
Provisions and other liabilities	**276**
Current liabilities	
Interest-bearing borrowings	**485**
Trade and other payables	**755**
Current income tax liabilities	**102**
Total liabilities classified as held for distribution to owners	**4 733**

Net cash flows attributable to discontinued operations for the year ended 31 March:	2019 Rm	2018 Rm
Net cash generated from operating activities	**524**	562
Net cash utilised for investment activities	**(479)**	(736)
Net cash generated by financing activities	**29**	114
Net cash generated by/(utilised for) discontinued operations	**74**	(60)

3 RESTATEMENT OF PRIOR YEAR RESULTS continued

3.2 Prior year restatement

During the year under review, the group established that its subsidiary, Vukani which was acquired during the prior year, had treated the share of net gaming win paid to site owners in its limited payout operations incorrectly in the prior period. Net gaming win was previously recognised net of payments made to site owners in respect of their share of net gaming win and certain costs recovered reflected in revenue on the basis that Vukani was considered to be the agent in these transactions. During the current year, on reflection, it was ascertained that Vukani is the principal in these transactions and therefore the items netted should be reflected on a gross basis. To correctly reflect the nature of the net gaming win share paid to site owners and certain costs recovered from these parties, the following restatement to the prior year results has been recognised:

Income statement	31 March 2018 Restated Rm
Increase in net gaming win	184
Decrease in other revenue	(3)
Increase in gaming levies and VAT	(23)
Increase in other operating expenses (mainly site owner commissions)	(158)
Net	–

This correction had no effect on operating profit, headline or adjusted headline earnings. No restatement to equity opening balances is required.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Other than IFRS 16 *Leases* (as noted below), the group does not anticipate that any standards or amendments to existing standards that have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2019 or later periods, which the group has not early adopted, would have a material impact on the group.

IFRS 16 *Leases*

IFRS 16 must be applied for financial years commencing on or after 1 January 2019. The group will apply the new standard from 1 April 2019.

The standard will affect the way the group accounts for its operating leases being mostly property, plant and equipment (including certain gaming machines) and the Sandton Convention Centre included in continuing operations and some hotel property leases included in held for distribution operations (note 3.1), where the group is the lessee. At 31 March 2019, the group's outstanding commitments under non-cancellable operating lease agreements amounted to R2.5 billion, on an undiscounted basis. Of these commitments, approximately R22 million relate to short-term leases and R7 million to low-value leases which will both be recognised on a straight-line basis as operating leases in profit or loss.

	Continuing operations Rm	Held for distribution Rm
For the remaining lease commitments as at 1 April 2019, the group expects:		
Right-of-use assets recognised	**333**	**712**
Lease liabilities to be recognised	**569**	**950**
Deferred tax assets thereon	**66**	**68**

Where the group is the lessee, the group intends to apply the simplified transition approach and will not restate comparative amounts for the first year of adoption. Per IFRS 16, right-of-use assets will be measured on transition as if the new rules had always been applied discounted using the respective incremental borrowing rates. The group will apply the practical expedient per IFRS 16 C3 in that the IFRS 16 definition of a lease would only be applied to assess whether contracts entered into after the date of initial application (1 April 2019) are, or contain, leases. The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. All contracts previously assessed not to contain leases will not be reassessed. The group will also apply the recognition exemptions for short-term leases (a lease that, at the commencement date, has a lease term of 12 months or less) and leases of low-value items (mainly small items of office equipment and furniture).

Where the group is the lessor, it is not required to make any adjustments on transition for leases in which it is a lessor, however, there may be additional disclosures with effect from 1 April 2019.

5 FAIR VALUE ESTIMATION

The group fair values its investment properties (categorised as level 3 values), FVOCI investments (categorised as level 3 values) and its interest rate swaps (categorised as level 2 values). There were no transfers into or out of level 3 financial instruments, other than as shown below.

5.1 Investment properties

The movement of investment properties for the year is as follows:	31 March 2019 Rm	31 March 2018 Rm
Opening net carrying amount	**5 255**	4 969
Acquisition and development of investment properties	**189**	471
Fair value adjustments recognised in profit or loss in continuing operations	**(8)**	(4)
Fair value adjustment recognised on discontinued operations	**(445)**	(187)
Transfer of owner occupied property	**310**	–
Transfers from held for sale	**66**	–
Acquisition of subsidiary	**–**	6
Reclassification to held for distribution to owners (note 3.1)	**(4 881)**	–
Closing net carrying amount	**486**	5 255

The group's investment properties have been categorised as level 3 values based on the inputs to the valuation technique used. The group has elected to measure investment properties at fair value. The fair value of the group's investment properties were independently valued at 31 March 2019 by professionally qualified valuers having the relevant experience.

The fair value of the group's investment property reclassified as held for distribution is determined by using the discounted cash flow method by discounting the rental income (based on expected net cash flows of the underlying hotels) after considering the capital expenditure requirements. The expected cash flows are discounted using an appropriate discount rate. The core discount rate is calculated using the R186 (long bond) at the time of valuation, to which is added premiums for market risk and equity and debt costs. The discount rate takes into account a risk premium associated with the local economy as well as that specific to the local property market and the hotel industry.

As at 31 March 2019 the significant unobservable inputs were as follows:
– a weighted average rental growth rate of 5.25% (2018: 5.0%);
– a terminal capitalisation rate of 7.25% – 7.75% (2018: 7.23% – 8.07%); and
– a risk-adjusted discount rate of 12.50% – 13.00% (2018: 12.23% – 13.07%).

Material adverse changes to the valuations are due to the material change in rental income, largely due to the change in sentiment, mainly in Cape Town, stemming from the drought and the impact this had on the summer season in Cape Town, as well as the lower domestic corporate business which collectively impacted negatively on hotel occupancy levels.

The table below indicates the sensitivities of the aggregate investment property portfolio by increasing or decreasing value inputs as follows:

	2019		2018	
	Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
5% change in the net cash flows	**274**	**(247)**	282	(283)
25bps change in the terminal capitalisation rate	**(114)**	**123**	(121)	128
50bps change in the discount rate	**(91)**	**94**	(373)	326

The fair value has been determined using capitalised values of the projected rental income together with the assessment of development land. Vacancies have been considered based on the historical and current vacancy factors as well as the nature, location, size and popularity of the properties.

As at 31 March 2019 the significant unobservable inputs were as follows:
– capitalisation rate applied to rental income of 9%; and
– vacancy rate applied between 0% and 10%.

Inter-relationship between key unobservable inputs and fair value measurement as follows:
The estimated fair value would increase/(decrease) if:
– expected rental income were higher/(lower);
– expected vacancy rate was lower/(higher); and
– the capitalisation rate was lower/(higher).

5 FAIR VALUE ESTIMATION continued

5.1 Investment properties continued

The table below indicates the sensitivities of the remaining aggregate investment property portfolio by increasing or decreasing value inputs as follows:

	2019		2018	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
1% change in the capitalisation rate	**(41)**	**51**	(6)	7

The Pivot office building was previously classified as owner occupied property in line with IAS 16 *Property, Plant and Equipment*. This application was made on the basis that the building was significantly occupied by entities within the group. During the year under review, the owner occupation has reduced substantially and the building is no longer considered to be owner occupied. The property was transferred from property, plant and equipment to investment properties and, in accordance with IAS 16 and IAS 40 *Investment Property*, the property was revalued through OCI to fair value before being transferred as shown in the statement of other comprehensive income.

5.2 Financial asset at FVOCI

During the 2017 financial year, aligned with the group's desire to increase its exposure in the Western Cape province, the group entered into a transaction with Sun International Limited ('SI') and Grand Parade Investments Limited ('GPI') for the acquisition of a 20% equity interest in each of SunWest International Proprietary Limited ('SunWest') and Worcester Casino Proprietary Limited ('Worcester'). The group has pre-emptive rights but no representation on the board of directors of either company and has no operational responsibilities. The group also has no access to any information regarding the companies except for that to which it has statutory rights as a shareholder. These investments are classified as level 3 fair value measurements and have been accounted for as financial assets at FVOCI.

At the end of each reporting period the investment is remeasured and the increase or decrease recognised in other comprehensive income. The asset has been remeasured to R1.3 billion at 31 March 2019, a R9 million decrease. A discounted cash flow valuation was used to estimate the fair value. The valuation model considers the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditure taking into account expected growth in gaming win and other revenue generated from non-gaming-related activities. The expected net cash flows are discounted using a risk-adjusted discount rate. Among other factors, the discount rate estimation considers risks associated with the gaming and hospitality industry in which SunWest and Worcester operates.

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester as at 31 March 2019 are shown below. A change in the assumption used for expected gaming win growth is accompanied by a directionally similar *pro rata* change in operating expenditure cost growth:
- expected gaming win growth between 3.1% and 6.8% (2018: 4.3% and 6.3%);
- operating expenditure cost growth between 5.3% and 5.6% (2018: 5.1% and 5.6%);
- risk-adjusted discount rate of 11.5% (2018: 11.3%); and
- long-term growth rate of 5.3% (2018: 5.6%).

The table below indicates the sensitivities for the valuation by increasing or decreasing the above inputs by 1%:

	2019		2018	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
Expected gaming win growth	**502**	**(439)**	281	(260)
Operating expenditure cost growth	**(224)**	**207**	(239)	221
Risk-adjusted discount rate	**(189)**	**263**	(208)	298
Long-term growth rate	**150**	**(108)**	178	(125)

5.3 SI put option

In terms of the acquisition agreement of the SunWest and Worcester interests mentioned above, in the event that any party acquires 35% or more of the issued ordinary shares of SI triggering a change in control of the SI group, the group may elect to put its equity interests in SunWest and Worcester to SI. SI can elect to either settle the put by the issue of new ordinary shares in SI and/or for a cash consideration, based on the aggregate value of Tsogo Sun's interest in SunWest and Worcester. No derivative has been recognised as the fair value of the option is Rnil at 31 March 2019 (31 March 2018: Rnil).

5.4 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a net liability of R68 million (31 March 2018: liability of R135 million) and is calculated as the present value of the estimated future cash flows based on observable yield curves, which is consistent with the prior year. The group's derivatives at 31 March 2019 are all effective.

6 BUSINESS COMBINATIONS

Acquisition of intellectual property rights to the Golden Island Casino LPMs

Vukani concluded agreements with TAB-Austria ('TAB') to acquire the intellectual property rights to the Golden Island Casino LPMs for Africa, which include the processes, formulae, methods and information controlled and owned by TAB, currently being manufactured by TAB. The effective date was 21 September 2018.

The acquired business ensures business continuation in the event that TAB is no longer in a position to manufacture and maintain such LPMs for whatever reason. The fair value of the net assets acquired is equal to the fair value of the consideration paid at the date of acquisition less deferred tax. The intangible asset, having been identified on this acquisition consisting of the intellectual property, has been accounted for in line with the group's accounting policies, the fair value of the asset acquired was obtained by applying a valuation technique performed on a discounted cash flow basis. The acquired business contributed neither revenue nor earnings to the group for the period to 31 March 2019, the calculation excluding the funding impact of the acquisition and using the group's accounting policies. The fair value of net assets acquired is as follows:

	Rm
Fair value of intangible assets acquired	**49**
Deferred tax liability	**(13)**
Fair value of net assets acquired	**36**
Goodwill arising on acquisition	**13**
Cash consideration paid	**49**
Deferred cash purchase consideration	**(31)**
Cash outflow on acquisition of business – investing activities	**18**

None of the goodwill is expected to be deductible for tax purposes.

7 COMMON CONTROL ACQUISITION

Acquisition of Kuruman from Niveus Investments Limited ('Niveus')

As part of the common control acquisition of certain gaming businesses from Niveus as reported during the prior year, the group paid an amount of R95 million for the purchase of Niveus Invest 1, which owns 60% of the Grand Oasis Casino "Kuruman", from Niveus which required the approvals by the Northern Cape Gambling Board. As these approvals had not been obtained by 31 March 2018, this payment was accounted for as a prepayment. The approval was subsequently obtained on 15 June 2018.

The transaction is deemed to be a transaction under common control and consequently falls outside the scope of IFRS 3 *Business Combinations*. Tsogo Sun's accounting policy is to apply predecessor accounting to common control transactions. Common control accounting is applied as the purchase is from HCI, the company's controlling shareholder and under the predecessor accounting method, assets and liabilities acquired, including goodwill acquired, are recognised at the predecessor values with the difference between the acquisition value and the aggregate purchase consideration recognised as a separate reserve in equity, a "common control" reserve.

The abovementioned acquisition is in keeping with the group's strategy of expanding it's gaming operations. The identifiable assets less liabilities assumed at acquisition date is less than the value of the consideration paid at the date of acquisition, and therefore the group recognised a common control reserve in the statement of changes in equity of R42 million:

	Rm
Property, plant and equipment	**36**
Other intangible assets	**6**
Deferred tax assets	**1**
Other non-current assets	**5**
Cash and cash equivalents	**4**
Other non-current liabilities	**(16)**
Other current liabilities	**(1)**
Total identifiable net assets assumed	**35**
Non-controlling interests	**18**
	53
Less: Purchase consideration in the form of cash paid	**(95)**
Common control reserve arising on transaction	**(42)**
Net cash flow:	
Cash consideration prepaid during prior year to acquire Kuruman (refer note above)	**(95)**
Prepayment allocated to acquisition during current period	**95**
Add: Cash balances acquired with Kuruman	**4**
Net inflow of cash during the period	**4**

8 CHANGES IN INTEREST-BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES

Changes arising from financing activities for the year ended 31 March 2019 related to interest-bearing borrowings, excluding bank overdrafts from short-term borrowings of R1 929 million (2018: R1 575 million), are as follows:

	Long-term borrowings 2019 Rm	Short-term borrowings 2019 Rm	Total Rm
Balance at 1 April 2018	**9 777**	**923**	**10 700**
Borrowings raised	**1 590**	**–**	**1 590**
Borrowings repaid	**–**	**(700)**	**(700)**
Reclassification to short-term	**(1 276)**	**1 276**	**–**
Other	**(19)**	**24**	**5**
Balance at 31 March 2019	**10 072**	**1 523**	**11 595**

	Long-term borrowings 2018 Restated[1] Rm	Short-term borrowings 2018 Restated[1] Rm	Total Rm
Balance at 1 April 2017	9 439	3 399	12 838
Reclassification to held for distribution to owners	(3 069)	(844)	(3 913)
Borrowings raised	3 756	249	4 005
Borrowings repaid	–	(2 229)	(2 229)
Reclassification to short-term	(349)	349	–
Other	–	(1)	(1)
Balance at 31 March 2018	9 777	923	10 700

[1] *Restated for discontinued operations – refer note 3.1*

9 RELATED PARTY TRANSACTIONS

The group had no significant related party transactions during the year under review, other than total dividends paid of R1.1 billion (2018: R495 million) to HCI and controlling entities of HCI during the year, the common control acquisition as mentioned in note 7 and the hotels held for distribution to owners transaction as mentioned in note 3.1.

10 SEGMENT INFORMATION

In terms of IFRS 8 *Operating Segments* the chief operating decision maker has been identified as the group's Chief Executive Officer ('CEO') and the Group Executive Committee ('GEC'). Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements other than the discontinued operations consisting of the South African and offshore hotels divisions – refer note 3.1 and the inclusion of Kuruman Casino in Galaxy with effect from the acquisition date 15 June 2018 – refer note 7. As a result of discontinued operations and the restructuring of the group, the corporate segment has been included with the gaming operations in "other gaming operations".

The group's CEO and GEC assess the performance of the operating segments including the South African and offshore hotel divisions which have been reclassified to discontinued operations (refer note 3.1) based on Ebitdar. The measure excludes the effects of long-term incentives and the effects of non-recurring expenditure. The measure also excludes all headline earnings adjustments, impairments and fair value adjustments on non-current and current assets and liabilities and other exceptional items. Finance income and finance costs are not included in the results for each operating segment as this is driven by the group treasury function which manages the cash and debt position of the group.

11 CAPITAL COMMITMENTS

Capital commitments for maintenance and expansion capital items at its gaming and hotel properties as at 31 March 2019 are as follows:

	Continuing operations Rm	Held for distribution Rm	Total group Rm
Committed by the board of directors	**1 661**	**774**	**2 435**
Contracted for	**277**	**127**	**404**
Anticipated to be spent during the next 12 months	**1 170**	**417**	**1 587**

12 CONTINGENT LIABILITIES

The group had no significant contingent liabilities as at 31 March 2019.

13 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Other than as mentioned below, the directors are not aware of any matter or circumstance arising since the balance sheet date and up to the date of this report that would affect the operations or results of the group significantly.

13.1 Dividend declared and paid

Subsequent to the company's reporting date, on 22 May 2019, the board of directors declared a final gross cash dividend of 56.0 cents per share in respect of the year ended 31 March 2019. The aggregate amount of the dividend, which was paid on 18 June 2019 out of retained earnings at 31 March 2019, not recognised as a liability at the reporting date is R594 million.

13.2 Division of the group into a gaming company, hotel management company and property company

With reference to the SENS announcement published on 15 March 2019 and the prelisting statement published on 23 May 2019, on 14 March 2019 the Tsogo Sun board approved the separation of Tsogo Sun Hotels Limited ('THL') (Previously Southern Sun Hotels (Proprietary) Limited) from Tsogo Sun so that THL will be an independent, publicly traded company. The separation was achieved by way of Tsogo Sun unbundling its entire THL shareholding to Tsogo Sun shareholders registered as such in the Tsogo Sun register at the close of business on the record date, Friday, 14 June 2019, by way of a distribution *in specie* to Tsogo Sun shareholders of one THL share for every Tsogo Sun share held, reflected as being held by that Tsogo Sun shareholder on the record date. The unbundling was effected in terms of section 46 of the Companies Act and otherwise on the terms and conditions set out in the Tsogo Sun SENS announcement dated 23 May 2019 and the prelisting statement. The JSE agreed to the listing of the entire issued share capital of THL in the 'travel and leisure' sector on the main board of the JSE with effect from the commencement of trade on Wednesday, 12 June 2019, subject to the declaration of the distribution for the purposes of the unbundling. As of the distribution date, Tuesday, 18 June 2019, Tsogo Sun and THL are independent public companies, the shares of which are listed on the JSE and have separate public ownership, boards of directors and management.

At the time of the unbundling, all intercompany loan balances, which were not in the ordinary course of business, were settled between Tsogo Sun and THL, including the treasury loan owed by THL to Tsogo Sun. The remaining intercompany balances incurred in the ordinary course of business are not material.

Therefore, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the respective assets and liabilities of THL have been presented as held for distribution to owners, the profits from the discontinued operations have been disclosed separately and the prior year income statement, statement of other comprehensive income and cash flow statement and the respective notes have been restated.

13.3 Cancellation and delisting of 83 632 695 ordinary Tsogo Sun shares

During April 2019 and May 2019, the company cancelled and subsequently delisted 83 632 695 ordinary shares of 2 cents each which were categorised as treasury shares. These shares were held by subsidiary companies of Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited ('TSHG&E') and were received as a dividend in specie by TSHG&E. The company in turn received the shares from TSHG&E, a wholly owned subsidiary of the company, as a dividend *in specie*. The shares cancelled represent 7.3% of the total issued share capital of the company immediately prior to such cancellation. Following the cancellation, the issued share capital of the company will now comprise 1 060 895 712 ordinary shares of 2 cents each, while the number of treasury shares that will continue to be held by the Gold Reef Share Scheme in the company is 408 615 ordinary shares.

13.4 Change of name

Following on from the division of the group into a gaming company, hotel management company and property company as mentioned in note 3.1 and as per the circular distributed to shareholders of Tsogo Sun on 23 May 2019 and the SENS announcements on 24 June 2019 and 28 June 2019, the shareholders of Tsogo Sun approved the change of name of the company to 'Tsogo Sun Gaming Limited' and the company received CIPC approval for the change of name. The listing of, and trading in, shares on the JSE under the new name 'Tsogo Sun Gaming Limited', under share code TSG and ISIN ZAE000273116, commenced on Wednesday, 10 July 2019.

Condensed consolidated income statement

for the year ended 31 March

	Change %	2019 Rm	2018 Restated[(1)] Rm
Continuing operations			
Net gaming win	21	**9 821**	8 124
Rooms revenue	4	**490**	473
Food and beverage revenue	9	**648**	592
Other revenue	(17)	**433**	520
Property rental income	3	**137**	133
Other income[(2)]		**90**	–
Income	18	**11 619**	9 842
Gaming levies and Value Added Tax		**(2 145)**	(1 704)
Property and equipment rentals		**(291)**	(177)
Amortisation and depreciation		**(738)**	(643)
Employee costs		**(2 327)**	(2 096)
Other operating expenses		**(2 981)**	(2 453)
Fair value adjustment of investment properties		**(8)**	(4)
Operating profit	13	**3 129**	2 765
Finance income		**333**	332
Finance costs		**(1 144)**	(1 010)
Share of profit of associates and joint ventures		**7**	8
Profit before income tax		**2 325**	2 095
Income tax expense		**(644)**	(597)
Profit for the year from continuing operations		**1 681**	1 498
(Loss)/profit for the year from discontinued operations (note 3.1)		**(59)**	660
Profit for the year		**1 622**	2 158
Profit attributable to:			
Equity holders of the company		**1 562**	1 971
Non-controlling interests		**60**	187
		1 622	2 158
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)			
From continuing operations		**155.0**	148.6
From discontinued operations		**(7.4)**	49.7
Basic and diluted earnings per share (cents)	(26)	**147.6**	198.3
Number of shares in issue (million)		**1 056**	1 059
Weighted average number of shares in issue (million)		**1 058**	994

(1) Restated for discontinued operations – refer note 3.1 and reallocation between gaming win, other income, gaming VAT and LPM site owners' commissions – refer note 3.2

(2) On transition of IFRS 15 dividend income has been removed from revenue arising from contracts with customers and reclassified to other income. Prior year dividend income included with other revenue and not reclassified upon adoption of IFRS 15 amounts to R86 million

Condensed consolidated statement of comprehensive income

for the year ended 31 March

	2019 Rm	2018 Restated[1] Rm
Profit for the year	**1 622**	2 158
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	**217**	(145)
Cash flow hedges – continuing operations	**61**	(79)
Cash flow hedges – discontinued operations	**4**	(4)
Currency translation adjustments on discontinued operations	**170**	(86)
Available-for-sale investment fair value adjustment – continuing operations	**–**	3
Income tax relating to items that may subsequently be reclassified to profit or loss	**(18)**	21
Items that may not be reclassified subsequently to profit or loss:	**96**	3
Gains on revaluation of owner occupied property reclassified to investment property – continuing operations	**130**	–
Equity instruments at FVOCI fair value adjustment – continuing operations	**(9)**	–
Remeasurements of post-employment defined benefit liability in discontinued operations	**3**	4
Income tax relating to items that may not subsequently be reclassified to profit or loss	**(28)**	(1)
Total comprehensive income for the year	**1 935**	2 016
Total comprehensive income attributable to:		
Equity holders of the company	**1 873**	1 830
Non-controlling interests	**62**	186
	1 935	2 016
Total comprehensive income attributable to equity holders:		
Continuing operations	**1 778**	1 422
Discontinued operations	**95**	408
	1 873	1 830

[1] Restated for discontinued operations – refer note 3.1

Supplementary information

for the year ended 31 March

	Change %	2019 Rm	2018 Restated[1] Rm
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings			
Profit/(loss) attributable to equity holders of the company			
Continuing operations		**1 640**	1 477
Discontinued operations		**(78)**	494
(Less)/add: continuing operations' adjustments			
(Gain)/loss on disposal of property, plant and equipment		**(1)**	2
Impairment of property, plant and equipment		**21**	68
Fair value adjustment of investment properties		**8**	4
Impairment of goodwill		**–**	20
Impairment of casino licences and bid costs (intangibles)		**1**	92
Impairment of equity loan to associate		**–**	7
Total tax effects of adjustments		**(7)**	(31)
Add/(less): discontinued operations' adjustments			
Adjustments from discontinued operations[2]		**541**	188
Total tax and NCI effects of adjustments		**(207)**	(76)
Share of associates' headline earnings adjustments		**10**	(7)
Headline earnings	(14)	**1 928**	2 238
Add/(less): continuing operations' adjustments			
Other exceptional items included in operating profit		**41**	4
Total tax effects of adjustments		**(6)**	(3)
Total NCI effects of adjustments		**(4)**	–
Add/(less): discontinued operations' adjustments			
Other exceptional items[2]		**40**	53
Early debt settlement costs		**–**	3
Total tax and NCI effects of adjustments		**(13)**	(14)
Deferred tax derecognised		**5**	(307)
Share of associates' exceptional items		**(1)**	(8)
Adjusted headline earnings	1	**1 990**	1 966
Allocated as follows:			
Continuing		**1 693**	1 640
Discontinued		**297**	326
Number of shares in issue (million)		**1 056**	1 059
Weighted average number of shares in issue (million)		**1 058**	994
Basic and diluted headline earnings per share (cents):			
– Total group		**182.2**	225.2
– Continuing operations		**157.1**	164.9
– Discontinued operations		**25.1**	60.3
Basic and diluted adjusted headline earnings per share (cents):			
– Total group		**188.1**	197.8
– Continuing operations		**160.0**	165.0
– Discontinued operations		**28.1**	32.8

(1) Restated for discontinued operations – refer note 3.1

(2) Refer exceptional losses net of gains for discontinued operations on page 14

Supplementary information continued

for the year ended 31 March

Reconciliation of operating profit to Ebitdar[2]

Ebitdar pre-exceptional items are made up as follows:	Change %	Continuing operations 2019 Rm	Continuing operations 2018 Restated[1] Rm	Discontinued operations 2019 Rm	Discontinued operations 2018 Restated[1] Rm
Operating profit		**3 129**	2 765	**392**	898
Add/(less):					
Property rentals		**132**	93	**208**	189
Amortisation and depreciation		**738**	643	**306**	269
Long-term incentive expense/(credit)		**3**	(17)	**3**	(7)
		4 002	3 484	**909**	1 349
Add: Exceptional losses net of gains		**29**	193	**541**	188
(Gain)/loss on disposal of property, plant and equipment		**(1)**	2	**3**	–
Impairment of property, plant and equipment		**21**	68	**93**	–
Fair value adjustment of investment properties		**8**	4	**445**	187
Fair value adjustment of non-current assets held for sale		**–**	–	**–**	1
Impairment of goodwill		**–**	20	**–**	–
Impairment of casino licences and bid costs (intangibles)		**1**	92	**–**	–
Impairment of equity loan to associate		**–**	7	**–**	–
Other adjustments		**41**	4	**40**	53
Fair value adjustment on interest rate swaps		**–**	1	**(2)**	1
Share-based payment charge for NCIs		**9**	–	**–**	–
Impairment of financial instruments, net of recoveries		**–**	(34)	**–**	–
Pre-opening costs		**–**	–	**1**	19
Restructuring costs (including termination benefits)		**16**	33	**7**	5
Transaction costs		**16**	19	**34**	13
Management additional recharge to discontinued operations		**–**	(15)	**–**	15
Ebitdar	11	**4 072**	3 681	**1 490**	1 590

[1] *Restated for discontinued operations – refer note 3.1*

[2] *The measure excludes the effects of long-term incentives, non-recurring expenditure, headline earnings adjustments including impairments and fair value adjustments on non-current and current assets and liabilities and other exceptional items*

Condensed consolidated cash flow statement

for the year ended 31 March

	2019 Rm	2018 Restated[1] Rm
Cash flows from operating activities		
Operating profit	**2 325**	2 095
Non-cash movements	**1 787**	1 713
Decrease in working capital	**(343)**	(685)
Cash generated from operations	**3 769**	3 123
Finance income	**323**	332
Finance costs	**(1 137)**	(1 010)
	2 955	2 445
Income tax paid	**(559)**	(586)
Dividends paid to shareholders	**(2 137)**	(1 015)
Dividends paid to non-controlling interests	**(19)**	(2)
Dividends received	**98**	88
Cash flows from operating activities – discontinued operations	**524**	562
Net cash generated from operating activities	**862**	1 492
Cash flows from investment activities		
Purchase of property, plant and equipment – expansionary	**(912)**	(367)
Purchase of property, plant and equipment – replacement	**(541)**	(431)
Proceeds from disposals of property, plant and equipment	**9**	7
Additions to investment properties	**(30)**	(26)
Purchase of intangible assets	**(17)**	(11)
Common control acquisitions, net of cash acquired	**4**	(1 542)
Acquisition of business – intellectual property	**(18)**	–
Loans repaid by associates	**4**	–
Net cash utilised for investment activities – discontinued operations	**(479)**	(736)
Net cash utilised for investment activities	**(1 980)**	(3 106)
Cash flows from financing activities		
Borrowings raised	**1 590**	4 005
Borrowings repaid	**(700)**	(2 229)
Shares repurchased	**(65)**	–
Treasury shares settled	**–**	86
Share issue costs arising from the issue of shares for Gameco acquisition	**–**	(9)
Acquisition of non-controlling interests	**(2)**	–
Decrease in amounts due by share scheme participants	**1**	1
Net cash generated from financing activities – discontinued operations	**29**	114
Net cash generated from financing activities	**853**	1 968
Net (decrease)/increase in cash and cash equivalents	**(265)**	354
Cash and cash equivalents at beginning of the year, net of bank overdrafts	**1 071**	725
Foreign currency translation	**18**	(8)
Cash and cash equivalents at end of the year, net of bank overdrafts	**824**	1 071
Included in cash and cash equivalents in the balance sheet	**612**	846
Included in the assets of the held for distribution group	**212**	225
	824	1 071

[1] *Restated for discontinued operations – refer note 3.1*

Condensed consolidated balance sheet

for the year ended 31 March

	2019 Rm	2018 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**9 154**	16 038
Investment properties	**486**	5 255
Goodwill and other intangible assets	**6 175**	6 507
Investments in associates and joint ventures	**35**	641
Financial assets at FVOCI	**1 266**	–
Available-for-sale financial assets	**–**	1 275
Non-current receivables	**34**	66
Derivative financial instruments	**3**	–
Deferred income tax assets	**43**	142
	17 196	29 924
Current assets		
Inventories	**75**	119
Trade and other receivables	**577**	857
Current income tax assets	**57**	36
Cash and cash equivalents	**2 541**	2 778
	3 250	3 790
Non-current assets held for sale	**–**	66
Assets classified as held for distribution to owners	**14 631**	–
Total current assets	**17 881**	3 856
Total assets	**35 077**	33 780
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary share capital and premium	**6 571**	6 636
Other reserves	**(1 774)**	(2 040)
Retained earnings	**5 699**	6 280
Total shareholders' equity	**10 496**	10 876
Non-controlling interests	**3 049**	3 318
Total equity	**13 545**	14 194
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	**10 072**	12 667
Derivative financial instruments	**71**	132
Deferred income tax liabilities	**1 525**	1 670
Provisions and other liabilities	**201**	468
	11 869	14 937
Current liabilities		
Interest-bearing borrowings	**3 452**	2 648
Trade and other payables	**1 441**	1 876
Current income tax liabilities	**37**	125
	4 930	4 649
Liabilities classified as held for distribution to owners	**4 733**	–
Total liabilities	**21 532**	19 586
Total equity and liabilities	**35 077**	33 780

Condensed consolidated statement of changes in equity

for the year ended 31 March

	Attributable to equity holders of the company					
	Ordinary share capital and premium Rm	Other reserves Rm	Retained earnings Rm	**Total Rm**	Non-controlling interests Rm	**Total equity Rm**
Balance at 31 March 2017 (audited)	4 576	874	5 321	**10 771**	2 685	**13 456**
Total comprehensive income	–	(144)	1 974	**1 830**	186	**2 016**
Profit for the year	–	–	1 971	**1 971**	187	**2 158**
Other comprehensive income	–	(144)	3	**(141)**	(1)	**(142)**
Issue of ordinary share capital	1 974	–	–	**1 974**	–	**1 974**
Treasury shares settled	86	–	–	**86**	–	**86**
Consideration to HPF non-controlling interests in hotels assets	–	(37)	–	**(37)**	1 067	**1 030**
Acquisition of non-controlling interests from HPF	–	436	–	**436**	(436)	**–**
Consideration to HPF non-controlling interests – Sandton Isle	–	(15)	–	**(15)**	15	**–**
Common control reserve arising on acquisition of Gameco	–	(3 154)	–	**(3 154)**	–	**(3 154)**
Acquisition activity Gameco	–	–	–	**–**	(38)	**(38)**
Ordinary dividends	–	–	(1 015)	**(1 015)**	(161)	**(1 176)**
Balance at 31 March 2018 (audited)	**6 636**	**(2 040)**	**6 280**	**10 876**	**3 318**	**14 194**
Total comprehensive income	–	309	1 564	**1 873**	62	**1 935**
Profit for the year	–	–	1 562	**1 562**	60	**1 622**
Other comprehensive income	–	309	2	**311**	2	**313**
Buy-back of ordinary share capital	(65)	–	–	**(65)**	–	**(65)**
Common control reserve arising on acquisition of Kuruman Casino	–	(42)	–	**(42)**	(18)	**(60)**
Acquisition of non-controlling interests – Galaxy	–	(1)	–	**(1)**	(1)	**(2)**
Ordinary dividends	–	–	(2 145)	**(2 145)**	(312)	**(2 457)**
Balance at 31 March 2019 (reviewed)	**6 571**	**(1 774)**	**5 699**	**10 496**	**3 049**	**13 545**

Segmental analysis

for the year ended 31 March

	Income[1]		Ebitdar[2]		Ebitdar margin		Amortisation and depreciation	
	2019 Rm	2018 Restated[3] Rm	**2019 Rm**	2018 Restated[3] Rm	**2019 %**	2018 Restated[3] %	**2019 Rm**	2018 Restated[3] Rm
Continuing operations								
Montecasino	**2 714**	2 625	**1 175**	1 135	**43.3**	43.3	**104**	111
Suncoast	**1 734**	1 681	**720**	752	**41.5**	44.7	**113**	84
Gold Reef City	**1 477**	1 497	**550**	569	**37.3**	38.0	**101**	118
Silverstar	**691**	686	**210**	212	**30.4**	30.9	**82**	80
Golden Horse	**409**	397	**176**	177	**43.1**	44.6	**29**	31
Emnotweni	**368**	381	**119**	136	**32.4**	35.7	**27**	28
The Ridge	**391**	381	**144**	145	**36.9**	38.0	**30**	30
Hemingways	**304**	314	**84**	97	**27.5**	30.8	**32**	38
Garden Route	**245**	235	**100**	99	**40.9**	41.9	**16**	16
The Caledon	**181**	177	**49**	49	**26.9**	28.0	**10**	11
Mykonos	**179**	183	**80**	86	**44.6**	47.2	**11**	11
Blackrock	**170**	160	**53**	54	**31.0**	33.6	**13**	12
Goldfields	**137**	135	**35**	38	**25.8**	28.5	**11**	12
Galaxy[4] [5]	**855**	263	**247**	69	**28.9**	26.2	**39**	12
VSlots[4] [5]	**1 559**	543	**441**	169	**28.3**	31.1	**107**	34
Other gaming operations[6]	**205**	184	**(111)**	(106)			**13**	15
	11 619	9 842	**4 072**	3 681	**35.0**	37.4	**738**	643
Discontinued operations[7]								
South African hotels division	**3 784**	3 799	**1 346**	1 470	**35.6**	38.7	**259**	231
Offshore hotels division	**605**	565	**144**	120	**23.8**	21.2	**47**	38
Pre-foreign exchange gains			***138***	*119*	***22.8***	*21.1*		
Foreign exchange gains			***6***	*1*				
	4 389	4 364	**1 490**	1 590	**33.9**	36.4	**306**	269
Group, including discontinued operations	**16 008**	14 206	**5 562**	5 271	**34.7**	37.1	**1 044**	912

[1] All revenue and income from gaming and hotel operations is derived from external customers. No one customer contributes more than 10% to the group's total revenue
[2] All casino units are reported pre-internal gaming management fees
[3] Restated for discontinued operations – refer note 3.1 and reallocation between VSlots gaming win, other income, gaming VAT and LPM site owners' commissions – refer note 3.2
[4] Galaxy and VSlots were included as operating segments with effect from 20 November 2017
[5] Income in VSlots and Ebitdar in Galaxy include R7 million (2018: R6 million) related to gaming machine rentals which are eliminated in other gaming operations
[6] Corporate segment has been absorbed into gaming operations due to the restructure of the group– refer notes 3.1 and 10
[7] Discontinued operations – refer note 3.1

Revenue from contracts with customers

The group derives revenue over time with the exception of food and beverage revenue which is recognised at a point in time, together with its hotel customer reward programmes in terms of which income is recognised as the rewards as redeemed or expire. The accounting policy change is noted in note 2.2. The group has no contract assets. The table below presents revenue by segment which excludes gaming win and other income which are included in the segmental analysis on page 18. Disaggregation of revenue from contracts with customers for the year under review:

	Rooms revenue recognised over time Rm	Food and beverage recognised at a point of time Rm	Other revenue recognised over time Rm	**Revenue from external customers Rm**
Continuing operations				
Montecasino	232	172	75	479
Suncoast	32	76	10	118
Gold Reef City	23	83	168	274
Silverstar	10	47	14	71
Golden Horse	22	27	1	50
Emnotweni	57	40	8	105
The Ridge	38	37	9	84
Hemingways	31	33	11	75
Garden Route	6	6	–	12
The Caledon	20	23	6	49
Mykonos	–	–	1	1
Blackrock	19	18	–	37
Goldfields	–	10	1	11
Galaxy	–	73	4	77
Vukani	–	3	–	3
Other gaming operations	–	–	125	125
	490	648	433	1 571
Discontinued operations				
South African hotels	2 346	814	272	3 432
Offshore hotels	386	176	37	599
	2 732	990	309	4 031

Reconciliation to segmental analysis on page 18:	
Continuing operations	11 619
Revenue from contracts with customers per above	1 571
Property rentals	137
Other income	90
Net gaming win	9 821
Discontinued operations	4 389
Revenue from contracts with customers per above	4 031
Property rentals	358
Total income per segmental analysis	16 008

Other revenue comprises mainly revenues from the Theme Park, the Sandton Convention Centre, cinemas, parking, venue hire and other sundry revenue.

Board and committees

BOARD COMPOSITION, STRUCTURE AND REPORT BACK

BOARD PROFILE

EXECUTIVE DIRECTORS

CG du Toit (49)

CA(SA), FCMA

Executive Director – Chief Executive Officer

Date appointed: 1 June 2019

Chris completed his articles at PwC in 1996. After three years in the financial services industry in the UK he joined the HCI group in 2001, served as Financial Director of Mettle Limited from 2003 and moved to the gaming and entertainment sector in 2009 as CEO of Galaxy Bingo. His operational experience over the past decade includes the bingo, LPM, casino and F&B industries. He was appointed to the board on 1 June 2019 and as Chief Executive Officer of the Tsogo Sun Gaming group from 1 July 2019.

RB Huddy (50)

CA(SA)

Executive Director – Chief Financial Officer

Date appointed: 31 October 2011

Rob Huddy served his articles at PwC and joined Tsogo Sun in 1997. He held various management positions prior to being appointed Financial Director – Hotels Offshore in 2006 and Financial Director – Hotels South Africa in 2009. On 30 September 2011 he assumed the role of Chief Financial Officer.

NON-EXECUTIVE DIRECTORS

JA Copelyn (68) R

BA (Hons), BProc

Non-executive Chairman

Date appointed: 13 August 2003[1]

John Copelyn joined HCI as Chief Executive Officer in 1997. He was previously General Secretary of the Southern African Clothing and Textile Workers Union from 1974 before becoming a member of parliament in 1994. He currently holds various directorships in companies within the HCI group.

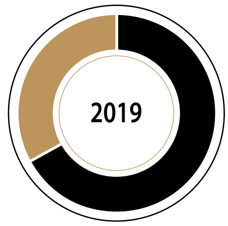
Y Shaik (61) S R

BA (Law), BProc

Non-executive Director

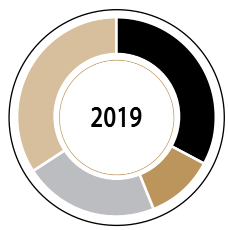
Date appointed: 15 June 2011

Yunis Shaik is an admitted attorney of the High Court of South Africa. He is a former Deputy General Secretary of the Southern African Clothing and Textile Workers Union and a director of Workers' College. He has served as a Senior Commissioner to the KwaZulu-Natal CCMA. He is an executive director of HCI.



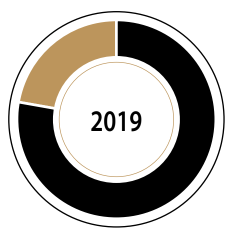
RACE DIVERSITY (%)

- Black – 67%
- White – 33%



BOARD TENURE (%)

- 1 – 3 years – 33%
- 4 – 6 years – 11%
- 7 – 9 years – 22%
- 10+ years – 34%



GENDER DIVERSITY (%)

- Male – 78%
- Female – 22%

INDEPENDENT NON-EXECUTIVE DIRECTORS

MSI Gani (66) A S R

CA(SA)

Independent Non-executive Director

Date appointed: 11 August 2016

Mohamed Gani is a Chartered Accountant with over 30 years' experience in the accounting and audit profession. He was a founding partner of MSGM Masuku Jeena Inc., a partner of Saboor Gani & Co and a partner of PwC until 2013. He is a non-executive director on a number of boards including HCI and Dis-Chem Pharmacies Limited and is on the investigating committee of the Independent Regulatory Board of Auditors.

MJA Golding (59)

BA (Hons)

Independent Non-executive Director

Date appointed: 30 April 2004[1]

Marcel Golding runs a family investment office. Prior to this he was Chairman of HCI and Chief Executive Officer of e.tv. He was a member of parliament and Deputy General Secretary of the National Union of Mineworkers.

BA Mabuza (55) A S R

BA (MBA)

Lead Independent Non-executive Director

Date appointed: 1 June 2014

Busi Mabuza has held various positions in the financial services and energy sectors and is currently a non-executive director at Development Bank of Southern Africa, Nehawu Investment Holdings, the non-executive chairperson of the Industrial Development Corporation and the head of the South African BRICS Business Council.

VE Mphande (61)

Elec Eng (Dip)

Independent Non-executive Director

Date appointed: 3 February 2005[1]

Elias Mphande has served as the National Organising Secretary of the Southern African Clothing and Textile Workers Union, Marketing Director of Viamax Fleet Solutions, Chief Executive Officer of AUTA and the Vukani Group and Chairman of Golden Arrow Bus Services. He was appointed to the HCI board in 2010 as a non-executive director and as non-executive Chairman in 2015 and serves on the board of e.tv.

RD Watson (60) A S R [2]

Independent Non-executive Director

Date appointed: 1 June 2019

Rachel was employed for 33 years within the clothing industry, serving as a trade union representative in various organisational positions for the last 14 years of her tenure. She currently holds a position as manager at a regional broadcaster. Rachel was appointed to the HCI board in March 2014 and is a non-executive director of eMedia Holdings, Niveus Investments and Deneb Investments.

[1] *Date appointed to the holding company board pre-reverse listing into Gold Reef on 14 February 2011*
[2] *RD Watson replaced JG Ngcobo on his resignation on 30 June 2019*

Non-executive committee key

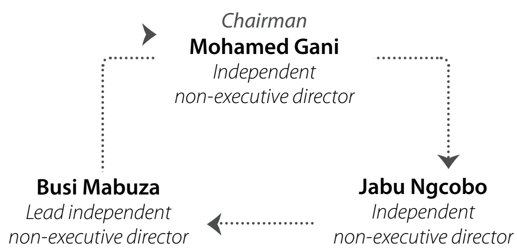
A **Audit and risk committee** – Chairman: Mohamed Gani
S **Social and ethics committee** – Chairman: Mohamed Gani
R **Remuneration committee** – Chairman: Yunis Shaik

BOARD COMPOSITION, STRUCTURE AND REPORT BACK continued

SUB-COMMITTEE STRUCTURE AND REPORT BACK

The board remains accountable for all matters where it has delegated responsibility to its sub-committees. All committees and the board are satisfied that the committees fulfilled their responsibilities in accordance with their terms of reference during the year.

Audit and risk committee



Key objective

The provision of effective governance over the appropriateness of the group's financial and integrated reporting including the adequacy of related disclosures, the performance of both the internal audit function and the external auditor, and the management of the group's systems of internal control, business risks and related compliance activities.

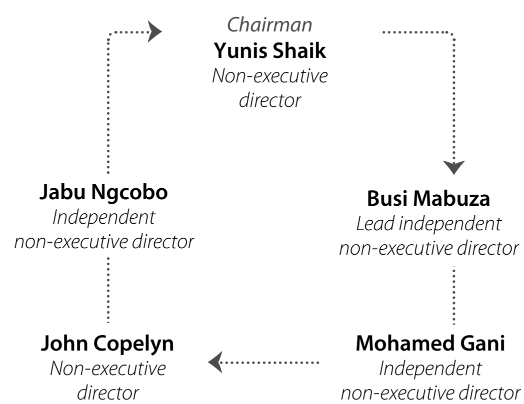
The committee met three times during the year. The Chief Executive Officer, the Chief Financial Officer, the group's Director of Risk, the Chief Information Officer and directors from the majority shareholder attend the meetings as permanent invitees, along with external audit and the outsourced internal audit. Other directors and members of management attend as required.

The work of the audit and risk committee during the year focused on:

- review of the risk landscapes to which the group is exposed in relation to the group's risk tolerance and risk appetite levels and evaluation of the appropriateness of management's responses to the risks;
- review of insurance, treasury and taxation matters;
- review of operational risk management including fraud and theft, whistle-blowing systems and organisational resilience;
- review of IT risks in relation to core operational systems, system projects, information management and security initiatives and governance and regulatory compliance;
- review of material legal, legislation and regulatory developments;
- review of prospective accounting standard changes, particularly with regard to standards that became effective during the year or will become effective in the coming year;
- considered all significant transactions and accounting matters that occurred during the year, particularly the accounting and disclosure related to the proposed sale of the casino properties to HPF and subsequently the unbundling of the hotel business;
- considering the JSE Proactive Monitoring of Financial Statements report;
- considering and approved the FICA Group Risk Management and Compliance Programme;
- evaluation of the financial reporting procedures;
- review of and recommendation to the board for approval of the half year and full year results announcements, the annual financial statements and integrated annual report;
- approval of the external audit and internal audit plans;
- evaluation of the independence and effectiveness as well as the fees and terms of engagement of the external auditors, including the suitability of the firm and designated partner;
- evaluation of the effectiveness of the Chief Audit Executive and the outsourced internal audit function; and
- assessment of the internal control environment, particularly in relation to the group's system on internal financial controls.

Refer to the report of the audit and risk committee on page 03 of the consolidated financial statements for the year ended 31 March 2019.

Remuneration committee



Key objective

The committee is empowered by the board to assess and approve the broad remuneration strategy for the group, the operation of the company's short-term and long-term incentives for executives and senior management across the group, and sets short-term and long-term remuneration for the executive directors and members of the executive committee.

The committee met twice during the year. The Chief Executive Officer and the group's Human Resources Director attend the meetings as permanent invitees, except when issues relating to their own compensation are discussed.

The scope of the remuneration committee's work during the year included the following matters:

- monitoring executive appointments, terminations and retirements;
- determining the general policy on remuneration to ensure fair, competitive and responsible reward;
- determining the remuneration mandate for the group;
- determining the specific remuneration packages for the executive directors and other senior executives and management;
- approving the changes to the rules, criteria, targets and allocations for performance-related pay schemes;
- approving the changes to the rules for the long-term incentive scheme for hotels to convert the scheme from a cash-settled scheme to an equity-settled scheme;
- evaluation of the performance of the Chief Executive Officer; and
- proposing non-executive director remuneration.

Further details of the group's remuneration policy and the work of the remuneration committee can be found in the remuneration section on pages 25 to 34.

Social and ethics committee

Chairman
Mohamed Gani
Independent non-executive director

Busi Mabuza
Lead independent non-executive director

Jabu Ngcobo
Independent non-executive director

Yunis Shaik
Non-executive director

> ***Key objective***
>
> *The purpose of the committee is to regularly monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice and, in particular, to monitor the group's compliance with the applicable requirements of Regulation 43 of the South African Companies Act in relation to matters pertaining to social and economic development, good corporate citizenship, environment, occupational health and public safety, labour and employment and the group's code of ethics and sustainable business practice.*

The committee met twice during the year. The Chief Executive Officer, the Chief Financial Officer, the group's Director of Risk, the group's Human Resources Director and directors from the majority shareholders attend the meetings as permanent invitees, along with other directors and members of management who attend as required. The work of the social and ethics committee during the year focused on:

- progress in the alignment of the group's practices to the requirements of the revised B-BBEE codes;
- disputes with government or regulators;
- compliance with regulations;
- bribery and corruption;
- responsible tourism and responsible gaming;
- preferential procurement, socio-economic development and enterprise and supplier development;
- environmental management and certification;
- customer satisfaction, loyalty, health and safety and consumer protection; and
- job creation, employee health and safety, employee development, management diversity, employment equity and employee engagement.

The matters considered during the year are included in the deliver to our beneficiaries section on pages 47 to 55 of the integrated annual report, the product relevance to customer experience section on pages 58 to 61 of the integrated annual report, the regulatory compliance section on page 62 of the integrated annual report and the human resources section on pages 63 to 65 of the integrated annual report.

The main focus areas during the year were on the group's achievement of a level 1 B-BBEE contributor status against the revised codes, the practical implications on the group of the suspension of the rating agency who provides the annual certification, contributions made to trusts or regulators for CSI beneficiation, donations to political parties for national elections to promote democracy and the need to draft a stakeholder policy. The committee is satisfied with the group's progress and there were no significant matters of concern raised during the year.

Analysis of shareholding

as at 31 March

	Number of shareholders	%	Number of shares	%
Portfolio size				
Range				
1 – 1 000	3 088	46.38	1 077 286	0.09
1 001 – 5 000	2 151	32.30	4 917 033	0.43
5 001 – 10 000	440	6.61	3 145 111	0.27
10 001 – 50 000	393	5.90	8 957 710	0.78
50 001 – 100 000	120	1.80	8 863 039	0.77
100 001 – and more	467	7.01	1 117 568 228	97.66
	6 659	100.00	1 144 528 407	100.00
Shareholder spread				
Public	6 650	99.85	531 537 129	46.44
Individuals	4 804	72.13	5 936 430	0.52
Banks and insurance companies	63	0.95	39 890 475	3.49
Pension funds and medical aid societies	323	4.85	62 772 610	5.48
Collective investment schemes and mutual funds	224	3.36	272 851 598	23.84
Other corporate bodies	1 236	18.56	150 086 016	13.11
Non-public	9	0.15	612 991 278	53.56
Directors[(1)]	3	0.05	11 040 298	0.96
Subsidiary companies[(2)]	3	0.05	83 632 695	7.31
Gold Reef Share Scheme[(2)]	1	0.02	408 615	0.04
Majority shareholders (10% of issued share capital or more)	2	0.03	517 909 670	45.25
	6 659	100.00	1 144 528 407	100.00
Major shareholders owning 1% or more of total number of shares in issue, including treasury shares:				
TIHC Investments (RF) Proprietary Limited			415 182 027	36.28
Hosken Consolidated Investments Limited			102 727 643	8.98
Allan Gray Equity Fund			48 438 443	4.23
Citiclient Nominees No 8 NY GW			44 821 132	3.92
Tsogo Sun Gaming Proprietary Limited[(2)]			42 876 046	3.75
SBSA ITF Prud Core Val Fund			27 465 148	2.40
Old Mutual Life Assurance Co SA Limited			27 273 667	2.38
Tsogo Sun Expansion No 1 Proprietary Limited[(2)]			26 329 047	2.30
SSBTC Client Omni Non Lux Om01			20 265 866	1.77
Alexander Forbes Investments Limited			19 290 168	1.69
SBSA ITF PSG Flexible Fund			17 958 828	1.57
JPMC-Vanguard BBH Lending Account			17 545 934	1.53
Geomer Investments Proprietary Limited			15 872 978	1.39
Aldiss Investments Proprietary Limited[(2)]			14 427 602	1.26

[(1)] *At 31 March 2019 1 973 836 shares were indirectly held (2018: 1 973 836 shares indirectly held) by JA Copelyn, Non-Executive Director and Chairman, 1 825 243 shares directly and 4 000 shares indirectly held (2018: 1 825 243 shares directly and 4 000 shares indirectly held) by J Booysen, Executive Director and CEO (retired 30 June 2019), 1 048 543 shares directly held (2018: 1 048 543 directly held) by RB Huddy, Executive Director and CFO and 16 112 894 shares indirectly held (2018: 16 112 894 shares indirectly held) by MA Golding, non- executive director. All the aforementioned held shares are beneficially held with the exception of the indirectly held shares by JA Copelyn, MA Golding and J Booysen (as shown above) and no other director holds shares in the company. There has been no other change to directors' shareholdings between the balance sheet date and the date of these annual financial statements. Certain of the directors are nominees of HCI and they (or their associates) may have an indirect interest in Tsogo Sun as a result of those interests in HCI*

[(2)] *Treasury shares**

	Number of shares
There are 88 468 494 treasury shares made up as follows:	
Treasury shares per above:	
– held by subsidiary companies*	83 632 695
– held by the Gold Reef Share Scheme	408 615
Treasury shares allocated as part of the executive facility – refer note 36.1 to the consolidated annual financial statements	4 427 184
	88 468 494

* *Refer note 13.3 in respect of treasury shares cancelled and delisted after the reporting date*

REMUNERATION POLICY AND IMPLEMENTATION REPORT

REMUNERATION BACKGROUND STATEMENT

Key tenets of our remuneration philosophy are that we act fairly, responsibly and transparently in our approach to employee remuneration and benefits at all times, ensuring our actions are sustainable, that they underscore our objective of being an employer of choice and are aligned with the strategic and operational requirements of the business.

The objective of the group's remuneration policy is to ensure that we attract and retain employees of the right calibre and skills and motivate them to achieve exceptional performance aligned with our strategic priorities. We aim to reward employees fairly and equitably through both financial rewards and non-financial benefits such as performance recognition, development and career opportunities. The remuneration committee is satisfied that the remuneration policy has achieved its objectives.

Total rewards are set at levels that are competitive within the gaming, entertainment and hospitality sectors and the group utilises market surveys to ensure that the components of the remuneration structure are appropriate. The fixed and variable element mix of the remuneration structure differs depending on the employee grade.

The remuneration committee considers each element of remuneration relative to the market and takes into account the performance of the group and the individual executive in determining both quantum and design. The remuneration committee also considers the total remuneration (fixed pay plus short-term and long-term incentives) that may be earned at various levels of performance.

The company's approach to remuneration and annual increases is guided by market conditions, affordability and inflationary trends. Annual increases at lower levels have exceeded inflation resulting in real growth in the minimum wage. The strategy of not aligning wage increases solely to the performance of the company, thereby acknowledging increases in the cost of living of employees, has ensured consistency and has brought about employee trust and confidence in the company. We believe our employees and their representative trade unions, where relevant, value the consistency and predictability of how the terms and conditions of employment are determined.

The current economic conditions, however, remained difficult and are likely to remain more prolonged than anticipated and, as the wage bill is a significant contributor to the cost structure of the group, the remuneration committee required further interrogation of the policy. The final increases accepted for the 2020 financial year for staff at levels E and F were 6.5% and 6.0% at management levels. These increases were, however, offset by efficiencies in staffing levels in the budget with a year-on-year increase in salaries and wages of 4% and further savings were achieved against the budget during the 2019 financial year.

The terms and conditions of employment of the operational support employees had also been improved over a three-year period to align the provident fund, risk and funeral benefits with full time permanent full-time employees. A remuneration consultancy conducted a benchmarking survey on leave days with staff and management aligned and executive management leave increased by five days in line with the benchmarks. The target multiple allocations on the long-term incentive plan were benchmarked to the industry and the market.

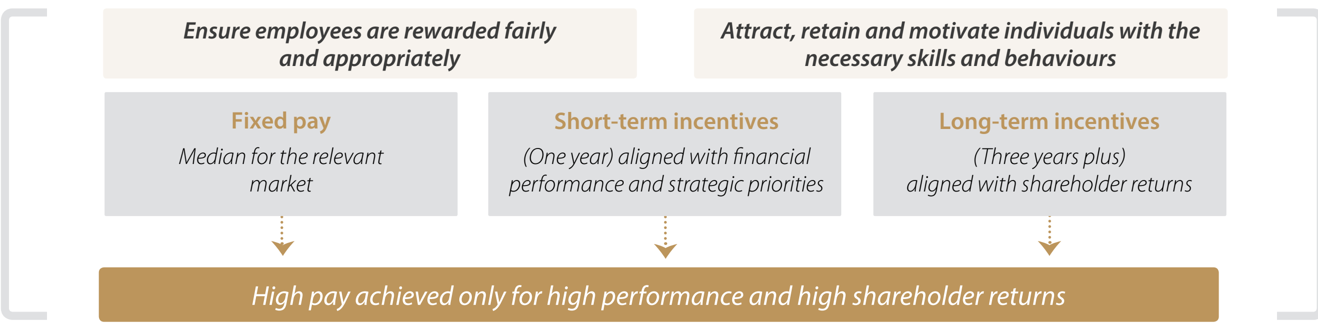
The remuneration committee discussed the efficacy of the current executive loan scheme, particularly in the light of the split-up of the group, with a view to an equitable means to wind-up the scheme. The scheme was not wound up during the year, as was proposed in the circular for the disposal of the casino properties to HPF and the subsequent unbundling of HPF, as the transaction did not proceed.

The non-binding advisory votes at the AGM on 18 October 2018 on the company's remuneration policy and implementation report received less than 75% support from shareholders with 70.2% and 60.9% of votes respectively. The company requested shareholders to engage with management at meetings in Cape Town and Johannesburg and one shareholder attended the engagement with the Chairman, the remuneration committee Chairman, the CEO and the CFO. Feedback received at the engagement and from other shareholders in this regard related mainly to the material loss of office settlement paid to the former CEO without full explanation and that the long-term incentive scheme does not have explicit performance criteria. As he had done at the AGM, the Chairman apologised for the manner in which the loss of office of the former CEO had been conducted and communicated. The mutual intention was for Mr Von Aulock and the company to part

REMUNERATION POLICY AND IMPLEMENTATION REPORT continued

ways, in return for which Mr Von Aulock was paid two years' salary and his bonus entitlements and his shares were acquired at R25.75 by HCI. The inclusion in performance criteria in the long-term incentive scheme was discussed and no practical solutions were arrived at during the engagement. The remuneration committee considers that the scheme is already subject to the inherent performance hurdle of the appreciation of the share price over the award price which is set at market price. The committee, however, remains open to practical suggestions on improving the remuneration policy and implementation plan.

REMUNERATION POLICY



The group seeks to ensure an appropriate balance between fixed and performance-related elements of remuneration and those aspects of the package linked to short-term financial performance and to those linked to longer-term shareholder value creation. The combination of the components ensures that high pay is achieved only for high performance and high shareholder returns. Senior executives have a larger proportion of their potential total remuneration subject to the achievement of performance-based targets. For additional information on the key components of remuneration, refer to pages 28 and 29.

Short-term incentives reflect a balance between annual financial performance and other specific strategic priorities over which the participant has influence, in order to ensure that achievement of short-term financial performance is not at the expense of future opportunities. The weighting of the financial and relative growth performance and the non-financial strategic objective performance varies by employee grade. For the CEO, the financial and relative growth performance contributes 85% of the total achievement, with 80% for the CFO and other A2 level employees and 75% for the B level employees. The financial and relative growth performance contribution reduces per grade with the lowest level of employees on the scheme at 60%. Where relevant, and if the information is publicly available, 25% of the potential award is linked to the relative performance of a business unit against a regional or national market set with the balance of the financial and relative growth performance linked to financial performance. Where there is no relevant competitor set only the financial performance is applied.

The financial performance is measured at 50% Ebitdar and 50% adjusted earnings against the target approved by the remuneration committee. Performance is measured at Ebitdar, including Ebitdar of associates, and adjusted earnings to ensure that both trading and profit post the financing cost of capital allocation decisions are considered. The target is set as the budget approved by the board, adjusted for the percentage variance between the final forecast that forms the base for the budget and the final results for the year. The target is adjusted for material structural changes during the year to ensure the target remains fair. Any adjustments to the targets are approved by the remuneration committee. Financial 'threshold' target is set at 90% of target with a score of 0%, 'stretch target' is set at 115% of target with a score of 100%, with interpolation between the points.

The relative growth performance is measured against the market in the hotel division where there is a relevant competitor set for each hotel. There are no relevant competitor sets in the gaming division.

The non-financial strategic objectives are set annually per employee aligned to the strategic objectives of the group. The objectives vary depending on the role the employee has within the organisation and would include elements such as growth, customer satisfaction, regulatory compliance, leadership, internal controls and cost control. An evaluation of the performance against the objectives is completed at the end of the year and a bell curve is applied to the scores.

The on target potential short-term incentive entitlement varies per grade from 75% of total package for the CEO, 60% for the CFO, 50% for the A2 employees, 40% for the B level employees and down to 20% for the lowest level of employees on the scheme. The maximum bonus entitlement varies per grade from 130% of total package for the CEO, 105% for the CFO, 90% for the A2 employees, 75% for the B level employees and down to 35% for the lowest level of employees on the scheme. An example of the short-term incentive entitlement for the CEO at a 40% total achievement score would be 40% of 50% (on target) = 80% of 75% (% of annual total package at on target) = 60% of annual total package payment.

The short-term incentive payout = annual total package x incentive entitlement % x (financial weighting % x financial score % + relative growth weighting % x relative growth score % + non-financial weighting % x non-financial score %).

Long-term incentives are either cash-settled, resulting in income statement volatility but no dilutionary impact to shareholders, or, in the case of nominated senior executives, structured as an interest-free facility for the purpose of acquiring shares in the company. The value for the executives arising from the facility is derived from the shares acquired in the market and there will not be a cash cost to the group, as per the existing share appreciation scheme, nor a dilutionary impact to shareholders.

In the event that the remuneration policy or remuneration implementation report, or both, are voted against by more than 25% of the votes at the 2019 AGM of the company, the group will engage with dissenting shareholders within 30 days of the AGM. The remuneration committee will engage with shareholders to ascertain the reasons for dissenting votes and appropriately address legitimate and reasonable objections raised by shareholders.

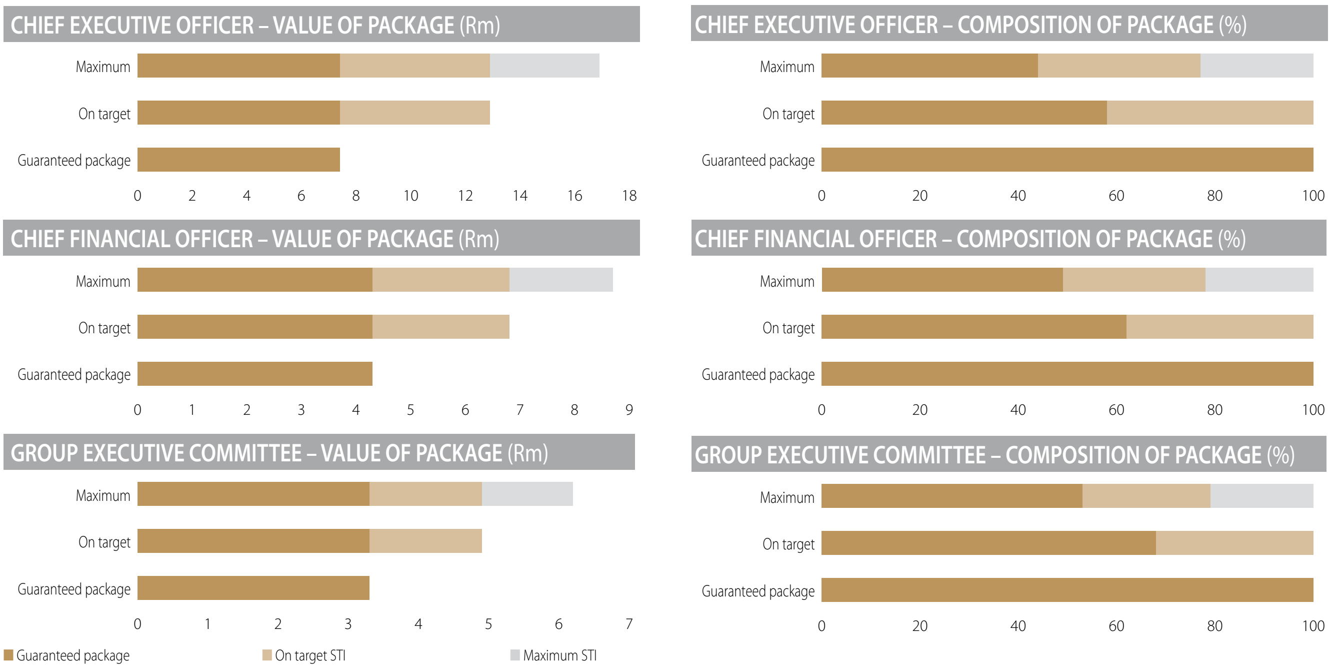
With regards to terminations of executive and senior management employees, the treatment of the employee depends on whether the termination is voluntary or involuntary. In the case of a voluntary termination (resignation), the base salary, retirement and other benefits are paid to the last date of service. The short-term incentive for the prior financial year will be paid in full if the resignation is post 31 March, all vested long-term incentives are exercised on the last day of service and all unvested long-term incentives are forfeited. In the case of a 'good leaver' involuntary termination (retrenchment, redundancy, retirement, etc.), the base salary, retirement and other benefits are paid to the last date of service including the notice period (three months for senior employees), a severance package dependent on completed years of service is paid, a *pro rata* short-term incentive is payable for the period of service during the financial year, all vested long-term incentives are exercised on the last day of service and all unvested long-term incentives can continue to vest until the normal retirement date. The severance package may be varied by the remuneration committee or by the board for voluntary retrenchments or mutually agreed terminations.

KEY ELEMENTS OF REMUNERATION	Fixed pay			
	Base salaries	**Non-executive directors' fees**	**Retirement benefits**	**Other benefits**
Purpose and link to strategy	Provides a fixed level of earnings appropriate to the requirements of the role	Remunerates non-executive directors for their responsibilities and time commitment	Provides the basis for retirement savings	Provides benefits appropriate to the market and the role
Application dependent on employee type and level	All employees	Non-executive directors	All employees entitled to benefits are required to belong to an approved pension/provident fund	All employees entitled to benefits are eligible for membership of an approved medical scheme and other benefits
Operation and performance measures	**Base salaries** Base salaries are subject to annual review using an inflationary adjustment for executives and management and higher increases for lower levels of staff to address the remuneration gap. Tsogo Sun's policy is to be competitive at the median level with reference to market practice in companies comparable in terms of size, market sector, business complexity and international scope. However, base salaries of individuals and incumbents in key roles are aligned with the upper quartile level of the market. Group performance, individual performance and changes in responsibilities are also taken into consideration when determining increases to base salaries	**Non-executive directors' fees** The fees for the non-executive directors are recommended by the remuneration committee to the board for its approval, taking into account fees payable to non-executive directors of comparable companies and the importance attached to the attraction and retention of high-calibre individuals as non-executive directors. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing the board and in chairing or participating in its committees and are approved by special resolution of the shareholders. The increases are subject to an inflationary adjustment. Non-executive directors do not receive any short-term or long-term incentives or other benefits	**Retirement fund membership** Retirement funding for management, who are remunerated on a total package basis, is non-contributory and is included in their total cost of employment. For staff, retirement funding consists of employer and employee contributions dependent on fund membership. The group offers a pension fund (Tsogo Sun Group Pension Fund) and three provident funds (Alexander Forbes Retirement Fund (Provident Section), Gold Reef Resorts (Provident Fund) and Vukani Super Fund Provident Fund. Other approved funds include union-negotiated funds and funds to which members have historically belonged	**Healthcare** The majority of employees with medical cover belong to the Tsogo Sun Group Medical Scheme, a restricted membership scheme administered by Discovery Health. The scheme offers hospital, chronic illness and day-to-day cover for 5 145 principal members (11 354 beneficiaries) *Risk and insured benefits* Arising through membership of the group's pension and provident funds, competitive death, disability and funeral benefits are made available to employees *Long-service awards* Full-time employees of the organisation receive long-service awards calculated based on the tenure of the employee linked to their guaranteed package. Employees receive an award for every 10 years of continued service with the group

Short-term incentives	Long-term incentives	
Annual bonus plan	**Executive facility and share appreciation plan**	
Rewards the achievement of annual financial performance balanced with other specific strategic priorities and ensures that above-market pay cannot be achieved unless challenging performance targets are met. The non-financial element ensures that the achievement of short-term financial performance is not at the expense of future opportunities	Long-term incentives are utilised to reward long-term sustainable group performance improvement, retain senior management expertise and ensure that executives and key talent share a significant level of personal risk and reward with the company's shareholders to align executive pay and long-term value creation for shareholders	
All executives and senior management and selected middle management	Senior executives	Executives and selected managers (240 participants)
Annual cash incentive Bonus awards are based on individual ratings achieved against the targets relevant to the employees based on their area of responsibility set for financial performance, relative growth against the market, where relevant, and personal performance against non-financial strategic priorities. The remuneration committee approves the scheme's targets and hurdles annually	**Executive facility** A facility was made available in 2014 to senior executives for the sole purpose of acquiring shares in the company at R25.75 per share. The shares were acquired on 12 August 2014 The remaining participants are as follows: J Booysen R47 million RB Huddy R27 million FV Dlamini R20 million GD Tyrrell R20 million The facility is interest-free and has no fixed repayment date but must be repaid if the shares are sold or if the executive leaves the employ of the company. The executives are subject to fringe benefits tax on the facility Following his early retirement J Booysen has until his normal retirement date on 30 September 2022 to dispose of his shares and repay the loan The executives are not eligible for any new allocations under the existing share appreciation scheme until the loan is repaid in full. Allocations of appreciation units made prior to the provision of the facility remain unaffected	**Share appreciation plan** Tsogo Sun has in operation a phantom share scheme with cash settlement designed to align the interests of participants with those of the company's shareholders. The essential elements of the scheme are that the plan is essentially a 'phantom' version of a share scheme where each appreciation unit is in effect linked to an underlying share in Tsogo Sun Annual allocations of appreciation units at market price are made to executives and selected managers. They are available to be settled on the third anniversaries of their allocation, but must be exercised by the sixth anniversary, or they will lapse. On settlement, the value accruing to participants will be the full appreciation of Tsogo Sun's share price over the allocation price plus dividends declared and paid post grant date, which value will be settled in cash. The allocations at market price result in an interest performance hurdle as there is only value if the share price appreciates Vesting, encashments and dividends during the 2019 financial year resulted in a charge of R50 million, offset by a R2 reduction in the Tsogo Sun share price impacting the charge by R44 million

Composition of total remuneration package – executive directors and senior executives

The charts below provide an indication of the remuneration outcomes for the year ended 31 March 2019 for the executive directors and the GEC (excluding the executive directors) showing potential total remuneration of maximum, on target and minimum performance levels:



The scenario charts assume:

- Guaranteed package – fixed pay and benefits for the year ended 31 March 2019
- Short-term incentives – based on scheme rules with maximum bonus paid at maximum performance and nil bonus below threshold performance
- Long-term incentives – excluded from the charts as participants are rewarded through variable share price increases, which are subject to market fluctuations

PROPOSED CHANGES TO THE REMUNERATION POLICY FOR THE 2020 FINANCIAL YEAR

Tsogo Sun Gaming

Tsogo Sun Gaming will remain on the existing long-term incentive plan although the rules will be amended for the unbundling. On encashment, the 7-day VWAP of the Tsogo Sun Hotels share will be added to the 7-day VWAP of the Tsogo Sun Gaming share to account for the dividend *in specie* of the hotel business and dividends declared and paid post the unbundling by Tsogo Sun Hotels will be added to the encashment price. The partial exposure to the hotels group will reduce over time as the options are exercised although consideration will be given to converting the dividend *in specie* value to Tsogo Sun Gaming options once market movements for the two shares have normalised.

Changes to the short-term incentive scheme will be considered during the year to reduce the range between the threshold and stretch targets and to re-evaluate the targets. In addition, consideration is being given to increase the discretion the CEO will have in the evaluation of the achievement of short-term incentives. Changes to operational structures and the application of performance measurement in relation to annual increases will also be considered in addition to the capping of salary levels per position.

Tsogo Sun Hotels

In order to remove volatility from the earnings, Tsogo Sun Hotels has adopted a new share appreciation rights ('SAR') plan from the 2020 financial year, which will be equity settled rather than cash settled. On settlement, the value accruing to participants will be the full appreciation of Tsogo Sun Hotels' share price over the allocation price plus dividends declared and paid post grant date, which will be settled in Tsogo Sun Hotels' shares.

As a result of the unbundling, employees of Tsogo Sun Hotels were given the option to elect to exchange their rights held under the existing Tsogo Sun long-term incentive plan for replacement awards under the Tsogo Sun Hotels SAR plan or receive a cash settlement. The replacement awards are regulated under the rules of the Tsogo Sun long-term incentive plan and will place the employee in the same financial position on the Tsogo Sun Hotels' SAR plan as they were on the existing Tsogo Sun long-term incentive plan.

For further detail related to the Tsogo Sun Hotels' SAR plan, refer to annexure 17 of the Tsogo Sun Hotels' pre-listing statement available at tsogosun.com/gaming.

REMUNERATION IMPLEMENTATION REPORT

Non-executive directors' fees

Non-executive directors receive fees, excluding VAT where applicable, for services on board and board committees. Increases are presented to the shareholders for approval at the company's annual general meeting ('AGM') and reflect the market dynamics and demands being made on the individuals. Proposed non-executive directors' fees which reflect a 6% increase, to be approved by the board at the 2019 AGM appear in the table below:

	Actual 2018/2019 R'000	**Proposed 2019/2020 R'000**
Chairman of the board	1 090	**1 155**
Lead independent non-executive director and member of all board committees	645	**685**
Chairman of the audit and risk and social and ethics committees	645	**685**
Chairman of the remuneration committee	485	**515**
Non-executive director and member of a board committee	400	**425**
Non-executive director	315	**335**

Fees and services	**2019 Directors' fees R'000**	2018 Directors' fees R'000
Paid by subsidiaries		
JA Copelyn	**1 044**	981
BA Mabuza	**617**	579
MSI Gani	**617**	579
MJA Golding	**300**	282
VE Mphande	**300**	282
JG Ngcobo	**381**	357
Y Shaik	**462**	433
	3 721	3 493

Executive directors and executive management's remuneration

The disclosure is based on the IoDSA guidance issued in November 2017 on remuneration disclosure in accordance with King IV™* and presents the remuneration for executive management consisting of the executive directors and heads of divisions.

Apart from the promotion-related increase for Chris du Toit to Chief Operating Officer – Alternative Gaming, all executive directors and executive management received a 6% increase.

There were no areas of non-compliance with the remuneration policy during the current year.

Executive directors

	2019			2018			
	J Booysen R'000	**RB Huddy R'000**	**Total R'000**	MN von Aulock[1] R'000	J Booysen[2] R'000	RB Huddy R'000	Total R'000
Salary	**6 997**	**3 825**	**10 821**	1 723	4 933	3 546	10 202
Pension fund contributions	**352**	**346**	**698**	93	254	386	733
Other benefits	**484**	**175**	**659**	60	318	863[5]	1 241
Current year STI accrued	**4 397**	**2 199**	**6 596**	–	2 562	1 315	3 877
Loss of office payment[4]	**–**	**–**	**–**	28 887	–	–	28 887
Total single figure of remuneration	**12 230**	**6 545**	**18 774**	30 763	8 067	6 110	44 940
Current year STI accrued not yet settled	**(4 397)**	**(2 199)**	**(6 596)**	–	(2 562)	(1 315)	(3 877)
Prior year STI accrual settled	**2 562**	**1 315**	**3 877**	3 456	–	1 630	5 086
Settlement of cash-based LTI	**1 138**	**1 138**	**2 276**	12 357	–	–	12 357
Total cash equivalent value of remuneration	**11 533**	**6 799**	**18 332**	46 576	5 505	6 425	58 506
Fair value of cash-based LTI	**–**	**–**	**–**	–	–	–	–
Financial statement remuneration[3]	**11 533**	**6 799**	**18 332**	46 576	5 505	6 425	58 506

[1] Resigned 1 June 2017
[2] Appointed as an executive director 1 June 2017
[3] As per 2019 consolidated financial statements page 72
[4] Ad hoc loss of office settlement approved by the board
[5] Includes 20-year long service award paid in the prior year

Other key management and prescribed officers

	2019						2018				
	CG du Toit[2] R'000	**G Joseph R'000**	**R Nadasen R'000**	**MN von Aulock[3] R'000**	**RF Weilers[4] R'000**	**Total R'000**	J Booysen[1] R'000	G Joseph R'000	R Nadasen R'000	RF Weilers R'000	Total R'000
Salary	**2 411**	**3 048**	**2 450**	**5 191**	**2 045**	**15 145**	1 054	2 024	1 648	4 090	8 816
Pension fund contributions	**–**	**369**	**322**	**262**	**–**	**953**	95	260	228	–	583
Other benefits	**–**	**159**	**161**	**173**	**92**	**584**	327	439	199	–	965
Current year STI accrued	**2 270**	**1 255**	**986**	**2 678**	**868**	**8 057**	–	1 055	1 063	1 625	3 743
Fair value of cash-based LTI[6]	**–**	**622**	**622**	**–**	**–**	**1 244**	–	179	179	–	358
Total single figure of remuneration	**4 681**	**5 453**	**4 540**	**8 304**	**3 005**	**25 983**	1 476	3 957	3 317	5 715	14 465
Current year STI accrued not yet settled	**(2 270)**	**(1 255)**	**(986)**	**(2 678)**	**–**	**(7 189)**	–	(1 055)	(1 063)	(1 625)	(3 743)
Prior year STI accrual settled	**–**	**1 055**	**1 063**	**–**	**1 625**	**3 744**	1 693	–	–	1 543	3 236
Settlement of cash-based LTI	**–**	**–**	**–**	**–**	**288**	**288**	–	–	–	–	–
Total cash equivalent value of remuneration	**2 411**	**5 253**	**4 618**	**5 626**	**4 919**	**22 827**	3 169	2 902	2 254	5 633	13 958
Fair value of cash-based LTI	**–**	**(622)**	**(622)**	**–**	**–**	**(1 244)**	–	(179)	(179)	–	(358)
Financial statement remuneration[5]	**2 411**	**4 631**	**3 996**	**5 626**	**4 919**	**21 583**	3 169	2 723	2 075	5 633	13 600

[1] Appointed as an executive director 1 June 2017
[2] Appointed as Chief Operating Officer – alternative gaming 1 June 2018
[3] Appointed as Managing Director – hotels division 1 July 2018
[4] Retired as Managing Director – offshore hotels division 30 November 2018. His 2016 allocation vested early in terms of the rules of the scheme
[5] As per 2019 consolidated financial statements pages 72 and 73
[6] The fair value of cash-based LTIs has been amended from the prior year to closer align to the King IV requirements. In the 2018 financial year the share appreciation rights were reflected at grant, but in the current report the appreciation rights are reflected in the financial year preceding vesting. Share appreciation rights that do not have explicit performance conditions are reflected in the financial year preceding vesting at the year-end share price plus dividends earned less the strike price multiplied by the number of awards granted. The value of the share appreciation rights awards made on 1 April 2015 and 1 April 2016 with a vesting period ended 1 April 2018 and 1 April 2019 is reflected in the 2018 and 2019 single figure of remuneration of R4.73 and R1.90 respectively

Short-term incentive

The following table reflects the percentage achievement against the short-term incentive targets for the executive directors and the GEC (excluding the executive directors):

	Financial and relative performance		Relative growth		Non-financial strategic priorities		Total 2019 achievement[(1)]	2019 annual total package	Short-term incentive accrued
	Score %	weighting %	Score %	weighting %	Score %	weighting %	%	%	R'000
Executive directors									
J Booysen	**32**	**85**	**–**	**–**	**85**	**15**	**40**	**59**	**4 397**
RB Huddy	**32**	**80**	**–**	**–**	**90**	**20**	**43**	**52**	**2 199**
Group executive committee	**25**	**70**	**66**	**9**	**87**	**21**	**44**	**41**	

	Financial and relative performance		Relative growth		Non-financial strategic priorities		Total 2018 achievement[(2)]	2018 annual total package	Short-term incentive accrued
	Score %	weighting %	Score %	weighting %	Score %	weighting %	%	%	R'000
Executive directors									
J Booysen	14	85	–	–	86	15	24	37	2 562
RB Huddy	13	80	–	–	86	20	27	33	1 315
Group executive committee	18	71	24	7	85	22	33	30	

(1) To be paid during the 2020 financial year
(2) Paid during the 2019 financial year

The only significant adjustment made during the 2019 financial year to the targets for financial performance was for interest on the additional interim dividend which was not budgeted. The adjusted targets for the 2019 financial year were R5 997 million (actual achievement R5 620 million) for Ebitda and R2 018 million (actual achievement R1 995 million) for adjusted earnings. The financial performance score against the adjusted target for the 2019 financial year was 19% for Ebitdar and 44% for adjusted earnings which resulted in an overall financial score of 32% at group level.

For employees in the hotel division, the relative growth score in aggregate for the 2019 financial year was 66%.

The relative weighting of the financial and relative growth scores and the relative weighting of the divisions resulted in an average score for the financial and relative growth component of 32% for the executive directors and 30% for the GEC for the 2019 financial year.

The average score for the non-financial strategic objectives for the executive directors and GEC for the 2018 financial year was 87%.

The weighted total achievement for the 2019 financial year was 41% of entitlement for the executive directors and 44% of entitlement for the GEC.

Long-term incentive liability – cash settled

The following table summarises details of the units awarded to all scheme participants per financial year, the units vested at the end of the year and expiry dates of each allocation:

Grant date	**Appreciation units granted and still outstanding** 2019	2018	Strike price R	**Appreciation units vested and still outstanding** 2019	2018	Expiry date	**Liability 2019 Rm**	Liability 2018 Rm
1 April 2013	**567 999**	4 450 589	24.56	**567 999**	4 450 589	31 March 2019	**3**	25
1 April 2014	**5 375 899**	6 279 865	25.72	**5 375 899**	6 279 865	31 March 2020	**20**	23
1 April 2015	**5 859 181**	6 122 937	26.54	**5 859 181**	6 122 937	31 March 2021	**11**	12
1 April 2016	**7 405 847**	7 975 525	22.82	**7 405 847**	–	31 March 2022	**35**	25
1 April 2017	**7 366 228**	7 473 372	28.00	**–**	–	31 March 2023	**–**	–
1 April 2018	**8 222 560**	–	24.08	**–**	–	31 March 2024	**4**	–
1 October 2018	**3 788 314**		20.88	**–**	–	30 September 2024	**2**	–
Other	**902 044**	1 017 784	23.83	**338 297**	349 652		**2**	2
Liability at 31 March							**77**	87
Share price utilised to value the liability at 31 March							**R23.50**	R25.50

Remuneration report continued

Long-term incentive liability – cash settled continued

	Grant date	Appreciation units granted and still outstanding 2019	2018	Strike price[4] R	Appreciation units vested and still outstanding 2019	2018	2019 settlement R'000	Expiry date	Liability 2019 R'000	Liability 2018 R'000
Executive directors										
J Booysen[2]	01/04/2013	**–**	264 658	24.56	**–**	264 658	**1 138**	01/04/2019	**–**	900
	01/04/2014	**291 602**	291 602	25.72	**–**	291 602	**–**	01/04/2020	**1 059**	420
RB Huddy	01/04/2013	**–**	264 658	24.56	**–**	264 658	**1 138**	01/04/2019	**–**	900
	01/04/2014	**184 681**	184 681	25.72	**184 681**	184 681	**–**	01/04/2020	**670**	266
							2 276		**1 729**	2 486
Other key management and prescribed officers										
CG du Toit[1]	01/10/2018	**550 766**	*	20.88	**–**	*	**–**	01/10/2024	**2 170**	–
G Joseph	01/04/2014	**97 201**	97 201	25.72	**97 201**	97 201	**–**	01/04/2020	**353**	140
	01/04/2015	**94 198**	94 198	26.54	**94 198**	94 198	**–**	01/04/2021	**181**	–
	01/04/2016	**131 464**	131 646	22.82	**131 464**	–	**–**	01/04/2022	**622**	334
	01/04/2017	**125 000**	125 000	28.00	**–**	–	**–**	01/04/2023	**–**	–
	01/10/2017	**120 949**	120 949	20.67	**–**	–	**–**	01/10/2023	**625**	445
	01/04/2018	**186 877**	–	24.08	**–**	–	**–**	01/04/2024	**269**	–
R Nadasen	13/04/2013	**81 433**	81 433	24.56	**81 433**	81 433	**–**	01/04/2019	**507**	277
	01/04/2014	**97 201**	97 201	25.72	**97 201**	97 201	**–**	01/04/2020	**353**	140
	01/04/2015	**94 198**	94 198	26.54	**94 198**	94 198	**–**	01/04/2021	**181**	–
	01/04/2016	**131 464**	131 464	22.82	**131 464**	–	**–**	01/04/2022	**622**	334
	01/04/2017	**125 000**	125 000	28.00	**–**	–	**–**	01/04/2023	**–**	–
	01/10/2017	**48 380**	48 380	20.67	**–**	–	**–**	01/10/2023	**250**	178
	01/04/2018	**166 113**	–	24.08	**–**	–	**–**	01/04/2024	**239**	–
MN von Aulock[2]	01/10/2018	**2 155 172**	–	20.88	**–**	–	**–**	01/10/2024	**8 491**	–
RF Weilers[3]	13/04/2013	**–**	122 150	24.56	**–**	122 150	**201**	01/04/2019	**–**	415
	01/04/2014	**–**	97 201	25.72	**–**	97 201	**–**	01/04/2020	**–**	140
	01/04/2015	**–**	94 198	26.54	**–**	94 198	**–**	01/04/2021	**–**	–
	01/04/2016	**–**	109 553	22.82	**–**	109 553	**87**	01/04/2022	**–**	278
							288		**14 864**	2 681

[1] Appointed as Chief Operating Officer – Alternative Gaming 1 June 2018
[2] Appointed as Managing Director – Hotels Division 1 July 2018
[3] Retired as Managing Director – Offshore Hotels Division 30 November 2018. His 2016 allocation vested early in terms of the rules of the scheme
[4] The appreciation units are granted at the seven-day VWAP prior to the grant date and vest over three years
** Not considered an executive director or other key management and prescribed officer during the period*

Long-term incentive – executive facility

The fair value of the executive scheme was expensed in accordance with IFRS during the 2015 financial year and detail is included in the remuneration report on page 76 of the 2015 integrated annual report. Details of the scheme are included on page 29. There were no changes during the year.

TSOGO SUN GAMING LIMITED
(formerly Tsogo Sun Holdings Limited)
(Incorporated in the Republic of South Africa)
Registration number: 1989/002108/06
Share code: TSG ISIN:ZAE000273116
('the company')

Notice is hereby given to the shareholders of the company that the Annual General Meeting ('AGM') of the company will be held at the company's head office, main boardroom, Ground Floor, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa on Thursday, 17 October 2019 at 12:00, for the purpose of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary and special resolutions and the non-binding advisory endorsements set out herein, and considering any other matters raised by shareholders, at the AGM.

1 RECEIPT AND ADOPTION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

Ordinary resolution 1

"Resolved as an ordinary resolution to receive and adopt the annual consolidated financial statements of the company for the financial year ended 31 March 2019 tabled at the meeting at which this resolution was proposed, together with the reports of the directors, the audit and risk committee and the independent auditors contained therein, and further to receive the report back of the audit and risk committee, the social and ethics committee and the remuneration committee which are set out on pages 22 and 23 of the notice convening the AGM at which this resolution was proposed."

2 REAPPOINTMENT OF AUDITORS

Ordinary resolution 2

"Resolved as an ordinary resolution, that upon the recommendation of the audit and risk committee, PwC be and are hereby reappointed as independent auditors of the company until the conclusion of the next AGM."

The reason for ordinary resolution 2 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or reappointed each year at the AGM as required by the Companies Act No. 71 of 2008, as amended ('Companies Act'). The company's audit and risk committee has considered the independence of PwC in accordance with the Companies Act and is satisfied that PwC is independent as contemplated by the Companies Act and the applicable rules of the International Federation of Accountants. Furthermore, the company's audit and risk committee ('audit and risk committee') has, in terms of paragraphs 3.84(g)(iii) and 3.86 of the Listings Requirements of the JSE Limited ('JSE'), considered and satisfied itself that PwC is accredited by and appears on the JSE's list of accredited auditors in compliance with section 22 of the JSE Listings Requirements and is suitable for appointment. The audit and risk committee has accordingly recommended PwC for appointment as the registered external auditor of the company until the next AGM, subject to shareholder approval as required in terms of section 90(1) of the Companies Act. The individual registered auditor who will undertake the audit during the financial year ending 31 March 2020 is, at the date of this notice of AGM ('notice'), Mr P Calicchio.

3 ELECTION AND RE-ELECTION OF DIRECTORS OF THE COMPANY BY SEPARATE RESOLUTIONS

Mr J Booysen, who served as an executive director of the company and as the Chief Executive Officer of the company since 1 July 2017, has retired and resigned as a director of the company with effect from 30 June 2019.

Mr JG Ngcobo, who served as an independent non-executive director of the company since 24 February 2011, and who served as a member of the audit and risk committee, the social and ethics committee and the remuneration committee, resigned as a director of the company with effect from 31 May 2019 to pursue new opportunities.

Mr CG du Toit was appointed as an executive director of the company with effect from 1 June 2019 to fill the vacancy on the board arising following the resignation of Mr J Booysen, and was appointed as Chief Executive Officer of the company with effect from 1 July 2019, and it is proposed that Mr CG du Toit, who is eligible and available for election as a director of the company, be so elected.

Ms RD Watson was appointed as an independent non-executive director of the company with effect from 1 June 2019 to fill the vacancy on the board arising following the resignation of Mr JG Ngcobo, and it is proposed that Ms RD Watson, who is eligible and available for election as a director of the company, be so elected.

It is proposed that Mr MJA Golding, Mr VE Mphande and Ms BA Mabuza, who retire by rotation in terms of the company's memorandum of incorporation, and who are eligible and available for re-election as directors of the company, be so re elected.

Summarised *curricula vitae*, in respect of Mr CG du Toit, Ms RD Watson and each of the directors who retire at the AGM and who are standing for re-election, are set out on pages 20 and 21 of this notice.

3.1 Ordinary resolution 3.1

"Resolved as an ordinary resolution, that Mr CG du Toit be and is hereby elected as a director of the company."

3.2 Ordinary resolution 3.2

"Resolved as an ordinary resolution, that Ms RD Watson be and is hereby elected as a director of the company."

3.3 Ordinary resolution 3.3

"Resolved as an ordinary resolution, that Mr MJA Golding be and is hereby re-elected as a director of the company."

3.4 Ordinary resolution 3.4

"Resolved as an ordinary resolution, that Mr VE Mphande be and is hereby re-elected as a director of the company."

3.5 Ordinary resolution 3.5

"Resolved as an ordinary resolution, that Ms BA Mabuza be and is hereby re-elected as a director of the company."

The reason for ordinary resolutions number 3.1 and 3.2 is to elect the directors of the company who were appointed during the course of the year in accordance with the Companies Act.

The reason for ordinary resolutions number 3.3 to 3.5 is to re-elect those directors of the company who retire by rotation as directors in accordance with the memorandum of incorporation of the company.

4 ELECTION AND RE-ELECTION OF MEMBERS TO THE AUDIT AND RISK COMMITTEE BY SEPARATE RESOLUTIONS

Mr JG Ngcobo, who served as a member of the audit and risk committee, resigned as a director of the company with effect from 31 May 2019 to pursue new opportunities.

It is proposed that Ms RD Watson, who is eligible and available for election as a member of the audit and risk committee, be so elected.

It is proposed further that Ms BA Mabuza and Mr MSI Gani, who are eligible and available for re-election as members of the audit and risk committee, be so re-elected.

Summarised *curricula vitae*, in respect of each director standing for election and re-election to the audit and risk committee, are set out on page 21 of this notice.

4.1 Ordinary resolution 4.1

"Resolved as an ordinary resolution that, subject to the passing of ordinary resolution 3.5, Ms BA Mabuza be and is hereby re-elected as a member of the company's audit and risk committee in terms of section 94(2) of the Companies Act, No 71 of 2008, as amended, until the conclusion of the next AGM."

4.2 Ordinary resolution 4.2

"Resolved as an ordinary resolution that Mr MSI Gani be and is hereby re-elected as a member of the company's audit and risk committee in terms of section 94(2) of the Companies Act, No 71 of 2008, as amended, until the conclusion of the next AGM."

4.3 Ordinary resolution 4.3

"Resolved as an ordinary resolution that, subject to the passing of ordinary resolution 3.2, Ms RD Watson be and is hereby elected as a member of the company's audit and risk committee in terms of section 94(2) of the Companies Act, No 71 of 2008, as amended, until the conclusion of the next AGM."

The reason for ordinary resolutions number 4.1 to 4.3 is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be elected at each AGM of a company.

5 NON-BINDING ADVISORY ENDORSEMENT APPROVING THE COMPANY'S REMUNERATION POLICY

The company's remuneration policy is set out on pages 25 to 30 of this notice and will be submitted for endorsement by a non-binding advisory vote at the AGM, thus providing shareholders with an opportunity to express their views on the company's remuneration policy. In the event that this non-binding advisory endorsement approving the company's remuneration policy is voted against by shareholders exercising 25% or more of the voting rights exercised, the company undertakes to engage with its shareholders in regard thereto.

Advisory endorsement 1

"Resolved on a non-binding advisory basis, to endorse the company's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and/or as members of the board sub-committees) set out on pages 25 to 30 of the notice convening the AGM at which this non-binding advisory endorsement was proposed."

6 NON-BINDING ADVISORY ENDORSEMENT APPROVING THE COMPANY'S REMUNERATION IMPLEMENTATION REPORT

The company's remuneration implementation report is set out on pages 31 to 34 of this notice and will be submitted for endorsement by a non-binding advisory vote at the AGM, thus providing shareholders with an opportunity to express their views on the company's remuneration implementation report. In the event that this non-binding advisory endorsement approving the company's remuneration implementation report is voted against by shareholders exercising 25% or more of the voting rights exercised, the company undertakes to engage with its shareholders in regard thereto.

Advisory endorsement 2

"Resolved on a non-binding advisory basis, to endorse the company's remuneration implementation report set out on pages 31 to 34 of the notice convening the AGM at which this non-binding advisory endorsement was proposed."

7 NON-EXECUTIVE DIRECTORS' FEES

Special resolution 1

"Resolved as a special resolution that the proposed fees payable to the non-executive directors of the company for their services as directors of the company and/or as members of the board sub-committees, as reflected in the remuneration implementation report on page 31 of the notice convening the AGM at which this special resolution was proposed, be and are hereby approved for the period from 17 October 2019 until the conclusion of the next AGM."

The reason for special resolution 1 is that in order to comply with the requirements of section 65(11)(b), read with sections 66(8) and (9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of a company's memorandum of incorporation. The fees proposed to be paid to the non-executive directors of the company for their services as directors of the company and/or as members of the board sub-committees have been set so as to ensure that the remuneration of the non-executive directors remains competitive in order to enable the company to attract and retain persons of the calibre required to make meaningful contributions to the company.

The effect of special resolution 1, if passed and becoming effective, is that the non-executive directors of the company will be entitled to receive the proposed fees reflected in the remuneration implementation report on page 31 of this notice, for the period from 17 October 2019 until the conclusion of the next AGM.

8 GENERAL AUTHORITY TO REPURCHASE SHARES

Special resolution 2

"Resolved as a special resolution that the company and/or any of its subsidiaries be and are hereby authorised, by way of a general approval in terms of the Listings Requirements of the JSE Limited ('JSE'), to acquire ordinary shares issued by the company, provided that:

- this general authority to repurchase ordinary shares issued by the company shall be valid until the company's next AGM, or 15 months from the date of the passing of this special resolution, whichever period is the shorter;
- any such acquisition of ordinary shares shall only be made in compliance with the provisions of section 48 read with section 46 of the Companies Act;
- any such acquisition of ordinary shares shall be 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);
- authorisation to effect repurchases is given by the company's memorandum of incorporation;

- acquisitions under this general authority to repurchase ordinary shares may not, in aggregate in any one financial year, exceed 10% of the company's issued ordinary share capital as at the date of the passing of this special resolution;
- no acquisitions under this general authority to repurchase ordinary shares may be made at a price which is more than 10% above the weighted average of the market price of the ordinary shares of the company for the five business days immediately preceding the date of such acquisition. The JSE should be consulted for a ruling if the company's ordinary shares have not traded in such five business day period;
- the company may only appoint one agent at any point in time to effect any repurchase(s) on the company's behalf;
- this authority includes an authority for shares to be repurchased, through the JSE's order book from a director or prescribed officer of the company or a person related to a director or prescribed officer, as contemplated in section 48(8)(a) of the Companies Act;
- the company and/or its subsidiaries may not repurchase ordinary shares during a prohibited period as defined by the Listings Requirements of the JSE unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the board of directors of the company authorises such transaction by passing a resolution authorising the repurchase, confirming that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the company and its subsidiaries; and
- the pre-approval by the JSE of any derivative transaction that may or will result in the repurchase of shares in terms of this general authority is obtained."

The reason for and effect of special resolution 2, if passed and becoming effective, is to grant the company and its subsidiaries ('group') a general authority in terms of the Listings Requirements of the JSE for the company and/or a subsidiary of the company, to acquire ordinary shares in the company which are in issue from time to time.

Although there is no immediate intention to effect an acquisition of the company's shares, the directors of the company consider that such a general authority should be put in place in order to enable an acquisition of the company's ordinary shares should an opportunity to do so present itself during the year and which is in the best interests of the company and its shareholders.

Having considered the impact of an acquisition by the company and/or any of its subsidiaries of the maximum number of shares permissible under this general authority, the directors of the company are satisfied that, if such acquisition were implemented:

- the company and the group are able to pay its debts in the ordinary course for a period of 12 months after the date of this notice;
- the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of this notice. 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 group financial statements;
- the share capital and reserves of the company and the group will be adequate for the ordinary course of business purposes for a period of 12 months after the date of this notice; and
- the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of this notice.

The directors of the company confirm that no acquisition by the company and/or any of its subsidiaries of ordinary shares in the company will be implemented in terms of this authority unless the directors have passed a resolution authorising the acquisition, and a resolution to the effect that the company and its subsidiary(ies), as the case may be, have satisfied the solvency and liquidity test and since the solvency and liquidity test had been applied, there had been no material changes to the financial position of the company or the group.

Should the company or any subsidiary cumulatively acquire 3% of the initial number of ordinary shares in issue in terms of this general authority and for each 3% in aggregate of the initial number of ordinary shares acquired thereafter in terms of this general authority, the company will make an announcement to such effect in terms of the Listings Requirements of the JSE.

For the purposes of considering special resolution number 2 and in compliance with the Listings Requirements of the JSE, the major shareholders of the company are described on page 24 to this notice and the share capital of the company is as follows:

Authorised
1 200 000 000 ordinary shares having a par value of 2 cents per share
20 000 000 preference shares of no par value

Issued
1 060 895 712 ordinary shares having a par value of 2 cents per share

Directors' responsibility statement
The directors of the company, whose names appear on pages 20 and 21 of this notice:

- collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 2; and
- certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information in relation to special resolution 2 required by the Listings Requirements of the JSE.

Material changes
As at Friday, 26 July 2019, being the last practicable date before the finalisation of this notice, there have been no material changes in the financial or trading position of the company and its subsidiaries that have occurred between 31 March 2019 and 25 July 2019 other than the facts and developments reported on in the integrated annual report of the company for the financial year ended 31 March 2019.

9 GENERAL APPROVAL OF THE PROVISION OF FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

Special resolution 3

"Resolved as a special resolution that, to the extent required by section 45 of the Companies Act, the board of directors of the company may, during the period of two years commencing on the date of the adoption of this special resolution 3, and subject to compliance with the requirements of the Companies Act, the company's memorandum of incorporation and the Listings Requirements of the JSE, each as presently constituted, and as amended from time to time, authorise the company to provide direct or indirect financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, to:

- any of its present or future subsidiaries and/or any other company or corporation that is or becomes a related or interrelated company or corporation of the company; or
- any member of its present or future subsidiaries and/or any other company or corporation that is or becomes a related or interrelated company or corporation;

on such terms and conditions as the board of directors of the company (or any one or more persons authorised by the board of directors of the company from time to time for such purpose) may deem fit."

Section 45 of the Companies Act permits financial assistance to be provided to a related or interrelated company or corporation of the company or to a member of a related or interrelated company or corporation, if the financial assistance is pursuant to, *inter alia*, a special resolution of the shareholders adopted within the previous two years and provided that the board of directors of the company is satisfied that:

(i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in the Companies Act); and
(ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

The reason for special resolution 3, if passed and becoming effective, is that as part of the normal conduct of the business of the group, the company provides financial assistance to its subsidiaries and other related and interrelated companies and entities (as contemplated in the Companies Act), including the provision of guarantees, the sub-ordination of loans and the provision of other forms of security to third parties which provide funding to the group. In order to ensure, *inter alia*, that the group's present and future subsidiaries and other related and interrelated companies and entities have access to financing and/or financial backing from the group and are able to appropriately structure the financing of the group's corporate and working capital requirements, it is necessary that the company obtains the approval of shareholders in terms of special resolution 3.

The effect of special resolution 3, if passed and becoming effective, is to grant the directors the continued authority to authorise the provision of financial assistance by the company to any of its present or future subsidiaries and/or any other company or corporation that is or becomes a related or interrelated company or corporation of the company or to any member of its present or future subsidiaries and/or any other company or corporation that is or becomes a related or interrelated company or corporation of the company for the ensuing two years, subject to the requirements of the Companies Act, the company's memorandum of incorporation and the Listings Requirements of the JSE.

Shareholders and interested and affected parties are advised to take note that the board of directors of the company has, as part of the normal conduct of the business of the group and consistent with standard practice, from time to time authorised the provision by the company of direct or indirect financial assistance to group members, as envisaged in section 45 of the Companies Act, including in relation to cash sweep management practices that result in intragroup liabilities which provision of financial assistance had been authorised by a special resolution of the shareholders, adopted within the previous two years of the provision of such financial assistance.

10 ISSUE OF SHARES OR OPTIONS AND GRANT OF FINANCIAL ASSISTANCE IN CONNECTION WITH THE COMPANY'S SHARE-BASED INCENTIVE SCHEMES

Special resolution 4

"Resolved as a special resolution that, to the extent required in terms of, and subject to the provisions of sections 41, 42, 44 and 45 of the Companies Act, the requirements (if applicable) of the company's memorandum of incorporation and the Listings Requirements of the JSE:

- the issue by the company of shares or securities convertible into shares, or the grant by the company of options for the allotment or subscription of shares or other securities of the company or the grant of any other rights exercisable for securities of the company in accordance with the provisions of any share-based incentive scheme established by the company; and/or
- the provision by the company of direct or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise), in connection with any share-based incentive scheme established by the company (i) to any person, director, future director, prescribed officer or future prescribed officer of the company; or (ii) to a person related or interrelated to the company or to their respective nominees, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company, or by a related or interrelated company, or for the purchase of any securities of the company or of a related or interrelated company, at any time and from time to time during the period of two years commencing on the date of the adoption of this special resolution 4, be and are hereby approved."

The reason for and effect of special resolution 4, if passed and becoming effective, is (i) to authorise the issue of shares or options and the provision of financial assistance, in connection with any share-based incentive scheme established by the company; and (ii) although section 44 of the Companies Act contains an exemption in respect of employee share schemes that satisfy the requirements of section 97 of the Companies Act, to the extent that any of the company's share or other employee incentive schemes do not satisfy such requirements, financial assistance (as contemplated in section 44) to be provided under such schemes will, *inter alia*, also require approval by special resolution of the shareholders.

Sections 44 and 45 of the Companies Act provide, *inter alia*, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the board of directors of the company must be satisfied that:

- immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

RECORD DATES

The directors of the company have determined that the date on which a shareholder must be recorded as a shareholder in the company's register of shareholders in order to:

- receive notice of the AGM is Friday, 26 July 2019; and
- participate in and vote at the AGM is Friday, 11 October 2019.

The last day to trade in order to be registered in the company's register of shareholders to be able to participate in and vote at the AGM will therefore be Tuesday, 8 October 2019.

VOTING

Each ordinary resolution to be considered at the AGM requires the support of more than 50% of the voting rights exercised on that resolution, in order to be adopted.

Each special resolution to be considered at the AGM requires the support of at least 75% of the voting rights exercised on that resolution, in order to be adopted.

In terms of the Listings Requirements of the JSE, equity securities held by a share trust or scheme established by the company will not have their votes at the AGM taken into account for the purposes of adopting the resolutions proposed thereat.

In terms of section 48(2)(b)(ii) of the Companies Act, subsidiaries of the company which hold shares in the company shall not be entitled to exercise voting rights on any resolutions proposed by the company in respect of such shares.

Voting on the resolutions to be considered at the AGM will be conducted by way of a poll. In this regard, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.

Shareholders who hold dematerialised shares, other than holders of dematerialised shares registered in their own name, must inform their Central Securities Depository Participant ('CSDP') or broker of their intention to attend the AGM and must request their CSDP or broker to issue them with the necessary letter of representation to attend the AGM if they wish to attend the AGM in person or provide their CSDP or broker with their voting instructions should they not wish to attend the AGM in person, failing which the CSDP or broker will be obliged to act in terms of the mandate between such shareholder and their CSDP or broker.

PROXIES

Shareholders holding certificated shares and shareholders holding dematerialised shares registered in such shareholders' own name and who are registered as such on Friday, 11 October 2019 are entitled to attend, participate in and vote at the AGM and, if unable to do so in person, may appoint a proxy or proxies (acting in the alternative) to attend, participate in, speak and vote at the AGM in such shareholders' stead. A proxy need not be a shareholder of the company. The completion and lodging of a form of proxy will not preclude a shareholder from attending, participating in, speaking and voting at the AGM to the exclusion of the proxy(ies) so appointed.

It is recommended that the attached form of proxy, duly completed, should be returned to the transfer secretaries of the company, Link Market Services South Africa Proprietary Limited, at their address below, in accordance with the instructions contained therein so as to be received by the transfer secretaries (for administrative purposes only) by 12:00 on Wednesday, 16 October 2019, but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the AGM or at any adjourned or postponed AGM which date, if necessary, will be notified on the Stock Exchange News Service of the JSE and in the press.

IDENTIFICATION

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of the person to participate in and vote at the AGM, either as a shareholder, or as a representative or proxy for a shareholder, has been reasonably verified.

Notice of Annual General Meeting continued

AVAILABILITY OF DOCUMENTS

Copies of the financial statements and the integrated annual report of the company for the year ended 31 March 2019, containing the report of the directors, the independent auditors, the audit and risk committee, the social and ethics committee and the remuneration committee, may be obtained from the registered office of the company, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa, during normal business hours from Monday, 5 August 2019 up to and including Thursday, 17 October 2019, or from the company's website, tsogosun.com/gaming from Monday, 29 July 2019.

ELECTRONIC COMMUNICATION

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the AGM by way of electronic participation, that shareholder should make an application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate, to the transfer secretaries, at their address below, to be received by the transfer secretaries at least seven business days prior to the AGM (i.e. by Tuesday, 8 October 2019) in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative or proxy) with details as to how to access the AGM by means of electronic participation. Shareholders participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. The company reserves the right not to provide for electronic participation at the AGM in the event that it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to so participate.

ENQUIRIES

Any shareholder having difficulties or queries in regard to the AGM is invited to contact the Company Secretary, GD Tyrrell, on+27 11 510 7840 or at companysecretary@tsogosun.com.

RESULTS OF THE ANNUAL GENERAL MEETING

The results of the AGM will be issued on the Stock Exchange News Service of the JSE as soon as practically possible after the AGM.

By order of the board

Graham David Tyrrell
Company Secretary

25 July 2019

Registered office
Palazzo Towers East
Montecasino Boulevard
Fourways, 2055
Private Bag X200
Bryanston, 2021

Transfer secretaries
Link Market Services South Africa Proprietary Limited
13th Floor, 19 Ameshoff Street
Braamfontein, 2001
PO Box 4844, Johannesburg, 2000

Form of proxy

TSOGO SUN

Tsogo Sun Gaming Limited
(formerly Tsogo Sun Holdings Limited)
(Incorporated in the Republic of South Africa)
Registration number: 1989/002108/06
Share code: TSG ISIN: ZAE000273116
('the company')

This form of proxy is for use by shareholders registered as such who hold certificated shares in the company and shareholders who hold 'own-name' dematerialised shares in the company, to appoint a proxy or proxies for the Annual General Meeting of the company to be held at 12:00 on Thursday, 17 October 2019 at the company's head office, main boardroom, Ground Floor, Palazzo Towers East, Montecasino Boulevard, Fourways, South Africa, or any adjournment or postponement thereof.

Shareholders who have dematerialised their shares in the company and do not have 'own-name' registration, must inform their Central Securities Depository Participant ('CSDP') or broker if they wish to attend the Annual General Meeting in person and must request their CSDP or broker to issue them with the necessary letters of representation authorising them to attend in person, alternatively, they must provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person. Such dematerialised shareholders must not return this form of proxy to the transfer secretaries.

It is recommended that forms of proxy should be completed and delivered to the transfer secretaries, Link Market Services South Africa Proprietary Limited (for administrative purposes only) by no later than 12:00 (South African time) on Wednesday, 16 October 2019, but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the Annual General Meeting or at any adjourned or postponed Annual General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of the JSE Limited and in the press

I/We (full names in BLOCK LETTERS please)

of (insert address)

Email address Telephone number Mobile number

being the holder(s) of ______ (insert number) ordinary shares in the company, hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the Annual General Meeting,

as my/our proxy to attend, speak at and participate in the Annual General Meeting or at any adjournment or postponement thereof, on my/our behalf, and to vote for and/or against the ordinary and special resolutions to be proposed at such Annual General Meeting, or any postponement or adjournment thereof, and/or to abstain from voting thereon, in respect of the ordinary shares in the company registered in my/our name(s).
I/We wish to vote as follows:

(In the absence of such indication, the proxy will be entitled to vote or abstain from voting in his/her discretion.)

	Insert number of votes or an 'X' in the relevant column (see notes 2 and 3 overleaf)		
	For	**Against**	**Abstain**
Ordinary resolution 1 – Receipt and adoption of annual financial statements and reports			
Ordinary resolution 2 – Reappointment of auditors			
Ordinary resolution 3.1 – Election of Mr CG du Toit as a director			
Ordinary resolution 3.2 – Election of Ms RD Watson as a director			
Ordinary resolution 3.3 – Re-election of Mr MJA Golding as a director			
Ordinary resolution 3.4 – Re-election of Mr VE Mphande as a director			
Ordinary resolution 3.5 – Re-election of Ms BA Mabuza as a director			
Ordinary resolution 4.1 – Re-election of Ms BA Mabuza to the audit and risk committee			
Ordinary resolution 4.2 – Re-election of Mr MSI Gani to the audit and risk committee			
Ordinary resolution 4.3 – Election of Ms RD Watson to the audit and risk committee			
Advisory endorsement 1 – Non-binding advisory endorsement approving the company's remuneration policy			
Advisory endorsement 2 – Non-binding advisory endorsement approving the company's remuneration implementation report			
Special resolution 1 – Approval of the proposed fees for non-executive directors			
Special resolution 2 – General authority to repurchase shares			
Special resolution 3 – General approval of the provision of financial assistance in terms of section 45 of the Companies Act			
Special resolution 4 – Approval of the issue of shares or options and the grant of financial assistance in connection with the company's share-based incentive schemes			

Any shareholder entitled to participate in, attend, speak and vote at the Annual General Meeting may appoint a proxy or proxies (acting in the alternative) to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company. The completion and lodging of a form of proxy will not preclude a shareholder from attending the Annual General Meeting, participating therein and speaking and voting thereat to the exclusion of the proxy(ies) so appointed.

Signed at this day of 2019

Signature(s)

Assisted by (where applicable)

Please read the summary of the rights contained in section 58 of the Companies Act, No 71 of 2008, as amended ('Companies Act') and the notes overleaf.

Summary of rights contained in section 58 of the Companies Act

For purposes of this summary, the term 'shareholder' shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
   3.1 a shareholder of the relevant 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 such shareholder;
   3.2 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; and
   3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
   4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and
   4.2 should the instrument used to appoint a proxy be 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 the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
   5.1 stated in the revocation instrument, if any; or
   5.2 upon which the revocation instrument is delivered to the proxy and the relevant company.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to the:
   6.1 shareholder; or
   6.2 proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
   8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised and must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;
   8.2 the company must not require that the proxy appointment be made irrevocable; and
   8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act (see paragraph 5 above).

Notes to the form of proxy

1. A registered shareholder may appoint and insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the Chairperson of the Annual General Meeting', but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the Chairperson of the Annual General Meeting. The proxy or proxies need not be shareholders of the company. The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of any proxy whose name follows.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an 'X' or the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or abstain from voting at the meeting as he/she thinks fit in respect of the shareholders' exercisable votes, and if the proxy is the Chairperson of the Annual General Meeting, he/she shall be entitled to vote in favour of the resolutions proposed at the Annual General Meeting in respect of all the shareholders' votes exercisable thereat. If an 'X' has been inserted in one of the blocks relating to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned in respect of such resolution.
3. A shareholder or his/her proxy is not obliged to cast all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
4. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries.
5. It is recommended that the completed forms of proxy should be lodged with the transfer secretaries, Link Market Services South Africa Proprietary Limited, PO Box 4844, Johannesburg, 2000 or 13th Floor, Rennie House, 19 Ameshoff Street Braamfontein, Johannesburg, 2001 (for administrative purposes only by no later than 13:00 on Wednesday, 16 October 2019), but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the Annual General Meeting or at any adjourned or postponed Annual General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of the JSE Limited and in the press.
6. The form of proxy must be dated and signed. The completion of any blank spaces overleaf need not be initialled, but any alterations or corrections to the form of proxy must be initialled by the signatory(ies).
7. Where there are joint holders of ordinary shares in the company:
   7.1 any one holder may sign this form of proxy; and
   7.2. the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of shareholders appear in the company's securities register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless this requirement is waived by the Chairperson of the Annual General Meeting.
9. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
10. The appointment by a shareholder of a proxy or proxies:
    10.1 is suspended at any time and to the extent that such shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; and
    10.2 is revocable in which case a shareholder may revoke the proxy appointment by:
        10.2.1 cancelling it in writing or making a later inconsistent appointment of a proxy; and
        10.2.2 delivering a copy of the revocation instrument to the proxy and to the company.
11. The appointment of a proxy or proxies remains valid only until the end of the Annual General Meeting subject to any revocation thereof.

Corporate information

COMPANY SECRETARY AND REGISTERED OFFICE

GD Tyrrell
Tsogo Sun Gaming Limited
(formerly Tsogo Sun Holdings Limited)
(Registration number: 1989/002108/06)
Palazzo Towers East
Montecasino Boulevard
Fourways, 2055
(Private Bag X200, Bryanston, 2021)

SPONSOR

Investec Bank Limited
(Registration number: 1969/004763/06)
100 Grayston Drive, Sandown
Sandton, 2196
(PO Box 785700, Sandton, 2146)

ATTORNEYS

Tabacks Attorneys
(Registration number: 2000/024541/21)
13 Eton Road
Parktown, 2193
(PO Box 3334, Houghton, 2041)

Nortons Inc.
(Registration number: 2009/006902/21)
135 Daisy Street
Sandton, 2196
(PO Box 41162, Craighall, 2024)

AUDITORS

PricewaterhouseCoopers Inc.
Registered Accountants and Auditors
(Registration number: 1998/012055/21)
4 Lisbon Lane, Waterfall City
Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)

TRANSFER SECRETARIES

Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
13th Floor
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

COMMERCIAL BANKERS

Nedbank Limited
(Registration number: 1966/010630/06)
1st Floor, Corporate Park
Nedcor Sandton
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Rand Merchant Bank
A division of FirstRand Bank Limited
(Registration number: 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Absa Group Limited
(Registration number: 1986/003934/06)
3rd Floor
Absa Towers East
170 Main Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)

Standard Bank
(Registration number: 1969/017128/06)
9th Floor, Standard Bank Centre
5 Simmonds Street
Johannesburg, 2001
(PO Box 7725, Johannesburg, 2000)

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