

TSOGO SUN GAMING



NOTICE OF ANNUAL GENERAL MEETING
2021

Contents

NOTICE OF ANNUAL GENERAL MEETING

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Summarised consolidated financial statements

1 BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 March 2021 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, A Hoyer 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 financial statements as at 31 March 2020 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 2021 which were approved by the board on 30 July 2021 and are available online or can be requested from the Company Secretary. The summarised consolidated 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 financial statements for the year ended 31 March 2021, dated 30 July 2021, is included in the audited financial statements available online on the company's website.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

(i) New and amended standards adopted by the group

The group adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the group from 1 April 2020, the significant accounting pronouncement being the IFRS 16 *Leases* amendment. No other pronouncements had any material impact on the group.

(ii) Amendment to IFRS 16 *Leases*

As permitted by IFRS 16, the group early adopted the amendment with effect from 1 April 2020 retrospectively although there was no adjustment necessary to the opening balance of retained earnings at the same date. The International Accounting Standards Board issued amendments to IFRS 16 to simplify how lessees account for rent concessions. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets specific conditions per the amendment is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying to IFRS 16 as if the change was not a lease modification. No such relief is provided for lessors. Lessors are required to assess whether rent concessions are lease modifications and, if so, account for them accordingly.

The practical expedient in the amended standard applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic, and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

On 31 March 2021, the IASB published additional amendments which adjusted the period from 30 June 2021 to 30 June 2022 which the group will apply.

The group applied the practical expedient to all of its leases where it is a lessee and lease concessions were granted to the group retrospectively with effect from 1 April 2020. This had the effect of reducing lease liabilities for the reporting period ended 31 March 2021 and the group recognised negative variable lease payments in profit or loss, as shown below. All of the lease concessions granted to the group were by way of forgiveness of rentals. There were no deferrals of lease rentals. Total lease concessions reducing lease liabilities and recognised in profit or loss:

| | Rm |
|-------------------|----|
| Property rentals | 55 |
| Equipment rentals | 12 |
| | 67 |

(iii) Interest rate benchmark

Interest Rate Benchmark Reform resulted in amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* issued by the IASB, and are effective for periods commencing on or after 1 January 2021. As at 31 March 2021, there were no changes to any of the interest rate benchmarks that the group is exposed to. The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates ("IBORs") with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. This reform is at various stages globally, a suitable alternative for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group. The group will continue to assess the impact of interest rate benchmark reform as the revised benchmark rates are published.

Summarised consolidated financial statements *continued*

3 STANDARDS ISSUED NOT YET EFFECTIVE

Other than 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 2021 or later periods, which the group has not early adopted, would have a material impact on the group.

IFRS 17 Insurance

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The group is in the process of assessing the possible impact on the group's insurance cell captive arrangements of the application of IFRS 17.

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The impact of IFRS 17 is currently being assessed but is not known at this time.

4 IMPAIRMENTS OF NON-CURRENT ASSETS

In terms of IAS 36 *Impairment of Assets*, the group tests for impairments in accordance with the group's accounting policy. The group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of non-current assets within the next financial year are discussed below. Impairments and impairment reversals of non-current assets are shown separately in the income statement.

| | 2021 Rm | 2020 Rm |
|---|------------|------------|
| 4.1 Impairment reversals of non-current assets | | |
| Impairment reversal of intangibles (note 4.4) | 129 | – |
| 4.2 Impairment of non-current assets | | |
| Impairment of property, plant and equipment | 12 | 99 |
| Impairment of right-of-use assets | – | 6 |
| Impairment of goodwill (note 4.3) | – | 332 |
| Impairment of intangibles (note 4.4) | – | 1 585 |
| | 12 | 2 022 |
| 4.3 Goodwill | | |
| At 1 April | 1 461 | 1 793 |
| Impairments | – | (332) |
| At 31 March | 1 461 | 1 461 |
| A summary of the goodwill allocation is as follows per CGU: | | |
| Montecasino | 273 | 273 |
| Suncoast | 890 | 890 |
| Golden Horse | 43 | 43 |
| Garden Route | 19 | 19 |
| Blackrock | 94 | 94 |
| Mykonos | 17 | 17 |
| The Caledon | 64 | 64 |
| Vukani | 61 | 61 |
| | 1 461 | 1 461 |

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

4.3 Goodwill *continued*

Impairment test for goodwill and casino licences (refer note 4.4 for casino licences)

Goodwill and casino licences are allocated and monitored based on the group's CGUs. The outbreak of Covid-19 in the prior year has significantly affected the South African economy and the gaming and hospitality industry. The closure of all the group's casino precincts during the lockdown and the uncertain economic outlook is having a material adverse effect on the group's operations and cash generations in the short to medium term. These factors are taken into account in the impairment testing of goodwill and intangibles, being mainly casino licences, most of which are indefinite lived.

Significant estimate: key assumptions used for value-in-use calculations

The recoverable amount of the CGUs is determined based on the higher of the fair value less cost of disposal and value-in-use. These calculations use management approved cash flow projections based on five-year forecasts. The expected capital cost spend in the CGUs is based on the historical experience of maintaining each property, taking into account current spend, limited to essential maintenance in order to preserve cash. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate.

In light of the Covid-19 implications mentioned above, the key assumptions used for value-in-use calculations were reviewed at the reporting period and estimated as follows:

- Trading assumptions – management forecast income, operating expenses and Ebitda margins based on past and current performance and its expectations of market developments. The Covid-19 pandemic and the ongoing regulatory restrictions promulgated, including the imposition of varying curfews, alcohol bans and capacity limitations restricting the group's ability to trade, had a substantial negative impact on the group's results for the year under review, which was offset by a reduction in variable and fixed costs, the most significant of these being gaming levies and VAT, payroll costs, food and beverage and operating equipment costs and advertising and marketing costs. The impact of a third Covid-19 wave has been considered in the group's cash flow forecasts, offset by the governments' vaccination programme. The group continued to implement cost-saving initiatives during the year to provide sustainable benefits. Taking the aforementioned into account, the group's forecast models assume a strong recovery in trading during the 2022 financial year off an extremely low base, particularly due to the cost savings which results in better Ebitda margins. As a result of this, Ebitda is forecast having higher growth rates for 2022 to 2024, levelling off to normal levels with effect from 2025;
- Discount rate – the discount rate is calculated by using a weighted average cost of capital ("WACC") of the respective CGUs. WACC is calculated using a bond risk-free rate and an equity premium adjusted for specific risks relating to the relevant CGUs (share beta and small stock premium). The average pre-tax discount rate has increased in comparison with the prior year due to a higher share beta, market risk rate and small stock premium. The group believes these rates will return to more normal levels over the medium term; and
- Long-term growth rate – cash flows beyond the first five-year period are extrapolated using estimated long-term growth rates in order to calculate the terminal recoverable amount. The growth rate estimations consider risks associated with the gaming and entertainment industry in which the CGUs operate and are consistent with forecasts included in publicly reported information specific to the entertainment and hospitality industries in which each CGU operates. The group has revised the long-term growth rate downward by 0.6 percentage points ("pp") to 4.7% compared to the prior year due to the negative effects of Covid-19.

The significant unobservable inputs used in the group's value-in-use calculations as at 31 March 2021 are shown below:

- Expected gaming win for the respective CGUs increases on average 70% for the 2022 financial year, then 7% for 2023 financial year and then levels out to normal trading levels of increases of 3% over the following years (2020: Expected gaming win increased by 67% for the 2022 financial year, then 8% for the 2023 financial year and then to 3% over the following years);
- Expected operating expenditure costs increase on average 64% for the 2022 financial year, then 9% for the 2023 financial year and then levels out to normal trading levels of increases of 4% (2020: Expected operating expenditure cost increased by 33% for the 2022 financial year and then to 4% over the following years);
- Risk-adjusted discount rate of an average of 19.3% (2020: 17.5%) pre-tax; and
- Long-term growth rate of 4.7% (2020: 5.3%).

Summarised consolidated financial statements *continued*

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

4.3 Goodwill *continued*

Significant estimate – impairment charges

Taking into account the revised assumptions, no further impairments to goodwill were deemed necessary since the previous reporting date. This was mainly due to the improvement in forecast cash flows compared to those expected at 31 March 2020, offset by the increase in the average discount rate and a lower long-term growth rate. During the prior year, the impairments charge of R332 million arose in the Gold Reef City (R136 million), Silverstar (R85 million) and The Caledon (R111 million) precincts. This was mainly as a result of the Covid-19 impact, and also to a lesser extent trading related in both Silverstar and The Caledon precincts. Gold Reef City, Silverstar and Goldfields precincts also had licence impairments due to factors mentioned above – refer note 4.4.

Significant estimate: impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described above. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values-in-use and the goodwill allocated to each CGU.

Sensitivities for the prior year reflects the impact (further impairments during the prior year) on goodwill if a reasonably possible change in a key assumption on which the group has based its determination of the CGUs' recoverable amounts would cause the CGUs' respective goodwill carrying amounts to exceed their recoverable amounts:

| | | 2020 | |
|-------------|---|--|--|
| | 1pp decrease in trading assumptions | 1pp decrease in growth rate assumption | 1pp increase in discount rate assumption |
| Blackrock | 51 | 17 | 23 |
| The Caledon | 60 | 15 | 21 |

The following assumptions have been used for the analysis of the CGUs:

| | 2021 | | | 2020 | | |
|--|------------------------------------|----------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------------------|
| | Ebitda margin (average) % | Long-term growth rate % | Discount rate pre-tax % | Ebitda margin (average) % | Long-term growth rate % | Discount rate pre-tax % |
| Montecasino | 40.2 | 4.7 | 19.0 | 35.2 | 5.3 | 18.3 |
| Suncoast | 36.3 | 4.7 | 18.7 | 34.8 | 5.3 | 17.6 |
| Gold Reef City | 33.8 | 4.7 | 18.7 | 27.6 | 5.3 | 17.6 |
| Silverstar | 33.5 | 4.7 | 19.7 | 26.2 | 5.3 | 17.1 |
| Other gaming operations ⁽¹⁾ | 39.9 | 4.7 | 20.4 | 29.6 | 5.3 | 17.7 |
| Vukani | 27.6 | 4.7 | 24.6 | 27.6 | 5.3 | 16.8 |

⁽¹⁾ Includes the balance of the group's casino properties which have an allocation of goodwill

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

| 4.4 Casino licences (included in "Other intangible assets") | 2021 Rm | 2020 Rm |
|---|------------|------------|
| At 1 April | 2 705 | 4 283 |
| Additions | 12 | 3 |
| Acquisition of business | 1 | – |
| Amortisation charge | (5) | (5) |
| Impairment reversals | 129 | – |
| Impairments | – | (1 576) |
| At 31 March | 2 842 | 2 705 |
| Cost | 4 563 | 4 550 |
| Accumulated amortisation | (171) | (166) |
| Accumulated impairments | (1 550) | (1 679) |
| Net carrying amount | 2 842 | 2 705 |

Casino licences and related bid costs are made up as follows:

| | 2021 Rm | 2020 Rm |
|----------------------------------|------------|------------|
| <i>Indefinite lives:</i> | | |
| Gold Reef City ⁽¹⁾⁽²⁾ | 1 418 | 1 389 |
| Silverstar ⁽¹⁾⁽²⁾ | 147 | 53 |
| Golden Horse ⁽¹⁾ | 554 | 554 |
| Garden Route ⁽¹⁾ | 252 | 252 |
| Goldfields ⁽¹⁾ | 33 | 26 |
| Mykonos ⁽¹⁾ | 215 | 215 |
| Montecasino ⁽²⁾ | 70 | 70 |
| Suncoast ⁽²⁾ | 105 | 105 |
| Blackrock ⁽²⁾ | 1 | 1 |
| Galaxy ⁽³⁾ | 13 | 1 |
| Kuruman ⁽⁴⁾ | 6 | 6 |
| <i>Definite lives:</i> | | |
| Hemingways ⁽⁵⁾ | 23 | 27 |
| Vukani ⁽³⁾ | 4 | 6 |
| Bet.co.za ⁽⁶⁾ | 1 | – |
| | 2 842 | 2 705 |

⁽¹⁾ Relate to the casinos acquired on the reverse acquisition of Gold Reef during the 2011 financial year

⁽²⁾ Relate to additional gaming positions

⁽³⁾ Acquisition of bingo and LPM businesses as a common control acquisition during the 2018 financial year, and an acquisition of a Bingo Witbank licence during the year under review (R12 million)

⁽⁴⁾ Acquisition of Kuruman as a common control transaction during the 2019 financial year

⁽⁵⁾ Relates to CSI spend

⁽⁶⁾ Acquisition of Bet.co.za as a common control transaction (refer note 7)

Summarised consolidated financial statements *continued*

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

4.4 Casino licences (included in "Other intangible assets") *continued*

Significant estimate – impairment charges and reversals

Taking into account the revised assumptions as described in note 4.3 *Goodwill*, the group recognised impairment reversals of R129 million in respect of licences arising in the Gold Reef City (R29 million), Silverstar (R94 million) and Goldfields (R6 million) precincts. This was mainly due to the revised forecast cash flows being more positive than expected at the previous financial year end, offset by a higher average discount rate and a lower long-term growth rate mentioned in note 4.3. During the prior year, an impairments charge of R1 576 million was recognised in the Gold Reef City (R376 million), Silverstar (R1 059 million) and Goldfields (R141 million) precincts. This was mainly as a result of the Covid-19 impact on operations, and also to a lesser extent trading related in both Gold Reef City and Silverstar precincts.

Significant estimate: impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described in note 4.3. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values-in-use and the intangible asset allocated to each CGU, other than the CGUs below.

The following reflects the impact (further impairments) on casino licences if a reasonably possible change in a key assumption on which the group has based its determination of the CGUs' recoverable amounts would cause the CGUs' respective casino licence carrying amounts to exceed their recoverable amounts:

| | 2021 | | | 2020 | | |
|----------------|--|--|--|--|--|--|
| | 1pp decrease in trading assumption ⁽¹⁾ Rm | 1pp decrease in growth rate assumption ⁽¹⁾ Rm | 1pp increase in discount rate assumption ⁽¹⁾ Rm | 1pp decrease in trading assumption ⁽¹⁾ Rm | 1pp decrease in growth rate assumption ⁽¹⁾ Rm | 1pp increase in discount rate assumption ⁽¹⁾ Rm |
| Gold Reef City | – | 133 | 196 | 445 | 198 | 266 |
| Silverstar | – | – | 2 | 53 | 53 | 53 |
| Goldfields | – | 1 | 4 | 26 | 11 | 14 |

⁽¹⁾ Refer note 4.3 for key assumptions

5 FAIR VALUE ESTIMATION

The group fair values its investment properties (categorised as level 3 values in the fair value hierarchy), fair value through other comprehensive income ("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 for all fair value assets during the year under review.

5.1 Investment properties

| | 2021 Rm | 2020 Rm |
|---|------------|------------|
| At 31 April | 416 | 486 |
| Additions to investment properties | 1 | 14 |
| Disposals | – | (3) |
| Fair value adjustments recognised in profit or loss | (67) | (81) |
| At 31 March | 350 | 416 |

The group rents out commercial office space at its investment properties. 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. Fair values are estimated triennially by an external appointed valuator, and by management during the intervening years. For the reporting period, the group engaged an external valuator who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued, to carry out the valuations of the investment properties of the group.

During the year under review, the group recognised a R67 million (2020: R81 million) fair value loss on investment properties. The fair value of the group's investment properties is determined using capitalised values of the projected rental income together with assessments of development land. Vacancies are considered based on the historical and current vacancy factors as well as the nature, location, size and popularity of the properties. The outbreak of Covid-19 during the prior year continues to significantly impact the South African economy. This impact has also been taken into account when determining the fair value of the group's investment properties.

At 31 March 2021 the significant unobservable inputs were as follows:

- Capitalisation rates applied to rental income vary between 10.0% and 10.5% (2020: varied between 9% and 10%), and
- Vacancy rate applied of between 5% and 10% (2020: 0% and 20%).

5 FAIR VALUE ESTIMATION *continued*

5.1 Investment properties *continued*

Inter-relationship between key unobservable inputs and fair value measurement are shown below. The estimated fair value would increase/(decrease) if:

- Expected rental income was higher/(lower);
- Expected vacancy rate was lower/(higher); and
- The capitalisation rate was lower/(higher).

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

| | 2021 | | 2020 | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | Increase Rm | Decrease Rm | Increase Rm | Decrease Rm |
| 1% change in the capitalisation rate | (27) | 33 | (42) | 45 |
| 1% change in the vacancy rate | (4) | 4 | (3) | 4 |

5.2 Financial asset at FVOCI

These investments are classified as a level 3 fair value measurement and have been accounted for as equity instruments at FVOCI.

At the end of each reporting period the group's 20% investment in each of SunWest and Worcester casinos is remeasured to fair value and the increase or decrease recognised in other comprehensive income. The asset has been remeasured at 31 March 2021 to R675 million, a R223 million decrease (R898 million at 31 March 2020). 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 post-tax 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 fair value loss is as a result of the outbreak of Covid-19 which has significantly affected the South African economy. As discussed in note 4.3 *Goodwill*, it is anticipated that during 2022 there will be a strong recovery in trading off an extremely low base reaching normal growth rate levels from 2025.

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester as at 31 March 2021 are shown below:

- Expected income, including gaming win, hotel rooms revenue and other income increases by 92% for the 2022 financial year, 13% for 2023 financial year, 11% for the 2024 financial year and then levels out to normal trading levels of increases of 3% over the following years (2020: Expected income, including gaming win, hotel rooms revenue and other income increased by 67% for the 2022 financial year, then 8% for the 2023 financial year and then to 3% over the following years);
- Expected operating expenditure costs increase by 44% for the 2022 financial year, 7% for the 2023 financial year, 17% for the 2024 financial year and then levels out to normal trading levels of increases of 4% (2020: Expected operating expenditure cost increased by 33% for the 2022 financial year, and then to 4% over the following years);
- Risk-adjusted discount rate of 14.8% (2020: 14.3%) post-tax; and
- Long-term growth rate of 4.7% (2020: 5.3%).

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

| | 2021 | | 2020 | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | Increase Rm | Decrease Rm | Increase Rm | Decrease Rm |
| Expected gaming win growth | 48 | (47) | 110 | (106) |
| Operating expenditure cost growth | (36) | 35 | (84) | 81 |
| Risk-adjusted discount rate | (68) | 83 | (99) | 124 |
| Long-term growth rate | 60 | (49) | 93 | (75) |

5.3 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a liability of R271 million (31 March 2020: liability of R229 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 increase in the liability is due to decreases in market-related interest rates since the previous year end, mostly due to the effects of the Covid-19 pandemic. There was no ineffectiveness of the group's derivatives for the year under review. During the prior year, on refinancing the group's debt effective January 2020, an amount of R136 million was recycled and transferred from the cash flow hedge reserve to profit or loss as the debt it related to was repaid. This charge was included in finance costs.

Summarised consolidated financial statements *continued*

6 CHANGES IN INTEREST BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES

Changes arising from financing activities for the year ended 31 March 2021 related to interest bearing borrowings, excluding bank overdrafts from short-term borrowings of R58 million (2020: R2 559 million), are as follows:

| | Long-term Rm | Short-term Rm | Total Rm |
|---|-----------------|------------------|-------------|
| Balance at 1 April 2020 | 11 200 | 530 | 11 730 |
| Borrowings raised – cash portion | 600 | 50 | 650 |
| Borrowings repaid – cash portion | (700) | (800) | (1 500) |
| Borrowings reclassification to short-term | (800) | 800 | – |
| Interest capitalised ⁽¹⁾ | – | 449 | 449 |
| Interest paid | – | (80) | (80) |
| Balance at 31 March 2021 | 10 300 | 949 | 11 249 |

| | Long-term Rm | Short-term Rm | Total Rm |
|---|-----------------|------------------|-------------|
| Balance at 1 April 2019 | 10 072 | 1 523 | 11 595 |
| Borrowings raised – cash portion | 5 856 | 1 450 | 7 306 |
| Borrowing facilities received – non-cash ⁽²⁾ | 5 344 | – | 5 344 |
| Borrowings repaid – cash portion | (5 800) | (1 461) | (7 261) |
| Borrowing facilities settled – non-cash ⁽²⁾ | (4 272) | (1 072) | (5 344) |
| Interest capitalised | – | 80 | 80 |
| Debt raising fees | – | 10 | 10 |
| Balance at 31 March 2020 | 11 200 | 530 | 11 730 |

⁽¹⁾ Interest has been capitalised pursuant to the agreement reached with the lenders, R400 million of which to be settled by 31 August 2021

⁽²⁾ At the time of the debt refinancing during the prior year, certain borrowings in place were settled by lenders offsetting between themselves and therefore the cash did not flow through the group's bank accounts at the time the group received the new borrowing facilities and likewise the existing borrowings were settled

Changes arising from finance lease liabilities for the year ended 31 March 2021 are as follows:

| | Non-current portion Rm | Current portion Rm | Total Rm |
|--|------------------------------|--------------------------|-------------|
| At 1 April 2020 | 232 | 91 | 323 |
| New leases raised | 54 | 8 | 62 |
| Lease finance costs – non-cash portion | – | 16 | 16 |
| Acquisition of subsidiary | 4 | 2 | 6 |
| Principal elements of lease payments | (3) | (21) | (24) |
| Remeasurement of lease | 1 | 1 | 2 |
| Termination of lease | (3) | (9) | (12) |
| Lease concessions practical expedient applied ⁽¹⁾ | (1) | (66) | (67) |
| Reclassification to current | (18) | 18 | – |
| At 31 March 2021 | 266 | 40 | 306 |

| | Non-current portion Rm | Current portion Rm | Total Rm |
|--------------------------------------|------------------------------|--------------------------|-------------|
| At 1 April 2019 | 297 | 146 | 443 |
| New leases raised | 32 | – | 32 |
| Principal elements of lease payments | (92) | (39) | (131) |
| Remeasurement of lease | (5) | (3) | (8) |
| Termination of lease | – | (5) | (5) |
| Disposal of business | – | (8) | (8) |
| At 31 March 2020 | 232 | 91 | 323 |

⁽¹⁾ Refer note 2 Changes in significant accounting policies

7 COMMON CONTROL ACQUISITION

The group acquired a 50.1% stake in Bet.co.za, effective 7 August 2020, for a cash purchase consideration of R49 million which was funded by the group's available funds. The Bet.co.za business is licensed to operate an online sports betting platform and retail sports betting licences operating in Gauteng and Limpopo. The acquisition represents a strategic opportunity for the group to enter the online sports betting sector via an existing developing business.

The transaction is deemed to be a transaction under common control and consequently falls outside the scope of IFRS 3 *Business Combinations*. The group's accounting policy is to apply predecessor accounting to common control transactions. Common control accounting is applied as the purchase is from Niveus Investments Limited, a subsidiary of Hosken Consolidated Investments Limited ("HCI"), the company's controlling shareholder. 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 purchase consideration recognised as a separate reserve in equity, a "common control" reserve.

8 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. The group has no contract assets. The "Disaggregation of revenue from contracts with customers" table presents revenue by segment which excludes gaming win, as this is accounted for in line with IFRS 9, and other sundry income which are included in the segmental analysis.

9 RELATED PARTY TRANSACTIONS

The group has concluded certain transactions with related parties, the more significant transactions are shown below.

The company's ultimate controlling shareholder, HCI, is also the ultimate majority shareholder of Tsogo Sun Hotels Limited ("THL"). All of the group's hotel properties, which are situated at certain of the casino precincts, are managed by THL which charges management fees to the group in terms of the management fee agreements. After the group disposed of its interests in THL during the prior year, certain departments were shared which resulted in additional management fees charges to and by THL. The group operates its own short-term insurance cell captive which underwrites the group's business, including that of THL and its subsidiary, Hospitality Property Fund both before and after the group disposed of its interest in THL. Transactions with THL during the year under review are shown below:

| | 2021 Rm | 2020 Rm |
|--|------------|------------|
| Transactions with THL | | |
| Insurance premiums received from THL | 30 | – |
| Insurance claims paid to and provided for THL | (11) | – |
| Hotel management fees and royalties paid to THL | (10) | (50) |
| Management fees paid to THL for shared services | (5) | (18) |
| Fees paid to THL for administration of hotels | (13) | (33) |
| Management fees charged to THL for shared services | 1 | 14 |
| Tenant recoveries charged to THL | 4 | 5 |
| Amounts owing to/by THL | | |
| Trading accounts net amount owing to THL | 12 | 11 |
| Insurance claims payable to THL | 191 | 190 |
| Unearned premiums received from THL | 10 | 6 |

The group had no other significant related party transactions during the year under review, other than the common control acquisition in note 7.

Summarised consolidated financial statements *continued*

10 SEGMENT INFORMATION

The group's reporting lines and precincts are grouped under separate regional managers who report on a regional basis to the Chief Executive Officer ("CEO"). In terms of IFRS 8 *Operating Segments*, the chief operating decision maker ("CODM") has been identified as the group's CEO.

In order to assess performance and allocate resources, the CODM reviews the businesses by region and thus the group considers its reportable segments to be geographical and has presented a by-region segmental analysis. In terms of the quantitative threshold, although Mpumalanga, Western Cape, Eastern Cape and Free State regions do not meet the 10% profit threshold, the group believes it is more appropriate to show these as separate segments because of their differing profiles.

The CODM assesses the performance of the operating segments based on Ebitda. The measure excludes the effects of items which are regarded as unusual and are infrequent and are considered to distort the numbers if they were not adjusted (there were no adjustments in the current or prior years to Ebitda), and headline adjustments in terms of Circular 1/2021 *Headline Earnings*.

The majority of the group's property leases are capitalised in line with IFRS 16 and no longer treated as operating leases. The property rental costs of these capitalised leases are now included in depreciation and finance costs. Ebitdar was used in prior years and added back property rentals, and as the majority of the group's property leases are now capitalised the CODM reviews Ebitda as opposed to Ebitdar. Finance income and finance costs are not included in the results for each operating segment as this is driven by the group's treasury function which manages the cash and debt position of the group. No measure of total assets and liabilities for the reportable segments has been provided as such amounts are not regularly provided to the CODM.

In terms of IFRS 8, as a result of the change from presenting Ebitdar to Ebitda for each segment, the comparatives have been restated. Other than this change, there has been no change in the basis of measurement of segment profit or loss from the last annual financial statements.

11 CAPITAL COMMITMENTS

The board has committed a total of R177 million for maintenance and expansion capital items which is anticipated to be spent during the next 12 months, subject to trading conditions. R45 million of the committed capital expenditure has been contracted for. Capital expenditure for the current financial year has been reduced to critical items only in order to preserve cash.

12 CONTINGENT LIABILITIES AND ASSETS

The group had no significant contingent liabilities as at 31 March 2021. Refer note 15 *Events occurring after the balance sheet date*.

13 GOING CONCERN

The directors have considered the going concern status of the group, taking into account the group's current financial position and the directors' best estimate of the group's cash flow forecasts in terms of their current knowledge and expectations of the ongoing developments relating to the Covid-19 pandemic.

Regulatory restrictions promulgated, including varying curfews, alcohol bans and capacity limitations have been considered in the forecast. The cash flow and liquidity projections for the group have been prepared for a period exceeding 12 months from the reporting date, and took into account the third wave and the resultant complete lockdown of the business from 28 June 2021 arising as a result of the pandemic. Sensitivity analyses were also performed taking into account various impacts of Covid-19. The forecast also took into account the positive recovery of the business following the second wave and the government's vaccination programme. Management has focused on cost reductions and operational efficiencies during the past financial year. These cost efficiencies have significantly reduced the group's cost base, ensuring the future profitability and sustainability of the group. Based on the forecast performed, the group has sufficient access to facilities and liquidity to fund operations for the following 12 months.

After being closed from 28 June 2021 to 25 July 2021, the casino, LPM and bingo businesses were allowed to reopen as per the revised government regulation from 26 July 2021.

The lenders waived the March 2021 financial debt covenants and reset the September 2021 financial debt covenants to a maximum Net Debt : Ebitda multiple of 4.3 times for September 2021 and 3.8 times for December 2021. Furthermore the interest covenant was reset so that Ebitda covers interest by not less than 2.9 times by September 2021 and 3.0 times by December 2021. The group forecasts indicate that the group should meet these covenants for September 2021 and December 2021.

The main conditions for the continued support by the group's lenders until 31 March 2022 are:

- a fixed margin ratchet of 58bps from 31 May 2021 until 30 August 2021;
- a tiered margin ratchet of between 27bps and 66bps (with the determination thereof being based on net leverage) from 31 August 2021 until 31 March 2022;
- interest of approximately R400 million which was rolled up to support liquidity during the 2021 financial year will be settled by 31 August 2021;
- a reasonable minimum financial results performance requirement for the quarter ending 30 June 2021 which has been met;
- no material part of the business shall be closed down for 30 days cumulatively; and
- no dividends to be declared until the group's financial performance returns to being within its original financial covenants.

The group has reduced its net interest-bearing debt and guarantees from the R11.8 billion at 30 September 2020, to R10.9 billion at 31 March 2021 (R11.4 billion at 31 March 2020) and to approximately R10.5 billion at 30 June 2021. The unexpected lockdown of the business from 28 June 2021 will have a negative impact on the debt levels in July 2021. The group's focus remains on reducing its medium to long-term debt levels, thereby reducing risk and funding costs.

Management continues to engage with the lenders on an ongoing basis regarding current and forecast financial performance as well as the financial position of the group. The facilities as disclosed in note 33 remain available to the group. As a result of the lockdown imposed from 28 June 2021, the group may not be within its original covenants by 31 March 2022 and may accordingly have to come to an arrangement with its lenders. There has been no indication received by the lenders that they may withdraw their continued support of the group.

The recent civil unrest is also not expected to have a material impact on the going concern of the group.

After taking the above factors into account, the directors consider the going concern method to be appropriate for the presentation of the consolidated financial statements.

14 PRIOR YEAR RECLASSIFICATION AND RESTATEMENTS

14.1 Reclassification of property and equipment rentals

Property and equipment rentals in the prior year of R176 million have been reclassified to "Other operating expenses". Given the adoption of IFRS 16 the nature of these rentals have decreased and no longer considered significant for the purposes of presentation as a separate line item. Property and equipment rentals for the year under review amount to R90 million. Refer also note 10 *Segment information*.

14.2 Restatement of reinsurance recovery

The group operates a short-term insurance cell captive for its own account, and also underwrites short-term insurance business for that of the THL group, both before and after the group disposed of its interest in THL during the prior year. During the year under review, the group established that because it acted as a short-term insurer for certain related parties, mainly THL and its subsidiary, Hospitality Property Fund, it needed to recognise the respective reinsurance receivables and insurance claim payables separately within the group's balance sheet and income statement in terms of IFRS 4 *Insurance Contracts*. Consequently, in terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the correction has been applied retrospectively and each financial statement line item affected has been restated. Refer note 14.3 *Reclassification and restatement impact*.

Summarised consolidated financial statements *continued*

14 PRIOR YEAR RECLASSIFICATION AND RESTATEMENTS *continued*

14.2 Restatement of reinsurance recovery *continued*

Basis of preparation – Insurance contracts

(i) *Classification*

Insurance contracts are those contracts that transfer significant insurance risk in respect of related parties insured by the group – refer note 9. Such contracts may also transfer financial risk. As a general guideline, the group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

(ii) *Recognition and measurement*

For all insurance contracts, premiums are recognised as other income (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is accounted for as the unearned premium liability. Premiums are shown before deduction of commission.

Provision is made for underwriting losses that may arise from unexpired risks when it is anticipated that unearned premiums will be insufficient to cover future claims. This liability adequacy test is performed annually to ensure the adequacy of general insurance liabilities. In performing these tests, current best estimates of future contractual cash flows are used. The provision for unearned premiums represents the portion of the current year's premiums that relate to risk periods extending into the following year.

Insurance claims incurred, which are included in "Other operating expenses", comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any adjustments to claims from previous years.

Provision for claims is made on a prudent basis for the estimated final cost of all claims that had not been settled on the reporting date, less amounts already paid. Provisions are made at each reporting date on the basis of available information for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the company. The estimated cost of claims includes expenses to be incurred in settling claims. The company's own assessors or contracted external assessors individually assess claims. The group takes all reasonable steps to ensure that it has up to date reports from brokers regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove different from the original liability established.

Provision is made for claims arising from insured events that occurred before the close of the accounting period, but which had not been reported to the company at that date, the incurred but not reported reserve ("IBNR"). The estimation of the IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the group, where the information about the claim event is available. IBNR claims may not become apparent to the insurer until many months after the event which gave rise to the claims incurred.

Contracts entered into by the group with reinsurers under which the group is compensated for losses on one or more contracts issued by the group and that meet the classification requirements for insurance contracts (as detailed above) are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Income received from insurance contracts entered into by the group under which the contract holder is another insurer (inwards reinsurance) is included with premium income. The benefits to which the group is entitled under its reinsurance contracts held are recognised as assets. These assets consist of short-term balances due from reinsurers on settled claims, as well as estimates (classified as reinsurance assets) that are calculated based on the gross outstanding claims and IBNR provisions. The amounts that will be recoverable from reinsurers are estimated based upon the gross provisions, having due regard to collectability. The group assesses its reinsurance assets for impairment on an annual basis. If there is objective evidence that the reinsurance asset is impaired, the group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The recoverability of reinsurance recoveries is assessed having regard to market data on the financial strength of each of the reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised in profit or loss when due. Amounts recovered from reinsurers in profit or loss reflect the amounts received or receivable from reinsurers in respect of those claims incurred during the period.

With respect to the insurance arrangement within the group, any insurance claim receivable is recognised and measured using the guidance of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and insurance premiums are expensed as they are incurred.

14 PRIOR YEAR RECLASSIFICATION AND RESTATEMENTS *continued*

14.2 Restatement of reinsurance recovery *continued*

Critical accounting estimates and judgements

The group makes estimates and assumptions concerning the future, and the group considers the outstanding insurance claims provision estimates having a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Outstanding claims provisions under insurance contracts

There are several sources of uncertainty that need to be considered by the group in estimating the amount that will ultimately be paid on these claims. The uncertainty arises because all events affecting the ultimate settlement of claims have not taken place and may not take place for some time. Changes in the estimate of the provision can be caused by receipt of additional claim information, changes in judicial interpretation of contracts, or significant changes in severity or frequency of claims from historical trends. The estimates are based on the group's historical experience and industry experience. The change in estimates are not considered significant due to insurance contracts the group has in place. Outstanding loss provisions are set by the group's appointed claims handlers based on information provided by loss adjusters, where relevant.

14.3 Reclassification and restatement impact

The reclassification and the restatement had no impact on the income statement, and therefore neither on earnings per share, headline earnings per share nor adjusted headline earnings per share. No opening balance sheet has been presented as at 1 April 2019 as the unbundling of THL happened with effect from 23 May 2019 and hence there was no restatement required at 31 March 2019.

The effects of the above reclassification and restatement are as follows:

| | 31 March 2020 Restated Rm |
|--|------------------------------------|
| Income statement | |
| Other operating expenses as previously stated | 3 152 |
| Adjustment in respect of reinsurance recoveries | (183) |
| Adjustment in respect of insurance claims expenses | 183 |
| Restated for reinsurance recoveries and insurance claims | 3 152 |
| Adjustment in respect of reclassification of rentals | 176 |
| Other operating expenses as restated | 3 328 |
| Balance sheet | |
| Trade and other receivables as previously stated | 488 |
| Adjustment in respect of reinsurance recoveries | 183 |
| Trade and other receivables as restated | 671 |
| Trade and other payables as previously stated | 910 |
| Adjustment in respect of insurance claims payable | 183 |
| Trade and other payables as restated | 1 093 |

Summarised consolidated financial statements *continued*

15 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The directors are not aware of any matters or circumstances arising since the end of the reporting period, not otherwise dealt with within these consolidated financial statements that would affect the operations or results of the group significantly, other than the below:

Covid-19 pandemic

Subsequent to year end, the impact of Covid-19 continues globally exacerbated with the emergence of new variants. South Africa, like many countries around the world, put significant governmental measures in place to control the spread of the virus, which continued to include varying curfews, alcohol bans and capacity limitations. With the emergence of the third wave the measures included a move to the adjusted alert level 4 from 28 June 2021, resulting in, amongst others, the temporary closure of all the casinos, bars and restaurants (except for sales for off-site consumption), theatres, cinemas conferencing and entertainment facilities until 11 July 2021, which was further extended (except for restaurants) until 25 July 2021.

In terms of IAS 10 *Events After the Reporting Period*, non-adjusting post-balance sheet events are events after the reporting period that are indicative of a condition that arose after the reporting date ended 31 March 2021. Those events that provide evidence of conditions that existed at the end of the reporting period are adjusting events. The group completed the impairment testing of its goodwill, intangible assets and financial assets through OCI based on cash flows that were modelled on assumptions that incorporated the impact of the emergence of a third wave based on management's best estimate at the reporting date. The adjusted level 4 lockdown and subsequent move to an adjusted level 3 lockdown announced subsequent to year end did not result in a material adjustment to the numbers at year end because muted trading conditions were already forecasted for July and August 2021. The key assumptions have been included in notes 22 and 23 to the consolidated financial statements, indicating the impact on the financial statements should the situation deteriorate further.

Civil unrest in South Africa

The violence, looting and general lawlessness experienced in South Africa is a matter of extreme concern and the group condemns it in the strongest possible terms. The safety of our staff and the safeguarding of our property is our priority. No property of the group has been affected with the exception of a number of bingo sites and LPM operator sites which have been damaged and looted. The damage caused has not been fully quantified yet and a high-level assessment indicates losses of approximately R50 million. Insurance claims will be submitted to SASRIA for damage suffered. We continue to monitor the situation.

Business interruption ("BI") insurance claim

The group has reached agreement with its insurers regarding its BI claim relating to Covid-19 and settlement of the claim is expected to be R111 million.

Condensed consolidated income statement

for the year ended 31 March

| | Change % | 2021 Rm | 2020 Restated ⁽¹⁾ Rm |
|---|-------------|--------------|---------------------------------------|
| Net gaming win | | 5 253 | 9 846 |
| Food and beverage revenue | | 141 | 647 |
| Rooms revenue | | 125 | 490 |
| Other revenue ⁽²⁾ | | 73 | 445 |
| Other income ⁽³⁾ | | 94 | 258 |
| Income | (51) | 5 686 | 11 686 |
| Gaming levies and Value Added Tax | | (1 138) | (2 148) |
| Employee costs | | (1 032) | (2 199) |
| Other operating expenses ⁽⁴⁾ | | (1 745) | (3 328) |
| Amortisation and depreciation ⁽⁵⁾ | | (844) | (881) |
| Impairment reversal of non-current assets | | 129 | – |
| Impairments of non-current assets | | (12) | (2 022) |
| Fair value adjustments of investment properties | | (67) | (81) |
| Operating profit | (5) | 977 | 1 027 |
| Finance income | | 19 | 47 |
| Finance costs ⁽⁶⁾ | | (963) | (1 289) |
| Share of (loss)/profit of associates | | (8) | 10 |
| Profit/(loss) before income tax | | 25 | (205) |
| Income tax credit/(expense) | | 3 | (82) |
| Profit/(loss) for the year from continuing operations | | 28 | (287) |
| Profit from discontinued operations, net of tax | | – | 564 |
| Profit for the year | (90) | 28 | 277 |
| Profit attributable to: | | | |
| Equity holders of the company | | 21 | 207 |
| Non-controlling interests | | 7 | 70 |
| | | 28 | 277 |
| Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents) | | | |
| From continuing operations | | 2.0 | (31.4) |
| From discontinued operations | | – | 51.0 |
| Basic and diluted earnings per share (cents) | (90) | 2.0 | 19.6 |
| Number of shares in issue (million) | | 1 046 | 1 046 |
| Weighted average number of shares in issue (million) | | 1 046 | 1 056 |

⁽¹⁾ Restated for recognition of reinsurance recovery – refer note 14. This restatement had no impact on earnings per share nor headline earnings per share

⁽²⁾ Other revenue comprises mainly revenues from Theme Park, cinemas, parking, venue hire and other sundry revenue

⁽³⁾ Other income comprises mainly property rentals and insurance premium income, and in the prior year, dividends received from SunWest

⁽⁴⁾ Property and equipment rentals in the prior year of R176 million have been reclassified to "Other operating expenses" - refer note 14. This reclassification had no impact on earnings per share nor headline earnings per share. 2021 includes costs which are directly linked to income being LPM site owners' commission (R328 million), monitoring fees for sites (R67 million) and equipment rentals (R73 million)

⁽⁵⁾ 2021 includes R48 million depreciation in respect of right-of-use assets

⁽⁶⁾ 2021 includes R33 million finance costs in respect of IFRS 16 lease liabilities

Condensed consolidated statement of comprehensive income

for the year ended 31 March

| | 2021 Rm | 2020 Rm |
|---|--------------|------------|
| Profit for the year | 28 | 277 |
| Other comprehensive income for the year, net of tax | | |
| Items that may be reclassified subsequently to profit or loss: | (29) | (26) |
| Cash flow hedges | (41) | (162) |
| Cash flow hedges recycled to profit or loss | – | 136 |
| Currency translation adjustments on discontinued operations | – | (7) |
| Deferred tax relating to items that may subsequently be reclassified to profit or loss | 12 | 7 |
| Items that may not be reclassified subsequently to profit or loss: | (296) | (286) |
| Equity instruments at FVOCI fair value adjustment | (223) | (368) |
| Deferred tax relating to items that may not subsequently be reclassified to profit or loss ⁽¹⁾ | (73) | 82 |
| Total comprehensive loss for the year | (297) | (35) |
| Total comprehensive (loss)/income attributable to: | | |
| Equity holders of the company | (304) | (105) |
| Non-controlling interests | 7 | 70 |
| | (297) | (35) |
| Total comprehensive (loss)/income attributable to equity holders: | | |
| Continuing operations | (304) | (636) |
| Discontinued operations | – | 531 |
| | (304) | (105) |

⁽¹⁾ The deferred tax on the group's equity instruments at FVOCI has been reversed due to the future profitability of the respective holding entity not being anticipated to produce taxable income in the foreseeable future and therefore this deferred tax asset is no longer considered fully recoverable

Supplementary information

for the year ended 31 March

| | Change % | 2021 Rm | 2020 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 | | 21 | (331) |
| Discontinued operations | | – | 539 |
| (Less)/add: Headline adjustments | | | |
| Gain on disposal of property, plant and equipment | | (30) | (6) |
| Impairment of property, plant and equipment | | 12 | 99 |
| Impairment of right-of-use assets | | – | 6 |
| Loss on disposal of investment property | | – | 1 |
| Fair value adjustment of investment properties | | 67 | 81 |
| Impairment of goodwill | | – | 332 |
| Impairment reversal of intangibles | | (129) | – |
| Impairment of intangibles | | – | 1 585 |
| Gain on disposal of business | | – | (1) |
| Gain on unbundling of subsidiary | | – | (506) |
| Total tax effects of adjustments | | 27 | (482) |
| Headline (loss)/earnings | (102) | (32) | 1 317 |
| Add: Other adjustments ⁽¹⁾ | | | |
| Ineffective portion of cash flow hedge on debt restructure ⁽²⁾ | | – | 136 |
| Adjusted headline (loss)/earnings | (102) | (32) | 1 453 |
| Allocated as follows: | | | |
| Continuing | | (32) | 1 420 |
| Discontinued | | – | 33 |
| Number of shares in issue (million) | | 1 046 | 1 046 |
| Weighted average number of shares in issue (million) | | 1 046 | 1 056 |
| Basic and diluted headline (loss)/earnings per share (cents): | | | |
| – Total group | | (3.1) | 124.7 |
| – Continuing operations | (103) | (3.1) | 121.6 |
| – Discontinued operations | | – | 3.1 |
| Basic and diluted adjusted headline (loss)/earnings per share (cents): | | | |
| – Total group | | (3.1) | 137.6 |
| – Continuing operations | (102) | (3.1) | 134.5 |
| – Discontinued operations | | – | 3.1 |

⁽¹⁾ Adjusted headline earnings are defined as earnings attributable to equity holders of the company adjusted for after tax effects of items which are regarded as unusual and are infrequent and are considered to distort the numbers if they were not adjusted (there were no adjustments in the current year), and headline adjustments in terms of Circular 1/2021 Headline Earnings

⁽²⁾ Included in finance costs

Supplementary information *continued*

for the year ended 31 March

Reconciliation of operating profit to Ebitda

Ebitda pre-exceptional items is made up as follows:

| | Change % | 2021 Rm | 2020 Restated ⁽¹⁾ Rm |
|---|-------------|------------|---------------------------------------|
| Operating profit | | 977 | 1 027 |
| Add: Amortisation and depreciation | | 844 | 881 |
| | | 1 821 | 1 908 |
| (Less)/add: Headline adjustments | | (80) | 2 097 |
| Gain on disposal of property, plant and equipment | | (30) | (6) |
| Impairment of property, plant and equipment | | 12 | 99 |
| Impairment of right-of-use assets | | – | 6 |
| Loss on disposal of investment property | | – | 1 |
| Fair value adjustment of investment properties | | 67 | 81 |
| Impairment of goodwill | | – | 332 |
| Impairment reversal of intangibles | | (129) | – |
| Impairment of intangibles | | – | 1 585 |
| Gain on disposal of business | | – | (1) |
| Ebitda | (57) | 1 741 | 4 005 |

⁽¹⁾ Refer note 10 Segment information

Condensed consolidated cash flow statement

for the year ended 31 March

| | 2021 Rm | 2020 Rm |
|---|------------|------------|
| Cash flows from operating activities | | |
| Profit/(loss) before income tax | 25 | (205) |
| Non-cash movements | 1 596 | 4 331 |
| Increase/(decrease) in working capital | 55 | (580) |
| Cash generated from operations | 1 676 | 3 546 |
| Finance income | 17 | 55 |
| Finance costs | (565) | (1 080) |
| Income tax paid | (110) | (465) |
| Dividends paid to shareholders | – | (872) |
| Dividends paid to non-controlling interests | (7) | (23) |
| Dividends received | – | 114 |
| Cash flows utilised in operating activities – discontinued operations | – | (48) |
| Net cash generated from operating activities | 1 011 | 1 227 |
| Cash flows from investment activities | | |
| Purchase of property, plant and equipment | (145) | (1 153) |
| Proceeds from disposals of property, plant and equipment | 33 | 17 |
| Additions to investment properties | (1) | (14) |
| Proceeds on disposal of investment properties | – | 2 |
| Purchase of intangible assets | (15) | (11) |
| Common control acquisitions, net of cash acquired | (44) | – |
| Disposal of business | – | 8 |
| Other loans granted | (2) | (8) |
| Net cash outflow on unbundling of THL | – | (178) |
| Net cash utilised for investment activities – discontinued operations | – | (95) |
| Net cash utilised for investment activities | (174) | (1 432) |
| Cash flows from financing activities | | |
| Borrowings raised | 650 | 7 306 |
| Borrowings repaid | (1 500) | (7 261) |
| Principal elements of lease payments | (24) | (131) |
| Shares repurchased | – | (100) |
| Treasury shares settled | – | 13 |
| Acquisition of non-controlling interests | (8) | (15) |
| Net cash generated from financing activities – discontinued operations | – | 69 |
| Net cash utilised for financing activities | (882) | (119) |
| Net decrease in cash and cash equivalents | (45) | (324) |
| Cash and cash equivalents at beginning of the year, net of bank overdrafts | 503 | 824 |
| Foreign currency translation | – | 3 |
| Cash and cash equivalents at end of the year, net of bank overdrafts | 458 | 503 |

Condensed consolidated balance sheet

as at 31 March

| | 2021 Rm | 2020 Restated ⁽¹⁾ Rm |
|---|---------------|---------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 8 560 | 9 280 |
| Right-of-use assets | 224 | 206 |
| Investment properties | 350 | 416 |
| Goodwill | 1 461 | 1 461 |
| Other intangible assets | 2 903 | 2 781 |
| Investments in associates | 33 | 41 |
| Financial assets at FVOCI | 675 | 898 |
| Non-current receivables | 52 | 38 |
| Deferred income tax assets | 130 | 132 |
| | 14 388 | 15 253 |
| Current assets | | |
| Inventories | 81 | 81 |
| Trade and other receivables | 531 | 671 |
| Current income tax assets | 100 | 119 |
| Cash and cash equivalents | 516 | 3 062 |
| | 1 228 | 3 933 |
| Assets classified as held for sale | 59 | – |
| | 1 287 | 3 933 |
| Total assets | 15 675 | 19 186 |
| EQUITY | | |
| Capital and reserves attributable to equity holders of the company | | |
| Ordinary share capital and premium | 6 487 | 6 487 |
| Other reserves | (4 461) | (4 081) |
| Accumulated losses | (555) | (576) |
| Total shareholders' equity | 1 471 | 1 830 |
| Non-controlling interests | 113 | 126 |
| Total equity | 1 584 | 1 956 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Interest bearing borrowings | 10 300 | 11 200 |
| Lease liabilities | 266 | 232 |
| Derivative financial instruments | 228 | 224 |
| Deferred income tax liabilities | 1 107 | 1 133 |
| Provisions and other liabilities | 42 | 88 |
| | 11 943 | 12 877 |
| Current liabilities | | |
| Interest bearing borrowings | 1 007 | 3 089 |
| Lease liabilities | 40 | 91 |
| Trade and other payables | 1 068 | 1 093 |
| Current income tax liabilities | 33 | 80 |
| | 2 148 | 4 353 |
| Total liabilities | 14 091 | 17 230 |
| Total equity and liabilities | 15 675 | 19 186 |

⁽¹⁾ Restated for recognition of reinsurance recovery – refer note 14

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/ (accumulated losses) Rm | Total Rm | Non- controlling interests Rm | Total equity Rm |
|---|--|-------------------------|--|--------------|--|-----------------------|
| Balance at 31 March 2019 | 6 571 | (1 774) | 5 699 | 10 496 | 3 049 | 13 545 |
| Change in accounting policy – adoption of IFRS 16 <i>Leases</i> | – | – | (133) | (133) | (7) | (140) |
| Restated balance at 1 April 2019 | 6 571 | (1 774) | 5 566 | 10 363 | 3 042 | 13 405 |
| Total comprehensive income | – | (312) | 207 | (105) | 70 | (35) |
| Profit for the year | – | – | 207 | 207 | 70 | 277 |
| Other comprehensive income | – | (312) | – | (312) | – | (312) |
| Reallocation of transactions with NCI to retained earnings on disposal of THL | – | (1 342) | 1 342 | – | – | – |
| Reallocation of surplus arising on change in control in joint venture to retained earnings on disposal of THL | – | (130) | 130 | – | – | – |
| Realisation of reserves and non-controlling interests on disposal of THL | – | (506) | – | (506) | (2 815) | (3 321) |
| Buy-back of ordinary share capital | (100) | – | – | (100) | – | (100) |
| Treasury shares settled | 16 | – | – | 16 | – | 16 |
| Acquisition of non-controlling interests | – | (17) | – | (17) | (3) | (20) |
| Disposal of subsidiary | – | – | – | – | 5 | 5 |
| Ordinary dividends | – | – | (870) | (870) | (173) | (1 043) |
| Dividend <i>in specie</i> distribution | – | – | (6 951) | (6 951) | – | (6 951) |
| Balance at 31 March 2020 | 6 487 | (4 081) | (576) | 1 830 | 126 | 1 956 |
| Total comprehensive income | – | (325) | 21 | (304) | 7 | (297) |
| Profit for the year | – | – | 21 | 21 | 7 | 28 |
| Other comprehensive income | – | (325) | – | (325) | – | (325) |
| Acquisition of common control entity | – | (35) | – | (35) | (18) | (53) |
| Acquisition of non-controlling interests | – | (20) | – | (20) | 6 | (14) |
| Ordinary dividends | – | – | – | – | (8) | (8) |
| Balance at 31 March 2021 | 6 487 | (4 461) | (555) | 1 471 | 113 | 1 584 |

Segmental analysis

for the year ended 31 March

| | Income ⁽¹⁾ | | | Ebitda ⁽²⁾⁽³⁾ Restated ⁽⁴⁾ | | |
|-------------------------|-----------------------|------------|-------------|---|------------|-------------|
| | 2021 Rm | 2020 Rm | Change % | 2021 Rm | 2020 Rm | Change % |
| Casinos | 4 074 | 8 878 | (54.1) | 1 487 | 3 374 | (55.9) |
| Gauteng | 2 124 | 4 732 | (55.1) | 750 | 1 790 | (58.1) |
| KwaZulu-Natal | 1 103 | 2 327 | (52.6) | 430 | 959 | (55.2) |
| Mpumalanga | 340 | 777 | (56.2) | 127 | 274 | (53.6) |
| Western Cape | 316 | 619 | (48.9) | 129 | 245 | (47.3) |
| Eastern Cape | 130 | 294 | (55.8) | 35 | 74 | (52.7) |
| Free State | 61 | 129 | (52.7) | 16 | 32 | (50.0) |
| Bingo | 476 | 933 | (49.0) | 103 | 273 | (62.3) |
| LPMs | 1 086 | 1 658 | (34.5) | 297 | 455 | (34.7) |
| Other gaming operations | 50 | 217 | (77.0) | (146) | (97) | (50.5) |
| Group | 5 686 | 11 686 | (51.3) | 1 741 | 4 005 | (56.5) |

⁽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 and income

⁽²⁾ Refer reconciliation of operating profit to Ebitda

⁽³⁾ All casino units are reported pre-internal gaming management fees

⁽⁴⁾ The group reports its segments to the CODM using Ebitda and no longer Ebitdar and hence the comparatives have been restated – refer note 10 Segment information

Disaggregation of revenue from contracts with customers

for the year ended 31 March

| | Food and beverage recognised at a point in time | | Rooms revenue recognised over time | | Other revenue recognised over time | | Revenue from contracts with customers | |
|---|---|------------|--|------------|--|------------|---|------------|
| | 2021 Rm | 2020 Rm | 2021 Rm | 2020 Rm | 2021 Rm | 2020 Rm | 2021 Rm | 2020 Rm |
| Casinos | 118 | 573 | 125 | 490 | 66 | 323 | 309 | 1 386 |
| Gauteng | 50 | 295 | 44 | 257 | 48 | 253 | 142 | 805 |
| KwaZulu-Natal | 29 | 124 | 24 | 71 | 7 | 19 | 60 | 214 |
| Mpumalanga | 17 | 81 | 39 | 107 | 5 | 26 | 61 | 214 |
| Western Cape | 13 | 29 | 11 | 24 | 4 | 10 | 28 | 63 |
| Eastern Cape | 7 | 33 | 7 | 31 | 1 | 14 | 15 | 78 |
| Free State | 2 | 11 | – | – | 1 | 1 | 3 | 12 |
| Bingo | 23 | 73 | – | – | 2 | 7 | 25 | 80 |
| LPMs | – | – | – | – | 2 | 2 | 2 | 2 |
| Other gaming operations | – | 1 | – | – | 3 | 113 | 3 | 114 |
| Group | 141 | 647 | 125 | 490 | 73 | 445 | 339 | 1 582 |
| Reconciliation to segmental analysis | | | | | | | | |
| Revenue from contracts with customers per above | | | | | | | 339 | 1 582 |
| Other income | | | | | | | 94 | 258 |
| Net gaming win | | | | | | | 5 253 | 9 846 |
| Total income per segmental analysis | | | | | | | 5 686 | 11 686 |

Other revenue comprises mainly revenue from Theme Park, cinemas, parking, venue hire and other sundry revenue. Other income comprises mainly property rentals and insurance premium income.

Board and committees

Board composition, structure and report back

EXECUTIVE DIRECTORS



CG du Toit (51)
CA(SA), FCMA
Executive director – Chief Executive Officer
Date appointed: 1 June 2019

Key skills and experience:

Chris is a qualified chartered accountant and fellow chartered management accountant who completed his articles with PwC in 1996. He joined the HCI group in 2001 following three years of working in the financial services industry in the UK and served as the Financial Director of Mettle Limited (financial services) from 2003 until 2009. He was appointed as CEO of Galaxy Bingo in 2009 and promoted to COO Tsogo Sun alternative gaming division in 2017. His operational experience in the hospitality industry over the past decade includes casinos, bingo, LPMS, F&B and entertainment. Chris was appointed as Chief Executive Officer from 1 July 2019.



A Hoyer (46)
CA(SA), HDip (Tax)
Executive director – Chief Financial Officer
Date appointed: 1 August 2020⁽¹⁾

Key skills and experience:

Annelize is a qualified chartered accountant who completed her articles with PwC in 2001. She originally joined the group in 2002 as the Group Financial Accountant of the hotels division, which position she held until 2005. Annelize re-joined the group in 2011 as the Financial Manager of the casinos division. Annelize was appointed to the Tsogo Sun Gaming board and as Chief Financial Officer on 1 August 2020, and resigned effective 30 September 2021.



G Lunga (49)
CA(SA), EDP
Executive director – Chief Financial Officer
Date appointed: 1 October 2021⁽²⁾

Key skills and experience:

Gregory is a qualified chartered accountant who completed his articles with KPMG in 1996 and commenced as the Group Reporting Manager for South African Breweries Limited in 1997. He joined the group in 2001 as Financial Manager of the group's gaming division and was appointed as the Financial Director of the group's gaming division in 2011. Gregory serves on the boards of most of the group's subsidiary companies, and has been appointed to the Tsogo Sun Gaming board and as Chief Financial Officer with effect from 1 October 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS



MJA Golding (60)
BA (Hons)
Independent non-executive director
Date appointed: 24 February 2011⁽⁴⁾

Major external positions, directorships or associations:

Non-executive chairman of Rex Trueform Group Limited, non-executive chairman of Texton Property Fund Limited, non-executive director of Vunani Limited, executive director of African and Overseas Enterprises Limited, chairman of Geomer Investments (Pty) Ltd.

Key skills and experience:

Marcel co-founded HCI and served as executive chairman of HCI and Chief Executive Officer of e-tv until 2014. Prior to this he was a member of Parliament and Deputy General Secretary of the National Union of Mineworkers. In addition to holding the abovementioned directorships and positions, Marcel now runs a private family investment portfolio.



BA Mabuza (57)
BA, MBA
Lead independent non-executive director
Date appointed: 1 June 2014

Major external positions, directorships or associations:

Independent non-executive director of the dual listed NinetyOne Group, non-executive chairperson of the Industrial Development Corporation and head of the South African BRICS Business Council.

Key skills and experience:

Busi holds the designation of CD(SA) and has held several positions at listed and private South African investment firms, including appointments as Chair of the board of Airports Company South Africa Limited and the Central Energy Fund Proprietary Limited. She was also previously a partner at Ethos Private Equity Proprietary Limited. Busi now holds the abovementioned directorships and positions, serving on a number of board committees within these organisations.



F Mall (44)
CA(SA)
Independent non-executive director
Date appointed: 18 September 2020⁽⁵⁾

Major external positions, directorships or associations:

Chief Executive Officer of Komorebi Holdings and director of Usizo Advisory Solutions.

Key skills and experience:

Farzanah is a qualified chartered accountant with over 20 years of local and international experience in strategy development, market and brand positioning, leadership development, auditing, financial and management accounting, strategic eventing, brand profiling, business turnaround, governance, risk management, communications, internal auditing, and publishing of thought leadership. She has worked for three of the big four auditing firms and has held numerous senior leadership roles including being a director at KPMG in the advisory practice, and she has served on the KPMG South Africa board. Her experience also includes lecturing postgraduate managerial accounting and finance, working for Coles Myer Limited in Melbourne, Australia, and serving as the National President of the Businesswomen's Association of South Africa from 2014 to 2017.

NON-EXECUTIVE DIRECTORS



JA Copelyn (71)
BA (Hons), BProc
Non-executive chairman
Date appointed: 24 February 2011⁽³⁾

Major external positions, directorships or associations:

Executive director and Chief Executive Officer of HCI, the major shareholder of the company; non-executive director and chairperson of Deneb Investments Limited, eMedia Holdings Limited and Tsogo Sun Hotels Limited.

Key skills and experience:

Johnny co-founded HCI and has served as the Chief Executive Officer of HCI since 1997. Prior to this he qualified as an attorney, served as a member of Parliament and as the General Secretary of the Southern African Clothing and Textile Workers' Union. In addition to the abovementioned directorships and positions, Johnny holds various other directorships on boards within the HCI group.



Y Shaik (63)
BA (Law), BProc
Non-executive director
Date appointed: 15 June 2011

Major external positions, directorships or associations:

Executive director of HCI, the major shareholder of the company, non-executive director of Deneb Investments Limited and eMedia Holdings Limited, and the chairperson of Hosken Passenger Logistics and Rail Limited.

Key skills and experience:

Yunis is an admitted attorney of the High Court of South Africa. He has served as an Acting Judge in the Labour Court and as a senior commissioner to the Commission for Conciliation, Mediation and Arbitration, KwaZulu-Natal. Yunis is a former Deputy General Secretary of the Southern African Clothing and Textile Workers' Union. In addition to the abovementioned directorships and positions, he holds various other directorships on boards within the HCI group.



VE Mphande (63)
Elec Eng (Dip)
Independent non-executive director
Date appointed: 24 February 2011⁽⁶⁾

Major external positions, directorships or associations:

Independent non-executive director and chairman of HCI and independent non-executive director of eMedia Holdings Limited.

Key skills and experience:

Elias has served as national organising secretary of the Southern African Clothing and Textile Workers' Union, Chief Executive Officer of AUTA, Chief Executive Officer of Vukani Gaming Corporation and chairperson of Golden Arrow Bus Services.



RD Watson (62)
Independent non-executive director
Date appointed: 1 June 2019⁽⁷⁾

Major external positions, directorships or associations:

Independent non-executive director of HCI and independent non-executive director of eMedia Holdings Limited.

Key skills and experience:

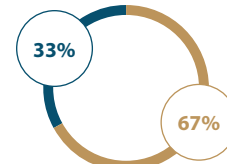
Rachel served as manager at a regional broadcaster. Prior to this appointment she was employed for 33 years within the clothing industry, serving as a trade union representative and national media officer. Rachel now holds the abovementioned directorships and positions, serving on a number of board committees within these organisations.

BOARD PROFILE

Race diversity %

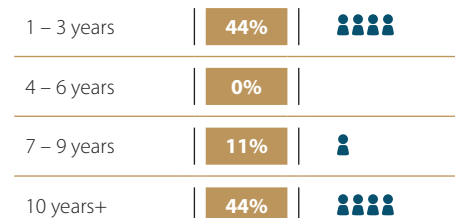
August 2021

Black
White



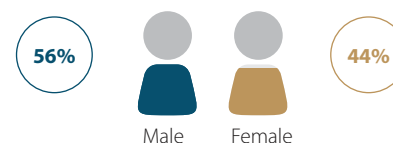
Board tenure %

August 2021



Gender diversity %

August 2021



NON-EXECUTIVE COMMITTEE KEY

- A** **Audit and risk committee**
Chair: F Mall
- S** **Social and ethics committee**
Chair: RD Watson
- R** **HR and remuneration committee**
Chair: Y Shaik

Notes

- ⁽¹⁾ A Hoyer replaced RB Huddy on the board on 1 August 2020 following his resignation and resigned effective 30 September 2021
- ⁽²⁾ G Lunga replaces A Hoyer on the board effective 1 October 2021 following her resignation
- ⁽³⁾ JA Copelyn was appointed to the board of the holding company of the group on 13 August 2003, prior to the reverse listing of the group into Gold Reef
- ⁽⁴⁾ MJA Golding was appointed to the board of the holding company of the group on 30 April 2004, prior to the reverse listing of the group into Gold Reef
- ⁽⁵⁾ F Mall replaced MSI Gani on the board on 18 September 2020 following his resignation and was appointed as the chair of the audit and risk committee effective 18 September 2020
- ⁽⁶⁾ VE Mphande was appointed to the board of the holding company of the group on 3 February 2005, prior to the reverse listing of the group into Gold Reef. He was appointed to the social and ethics committee and the HR and remuneration committee effective 18 September 2020
- ⁽⁷⁾ RD Watson was appointed as chair of the social and ethics committee effective 18 September 2020

Board and committees *continued*

Board composition, structure and report back *continued*

SUB-COMMITTEE STRUCTURE AND REPORT BACK

The board governs through clearly mandated board committees. Each committee has specific written terms of reference approved by the board and adopted by the committee. All committee chairs report orally on the proceedings of their committee meetings to the board. The board retains accountability for all matters where it has delegated responsibility to its sub-committees and is satisfied that it has fulfilled its responsibilities in accordance with the board charter during the year.

The board and the respective board committees are satisfied that the board committees have fulfilled their responsibilities in accordance with their respective terms of reference during the year.

Audit and risk committee

Members

Chair

F Mall

Independent non-executive director

BA Mabuza

Lead independent non-executive director

RD Watson

Independent non-executive director

Key objectives

The key objectives of the audit and risk committee are to assist the board in discharging its responsibilities relating to the integrity of the group's financial and integrated reporting, including the adequacy of related disclosures, effectiveness of its systems of governance, risk management and internal control, monitoring the effectiveness, independence and objectivity of the internal and external auditors and combined assurance. The responsibilities of the audit and risk committee include the safeguarding of assets and ensuring compliance with the statutory duties of the committee and all applicable legislation, JSE Listings Requirements and King IV.

The committee met three times during the year. Ms F Mall replaced Mr MSI Gani as a member and chair of the committee following his resignation from the board effective 18 September 2020. The Chief Executive Officer, the Chief Financial Officer and the Chairman of the company attend the meetings as permanent invitees, along with external audit representatives and the outsourced internal audit representatives. 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 controls in place to be able to make the CEO and CFO statement in terms of JSE LR 3.84;
- 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 regarding standards that became effective during the year or will become effective in the coming year;

- considered all significant transactional and accounting matters that occurred during the year;
- considered the combined findings of the JSE Proactive Monitoring of Financial Statements report;
- evaluation of the financial reporting procedures;
- review of, and recommendation to the board for approval, the half year and full year results and 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 outsourced internal audit function; and
- assessment of the internal control environment, particularly in relation to the group's system on internal financial controls.

The committee was also updated with regard to the waving of the debt covenants by the lenders and is updated on how the group is ensuring that the revised covenants are being monitored.

Refer to the report of the audit and risk committee in the consolidated financial statements for the year ended 31 March 2021.

HR and remuneration committee

Members

Chair

Y Shaik

Non-executive director

JA Copelyn

Non-executive director

BA Mabuza

Lead independent

non-executive director

VE Mphande

Independent

non-executive director

RD Watson

Independent non-executive

director

Key objectives

The key objectives of the HR and remuneration committee are to assist the board with overseeing remuneration governance, with particular focus on ensuring that the group remunerates executive members and employees fairly and responsibly and that the disclosure of directors' and other applicable remuneration, is accurate and transparent as required by applicable laws and governance guidelines, and to assess and approve for recommendation to the board, the group's broad remuneration strategy and policy, and the execution and implementation thereof. In addition to the aforesaid, the committee provides strategic oversight in relation to human resources and other employment related matters.

The committee met three times during the year. Mr VE Mphande replaced Mr MSI Gani as a member of the committee following his resignation from the board effective 18 September 2020. The Chief Executive Officer and the group's Human Resources Director attend committee meetings as permanent invitees along with other directors and members of management who attend as required.

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

- strategic oversight in relation to the group's restructure in response to the Covid-19 pandemic;
- strategic oversight in relation to changes to the terms and conditions of employment and policies;
- strategic oversight in relation to changes to Group Life and Disability Benefits;
- the monitoring of UIF/TERS payments;
- the monitoring of executive appointments, terminations and retirements;
- assessing and approving the group's broad remuneration strategy and policy, and the execution and implementation thereof;
- assessing and approving the remuneration mandate for the group, including salary increases, short-term incentives and bonus and long-term incentives, having regard to the Covid-19 pandemic;
- determining the specific remuneration packages for the executive directors and other senior executives and management;
- evaluation of the performance of the Chief Executive Officer; and
- assessing and proposing non-executive director fees.

Further details of the group's remuneration policy, remuneration implementation report and the work of the HR and remuneration committee can be found in the remuneration section of this integrated annual report.

Social and ethics committee

Members

Chair

RD Watson

Independent

non-executive director

BA Mabuza

Lead independent

non-executive director

VE Mphande

Independent

non-executive director

Y Shaik

Non-executive director

Key objectives

The key objectives of the social and ethics 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, the environment, occupational health and public safety, consumer relationships, labour and employment matters and the group's code of ethics and sustainable business practice.

The committee met twice during the year. Ms RD Watson was appointed as the chair of the committee and Mr VE Mphande as a member of the committee effective 18 September 2020 following the resignation of Mr MSI Gani from the board effective 18 September 2020. The Chief Executive Officer, the Chief Financial Officer, the group's Human Resources Director and the Chairman of the company 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:

- the Covid-19 pandemic, the resultant national lockdown and varying regulations promulgated under the Disaster Management Act, and the impact of this on the group and its stakeholders;
- progress in the alignment of the group's practices to the requirements of the revised B-BBEE codes;
- monitoring disputes with government or regulators;
- monitoring compliance with laws and regulations;
- monitoring the implementation of prevention of bribery and corruption measures;
- monitoring the application of responsible gaming;
- monitoring preferential procurement, socio-economic development and enterprise and supplier development;
- monitoring environmental management and certification;
- customer satisfaction, loyalty, health and safety and consumer protection; and
- employee health and safety, employee development, management diversity and employment equity.

Matters considered during the year are included in the Deliver to our beneficiaries, the Product relevance to customer experience, the Regulatory compliance and the Human resources sections of the integrated annual report.

The committee has satisfied its mandate as prescribed by the Companies Regulations to the Companies Act and that there are no instances of material non-compliance to disclose.

Analysis of shareholding

as at 31 March 2021

| | Number of shareholders | % | Number of shares | % |
|---|---------------------------|--------|---------------------|--------|
| Portfolio size | | | | |
| Range | | | | |
| 1 – 1 000 | 9 643 | 73.59 | 1 541 064 | 0.15 |
| 1 001 – 5 000 | 1 852 | 14.13 | 4 534 701 | 0.43 |
| 5 001 – 10 000 | 471 | 3.59 | 3 602 559 | 0.34 |
| 10 001 – 50 000 | 561 | 4.28 | 13 543 228 | 1.29 |
| 50 001 – 100 000 | 146 | 1.11 | 10 670 352 | 1.02 |
| 100 001 – and more | 432 | 3.30 | 1 016 296 396 | 96.77 |
| | 13 105 | 100.00 | 1 050 188 300 | 100.00 |
| Shareholder spread | | | | |
| Public | 13 100 | 99.95 | 511 551 608 | 48.72 |
| Individuals | 12 159 | 92.77 | 30 372 925 | 2.89 |
| Banks and insurance companies | 55 | 0.42 | 21 349 479 | 2.03 |
| Pension funds and medical aid societies | 208 | 1.59 | 51 858 122 | 4.94 |
| Collective investment schemes and mutual funds | 133 | 1.01 | 285 857 093 | 27.22 |
| Other corporate bodies | 545 | 4.16 | 122 113 989 | 11.64 |
| Non-public | 5 | 0.05 | 538 636 692 | 51.28 |
| Directors ⁽¹⁾ | 2 | 0.02 | 18 086 730 | 1.72 |
| Gold Reef Share Scheme ⁽²⁾ | 1 | 0.01 | 435 558 | 0.04 |
| Controlling entity of controlling shareholder | 1 | 0.01 | 104 932 377 | 9.99 |
| Controlling shareholder (10% of issued share capital or more) | 1 | 0.01 | 415 182 027 | 39.53 |
| | 13 105 | 100.00 | 1 050 188 300 | 100.00 |
| Major shareholders owning 1% or more of total number of shares in issue: | | | | |
| TIHC Investments (RF) Proprietary Limited | | | 415 182 027 | 39.53 |
| Hosken Consolidated Investments Limited | | | 104 932 377 | 9.99 |
| SBSA ITF Prudential SA Equity Fund | | | 81 599 378 | 7.77 |
| Allan Gray Balanced Fund | | | 52 848 674 | 5.03 |
| Steyn Capital SNN Retail Hedge Fund | | | 44 302 968 | 4.22 |
| Alexander Forbes Investments | | | 30 604 137 | 2.91 |
| Standard Chartered Bank As Trustee | | | 22 624 278 | 2.15 |
| Geomer Investments Proprietary Limited | | | 15 872 978 | 1.51 |
| JPMC-Vanguard BBH Lending Account | | | 12 566 530 | 1.20 |

⁽¹⁾ At 31 March 2021 6 946 560 shares were indirectly held (2020: 1 973 836 shares indirectly held) by JA Copelyn, Non-Executive Director and Chairman and 16 112 894 shares indirectly held (2020: 16 112 894 shares indirectly held) by MJA Golding, Non-Executive Director. There has been no other change to directors' shareholdings between 31 March 2021 and the date of this notice of AGM

⁽²⁾ Treasury shares

| | Number of shares |
|--|------------------------|
| There are 4 086 043 treasury shares made up as follows: | |
| • Held by the Gold Reef Share Scheme | 435 558 ⁽¹⁾ |
| • Treasury shares allocated as part of the executive facility – refer note 36.1 to the consolidated financial statements | 3 650 485 |
| | 4 086 043 |

⁽¹⁾ For the purposes of the Listings Requirements of the JSE, the votes on these shares will not be taken into account for the purposes of adopting the resolutions proposed at the company's AGM

Remuneration report

REMUNERATION POLICY

In terms of principle 14 of King IV, the group's remuneration policy and remuneration implementation report shall be tabled to the shareholders of the company at the company's AGM for consideration and endorsement on a non-binding advisory basis.

In the event that 25% (twenty-five percent) or more of the voting rights exercised on the advisory votes are cast against the remuneration policy, the remuneration implementation report or both, the company shall engage with the dissenting shareholders within a period of 30 days from the AGM and will appropriately consider legitimate and reasonable alternatives that may be proposed. Details of the manner and timing of this process (if applicable) will be released with the AGM voting results announcement.

At the annual general meeting of the company held on 3 December 2020, 80% of the voting rights exercised on the advisory vote relating to the group's remuneration policy were in favour of the remuneration policy and 81% of the voting rights exercised on the advisory vote relating to the group's remuneration implementation report were in favour of the remuneration implementation report.

The group continues to modify and improve its remuneration policies having regard to the declining margins of the casino industry in recent years, as well as to the position of casinos in the current economy as further complicated with the severe negative impact of Covid-19-related restrictions on trade, thereby ensuring that affordable, yet fair remuneration structures are implemented. We hope that shareholders will again recognise our effort in this regard.

The company is striving to deliver a restructured business which will be sustainable and recover from the recent adverse impact on its financial position.

REMUNERATION BACKGROUND STATEMENT

The objective of the group's remuneration policy is to ensure that the group remunerates fairly, responsibly and transparently, so as to attract and retain employees of the right calibre and skillset, motivating them to achieve appropriate performance levels aligned with the group's strategic objectives, by offering fixed and variable financial rewards, and non-financial benefits, including development and career opportunities.

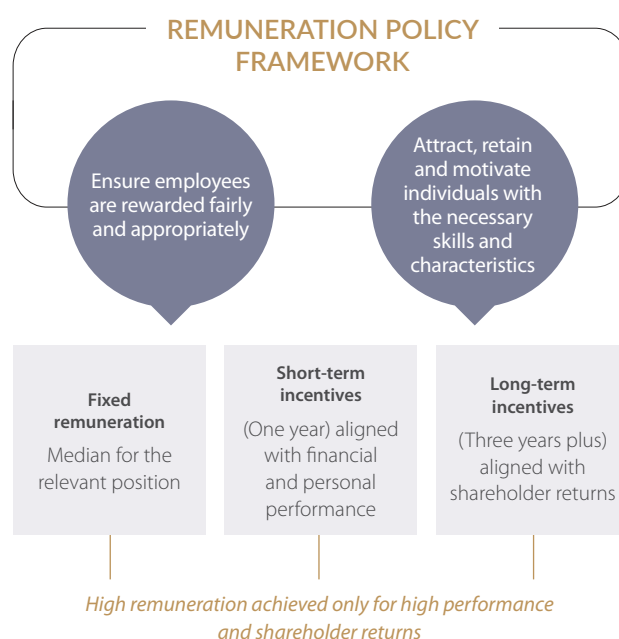
Total rewards are set at levels that are competitive within the gaming, hospitality and entertainment sector. The fixed and variable financial reward elements of the remuneration structure of employees differ depending on their employee grades.

The HR and remuneration committee, consisting of five non-executive directors, three of whom are independent, also consider other significant matters relating to employment. The CEO and Group HR Director provide comprehensive reports to the committee at each meeting. The committee, after consideration of these reports, submits its recommendations to the board who ultimately remains responsible for approving remuneration policies and decisions. The committee met three times during the year.

Independent remuneration consultants are only used for the purpose of providing remuneration benchmark statistics when required.

The HR and remuneration committee is satisfied that the remuneration policy has considered and recognised the additional challenges posed by the Covid-19 pandemic, and that it has achieved its objectives for the past year.

The key areas of focus, decisions made and changes to policies are included in the framework and specific areas addressed below.



The remuneration of the different divisions is run autonomously due to the different demands of the respective sectors.

The high level framework for each division is maintained by the Group HR Director with input from the divisions and the CEO, and is presented to and considered by the HR and remuneration committee.

The remuneration policies, as a minimum, comply with the Basic Conditions of Employment Act and any other relevant laws and regulations.

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 performance and to long-term shareholder value creation.

The combination of these components ensures remuneration commensurate to performance and shareholder returns. Senior management have a larger portion of their potential total remuneration subject to the achievement of performance-based targets than the lower broad bands. Short-term incentives are predominantly linked to annual financial performance, and are balanced with other strategic priorities where appropriate.

Remuneration report *continued*

The group has thus far successfully implemented the approach to preserve as many employment opportunities as possible in the current restrictive environment.

FIXED REMUNERATION: SALARIES AND BENEFITS Group

The group provides employment to approximately 10 000 people. The total direct employee cost for the financial year reduced from R2.2 billion to R1.0 billion mainly as a result of restrictive trading.

As a result of the significant negative impact on trading with the restrictions imposed on the gaming, entertainment and hospitality sector, no general salary increases were granted during the 2021 financial year. With the further impact of the third wave of the pandemic and the destruction of businesses in KwaZulu-Natal and Gauteng, no general salary increases can either be afforded for the 2022 financial year. This excludes increases granted as a result of a change of roles, promotions, requirements by law and otherwise in the normal operation of the business.

The pension fund contribution holiday for the employer and employee implemented in May 2020 is still in place and is expected to continue until at least October 2021. Thereafter a further holiday or reasonable level of contribution by the employer and employee will be determined.

The life and disability benefit cover for the various categories of employees is being reviewed in the 2022 financial year. Since this cover is provided solely at the company's cost, it should be set at a level which comprises a fair and reasonable cost to the employer while simultaneously providing an appropriate benefit to employees.

Casinos and corporate

Employees of the corporate office and casino division are employed in varying broad-bands from A to F.

Structural and efficiency changes required at casinos and the corporate office, including redundancies, has resulted in various retrenchments during the year. Appropriate assessments are made for each legal entity separately.

Salaries of broad-bands A to D are based on a total package basis, with all contributions and benefits, except group life and disability, forming part of the total package remuneration.

Salaries of permanent broad-band E to F employees are based on a basic plus benefit basis, whereby the employer and employee both contribute towards certain benefits such as retirement funding, with the employer's contributions being in addition to the basic amount.

Employees are either employed on a permanent or a flexi basis, with flexi staff working varying hours depending on demand. With the impact of the Covid-19 pandemic, more employment was preserved with staff working on a flexi basis.

The OSS (operational support staff) who were transferred to the respective casino units in November 2019 are also employed on a basic plus benefit basis.

The salaries and benefits for each unit and department are determined within the framework approved by the HR and remuneration committee and the board, with the Group HR Director being responsible for the implementation and reporting thereon to the CEO.

Salary levels of similar job categories may vary depending on location, the size of the unit and the individual's skills, qualifications and experience. The Group HR Director and operations management review comparative roles within the group to evaluate appropriate compensation.

The casino business in particular is still in the process of evaluating and implementing improved structure and efficiency measures that are required to enable the business to recover and improve its margins subsequent to the Covid-19 pandemic, which margins have been under pressure for a number of years.

Other policies and benefits

Employment policies relating to leave and long-service awards are still in the process of being changed for all levels of employees.

SHORT-TERM INCENTIVES

Bonuses and short-term incentives ("STI")

December bonuses for broad-band E and F casino employees will be discretionary from December 2021 and will be based on performance. Historically performance criteria was not taken into account for December bonus payments. The financial position as a result of the pandemic and restrictions imposed cannot be ignored in the determination of bonuses. Accordingly no bonuses to this category of staff were paid in December 2020.

STI applicable to broad-band A to D casino and corporate employees is discretionary, operated within a framework assessed and recommended by the CEO and Group HR Director to the HR and remuneration committee and ultimately approved by the board.

As a result of the 2020 financial results being below budget due to the impact of the Covid-19 pandemic during March 2020 and severely constrained cash flow and high debt levels, no STI was paid to broad-band A to D casino employees for the 2020 financial year. Similarly due to the severe negative financial impact on the business in the 2021 financial year, no STI has been paid yet for the 2021 financial year. The business will assess the impact of the third wave of the pandemic and the additional set-back to the country as a result of destruction of businesses in KwaZulu-Natal and Gauteng, before a final determination regarding the payment of any STI is made. This decision has been postponed until November or December 2021. With the current position, the STI for the 2021 financial year is expected to be between zero and a maximum of one month's salary for this category of staff.

The following additional measures apply to STI:

- the potential STI cost per broad-band is capped;
- the lowest STI level is zero;
- there are low, middle and high-potential brackets;
- the maximum allocation is 10% above the maximum bracket only in exceptional circumstances;
- units are partially differentiated on size for cost to be commensurate with earnings.

The total potential cost is controlled and the scheme is now simpler to administer than it was historically.

The tables may be amended on an annual basis with the HR and remuneration committee and the board's approval.

The "high" percentages (caps) are as follows:

| | |
|------------------------------|---|
| CEO | 75% (was previously 130%) |
| Executives/senior management | 33 – 60% (depending on position/unit) |
| Various levels of management | 25 – 33% (depending on broad-band/unit) |

The HR and remuneration committee has the discretion in exceptional circumstances to recommend no STI (for example with the current Covid-19 crisis) or a 10% excess amount (only in the event of exceptional measurable outperformance with significant gain or benefit to the unit/group).

Short-term incentives are focused on financial performance, but may also include specific strategic priorities. Financial performance is based on targeted Ebitda, headline earnings/adjusted headline earnings (or profit after tax on unit level) and cash generation. The target may be adjusted for material structural changes during the year to ensure the target remains fair or challenging where appropriate. The financial and relative growth performance or results achieved compared to the benchmarks are assessed for each unit/department and then applied to the relevant table. Management with personal or other non-financial outperformance is adjusted upwards and below expected or poor performance, adjusted downwards.

Benchmarks take into account the location, economic environment and optimisation of the respective unit potential. The budget is predominantly used as a performance measurement tool, but different targets may be set from time to time as appropriate.

The Group HR Director and CEO present a summary of STI cost within the framework to the HR and remuneration committee for their assessment and recommendation to the board. The chairman of the board assesses the CEO's performance in line with pre-determined criteria approved by the HR and remuneration committee and the board.

The STI policy aims to achieve a reasonable overall STI level for the group, while incentivising management to "go the extra mile".

We are grateful to our management who are committed to the business during its recovery in order to ensure a sustainable future, however, with the financial performance of casinos not likely to exceed pre-pandemic levels until the 2023 or subsequent financial years, it is expected that the STI for the 2022 financial year will continue to remain limited.

LONG-TERM INCENTIVES ("LTI")

The Tsogo Sun Gaming group share appreciation bonus plan is effectively a phantom share scheme which aligns participants with long-term shareholders and is operated in terms of the approved plan.

Appreciation units (notional shares) are allotted to participants at a 10% discount to the seven-day VWAP, vest after three years and must be exercised before the sixth anniversary, failing which they lapse. The encashment value is calculated at the seven-day VWAP when the option is exercised minus the allocation price, plus dividends from the date of allotment to the date of exercise of the option, which value is settled in cash.

No equity is issued and therefore there is no shareholder dilution relating to the scheme.

LTI allocations are proposed by the CEO, approved by the HR and remuneration committee for recommendation to the board and ultimately approved by the board. LTI allocations remain discretionary. The total number of "notional shares" in issue and "value in scheme" are limited and monitored by the HR and remuneration committee.

The HR and remuneration committee is of the view that the share-price-linked scheme is simplistic with regards to performance measurement and provides the appropriate long-term incentive, which will also drive share price performance. Key to such achievement will be a reduced debt structure and therefore a stronger financial position with less risk in the long term.

The focus of the scheme is to incentivise selected senior management who are directly involved with driving the performance of the business. The LTI scheme is critical for the retention of key performance drivers of the business, especially during the current period of no, or low, increases and STI. The total allotment during the 2021 financial year was within the framework approved by the HR and remuneration committee and the board, and endorsed by shareholders in December 2020.

There will be no annual top-up or issue of notional shares (options) in the 2022 financial year, other than in the ordinary course of business (change of roles, promotions). With the consolidation of the financial director of Casinos and group CFO roles, the issue of notional shares to the current financial director of Casinos will be appropriately topped up with 400 000 options at the original issue date and terms, and the outgoing CFO's 1 000 000 notional shares will be surrendered at no cost as required.

Remuneration report *continued*

Gold Reef share scheme and executive facility LTI scheme

The Gold Reef share scheme and the executive LTI scheme were both equity and loan schemes. Both these schemes have been discontinued with no further allotments.

The Gold Reef share scheme only has 13 participants remaining, holding in aggregate approximately 400 000 shares in TSG and THL each, and having loan claims due to the company. Most of these participants are out of the money. The participants' positions close out at the earliest of termination of employment or when they elect to. The intention is to finally unwind this scheme for the remaining participants at a time when they will not suffer a loss. Most of these 13 participants will not make a profit out of this approximately 10-year-old scheme when it is finally closed down in the foreseeable future.

The executive LTI scheme has no participants left in the employ of the company. There has been no change to the status of this scheme as reported in the 2020 remuneration report, and this scheme will therefore effectively be wound up in coming years.

BINGO AND LPM DIVISIONS

Average salary increases are set annually for each specific unit (Galaxy Bingo) and the group employees of Vukani and Galaxy Bingo with inflation and market-related remuneration as the benchmark. Comprehensive performance management systems are in place.

As a result of the impact of the Covid-19 pandemic, and until there is more certainty, no annual increases were granted for the 2021 and 2022 financial years, other than increases granted as a result of a change of roles, promotions, requirements by law and otherwise in the normal operation of the business.

Salaries are all on a CTC basis. For the bingo division the staff contribute a lower portion to the retirement fund, which will be increased on an annual basis when normal capacity resumes until it matches the employers' contribution.

Benefits, depending on the category of staff include *inter alia* retirement funds, medical aid and funeral cover.

Bonuses/STIs are allocated per job category and amounts are limited to a maximum based on monthly salary multiples. Senior management and regional general managers are aligned with caps which applies to certain casinos in terms of the STI scheme.

No bonuses/STIs were paid for the 2021 financial year and limited amounts are expected for 2022 as a result of the negative impact of continued restrictive trading.

Only a few selected key senior management with group performance responsibilities are part of the TSG LTI scheme.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees are proposed by the HR and remuneration committee, considered by the board, and approved by the shareholders at the AGM.

The proposal for this period is that in light of the ongoing impact of the Covid-19 pandemic, for a second year, there will be no increase to non-executive directors' fees. As such, the full fees payable will remain unchanged as approved by the shareholders at the annual general meeting of the company held on 3 December 2020. The directors have, however, once again agreed to continue to receive only 60% of the approved fees payable up to the quarter ending September 2022.

TERMINATION

In the case of terminations, the base salary, retirement and other benefits and leave pay will be paid up to and including the last day of employment. All vested long-term incentives will be deemed to have been exercised on the last day of employment and all unvested long-term incentives will be surrendered. The exception being in the event of death or disability the unvested portion is deemed to vest on date of termination.

| 2022 KEY ELEMENTS OF REMUNERATION | FIXED PAY | | |
|---|--|---|---|
| | BASE SALARIES | NON-EXECUTIVE DIRECTORS' FEES | RETIREMENT 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 |
| 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 |
| Operation and performance measures | <p>Base salaries</p> <p>Base salaries are subject to annual review using inflation as benchmark and taking other market conditions into account. Market-related salaries, individual performances and changes in responsibilities are also taken into consideration when determining increases to base salaries</p> | <p>Non-executive directors' fees</p> <p>The fees for the non-executive directors are recommended by the HR and remuneration committee to the board for its approval, taking into account fees payable to non-executive directors of comparable companies. 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 benchmarked to inflation and taking other market conditions into account. Non-executive directors do not receive any short-term or long-term incentives or other benefits</p> | <p>Retirement fund membership</p> <p>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, the Tsogo Sun Group Pension Fund and three provident funds, the Alexander Forbes Retirement Fund (Provident Section), the Tsogo Sun Group Provident Fund and the Vukani Super Fund (provident fund). Other approved funds include union-negotiated funds and funds to which members have historically belonged</p> |

Remuneration report *continued*

| 2022 KEY ELEMENTS OF REMUNERATION | FIXED PAY | SHORT-TERM INCENTIVES | LONG-TERM INCENTIVES |
|---|--|--|---|
| | OTHER BENEFITS | ANNUAL BONUS PLAN | SHARE APPRECIATION PLAN |
| Purpose and link to strategy | Provides benefits appropriate to the market and the role | Rewards the achievement of annual financial performance balanced with other specific priorities | Long-term incentives are utilised to reward long-term sustainable group performance improvement, retain senior management expertise and align executive pay and long-term value creation with shareholders |
| Application dependent on employee type and level | Depending on the various broad bands, employees are eligible for membership of a company-approved medical scheme and other benefits | All executives, senior management and selected middle management receive STI if awarded Other staff receive December bonuses if awarded | Selected senior management. Focusing on performance drivers of the business |
| Operation and performance measures | <p>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</p> <p>Risk and insured benefits Arising through membership of the group's pension and provident funds, death, disability and funeral benefits are made available to divisions and staff entitled thereto</p> <p>Long-service awards Discontinuation of long-service awards is still in progress</p> | <p>Annual cash incentive STI is capped per broad-band level and in terms of pre-approved tables in accordance with the size of the unit</p> <p>Measurement for STI includes unit or group financial and personal performance where relevant</p> <p>Staff bonuses are determined in December and are capped</p> <p>STI and bonuses are discretionary</p> | <p>Share appreciation plan The essential elements of the plan are a "phantom" version of a share scheme where each appreciation unit is in effect linked to an underlying share in Tsogo Sun Gaming Limited, designed to align the interests of participants with those of the company's shareholders</p> <p>Annual allocations of appreciation units at 10% below market price (seven-day VWAP) are made to selected managers (linked to specific positions and cost to company). These vest and are available to be settled on the third anniversaries of the allocations, 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 Gaming's share price over the allocation price plus dividends from the date of allotment to the date of exercise of the option, which value will be settled in cash. The allocations at market price result in a base performance hurdle as there is only value if the share price appreciates</p> |

REMUNERATION IMPLEMENTATION REPORT

Non-executive director remuneration

Non-executive directors are paid a fixed annual fee for their services as directors and for services provided as members of board committees. These fixed annual fees per director vary depending on their role/s within the committees, and reflect the market dynamics and demands being made on each individual. Payment of these fees is made quarterly, in arrears. The fees are set at levels that will attract and retain the calibre of directors necessary to contribute to a highly effective board. Non-executive directors do not qualify for participation in any bonus or incentive schemes.

The HR and remuneration committee reviews the remuneration of non-executive directors annually, and the proposed fees and/or any increases thereto for the ensuing year are then approved by the board and presented to the shareholders for their approval at each AGM of the company.

In light of the ongoing impact of the Covid-19 pandemic, for a second year, there will be no increase to non-executive directors' fees. As such, the full fees payable will remain unchanged as approved by the shareholders at the annual general meeting of the company held on 3 December 2020. The directors have, however, once again agreed to continue to receive only 60% of the approved fees up to the quarter ending September 2022.

The proposed fees, excluding VAT where applicable, for the ensuing year from the date of the AGM until the next AGM are as set out below:

| | Proposed discounted fees ⁽³⁾ 2021/2022 R'000 | Proposed full fees 2021/2022 R'000 | Previously approved full fees 2020/2021 R'000 |
|--|---|--|---|
| Directors fees | | | |
| Chairman of the board ⁽¹⁾ | 693 | 1,155 | 1,155 |
| Lead independent non-executive and member of all board committees ⁽¹⁾ | 411 | 685 | 685 |
| Chairperson of the audit and risk committee ⁽²⁾ | 102 | 170 | 170 |
| Chairperson of social and ethics committee ⁽²⁾ | 60 | 100 | 100 |
| Chairperson of the HR and remuneration committee ⁽²⁾ | 90 | 150 | 150 |
| Member of a committee | 18 | 30 | 30 |
| Non-executive director | 201 | 335 | 335 |

⁽¹⁾ Including fee as non-executive director

⁽²⁾ Including fee as member of the respective committee

⁽³⁾ 60% of full fees

Fees and service paid by subsidiaries for the year ended 31 March

| Directors' fees for the year ended 31 March | 2021 R'000 | 2020 R'000 |
|--|-----------------------|---------------|
| JA Copelyn | 809 | 1 106 |
| MSI Gani ⁽¹⁾ | 259 | 655 |
| MJA Golding | 235 | 320 |
| BA Mabuza | 480 | 655 |
| F Mall ⁽²⁾ | 162 | – |
| VE Mphande | 253 | 320 |
| JG Ngcobo ⁽³⁾ | – | 200 |
| Y Shaik | 360 | 493 |
| R Watson ⁽⁴⁾ | 318 | 206 |
| | 2 876 | 3 955 |

⁽¹⁾ Resigned as non-executive director 18 September 2020

⁽²⁾ Appointed as non-executive director 18 September 2020

⁽³⁾ Resigned as non-executive director 31 May 2019

⁽⁴⁾ Appointed as non-executive director 1 June 2019

Remuneration report *continued*

Executive directors' and executive managements' 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.

Executive directors

| | 2021 | | | | 2020 | | | |
|---|--------------------|---------------------------------|---------------------------------|----------------|-----------------------------------|-----------------------------------|------------------|----------------|
| | C du Toit R'000 | A Hoyer ⁽¹⁾ R'000 | R Huddy ⁽²⁾ R'000 | Total R'000 | C du Toit ⁽³⁾ R'000 | J Booysen ⁽³⁾ R'000 | R Huddy R'000 | Total R'000 |
| Salary | 6 430 | 1 314 | 2 004 | 9 748 | 4 571 | 1 858 | 4 067 | 10 496 |
| Pension fund contributions | 27 | – | 29 | 56 | 314 | 92 | 351 | 757 |
| Other benefits | 116 | 61 | 34 | 211 | 114 | 122 | 187 | 423 |
| Current year STI accrued | – | – | – | – | – | – | – | – |
| Fair value of cash based LTI | – | – | – | – | – | – | – | – |
| Loss of office payment | – | – | – | – | – | 8 064 | – | 8 064 |
| Total single figure of remuneration | 6 573 | 1 375 | 2 067 | 10 015 | 4 999 | 10 136 | 4 605 | 19 740 |
| Current year STI accrued not yet settled | – | – | – | – | – | – | – | – |
| Prior year STI accrual settled | – | – | – | – | – | 5 118 | 2 199 | 7 317 |
| Settlement of cash based LTI | – | – | – | – | – | – | – | – |
| Total cash equivalent value of remuneration | 6 573 | 1 375 | 2 067 | 10 015 | 4 999 | 15 254 | 6 804 | 27 057 |
| Fair value of cash based LTI | – | – | – | – | – | – | – | – |
| Financial statement remuneration ⁽⁴⁾ | 6 573 | 1 375 | 2 067 | 10 015 | 4 999 | 15 254 | 6 804 | 27 057 |

⁽¹⁾ Appointed CFO and as an executive director 1 August 2020, resigned effective 30 September 2021

⁽²⁾ Resigned as CFO and as an executive director 31 July 2020

⁽³⁾ J Booysen retired on 30 June 2019 and C du Toit appointed as executive director on 1 June 2019 and as CEO on 1 July 2019

⁽⁴⁾ As per 2021 consolidated financial statements

Other key management and prescribed officers

| | 2021 | | | |
|---|------------------|-------------------|--------------------|----------------|
| | G Lunga R'000 | B Mogiba R'000 | C Wannell R'000 | Total R'000 |
| Salary | 2 760 | 3 046 | 1 664 | 7 470 |
| Pension fund contributions | 28 | 3 | 18 | 49 |
| Other benefits | 122 | 161 | 68 | 351 |
| Current year STI accrued | – | – | – | – |
| Fair value of cash based LTI | – | – | – | – |
| Leave pay | – | – | – | – |
| Total single figure of remuneration | 2 910 | 3 210 | 1 750 | 7 870 |
| Current year STI accrued not yet settled | – | – | – | – |
| Prior year STI accrual settled | – | – | – | – |
| Settlement of cash based LTI | – | – | – | – |
| Total cash equivalent value of remuneration | 2 910 | 3 210 | 1 750 | 7 870 |
| Fair value of cash based LTI | – | – | – | – |
| Financial statement remuneration ⁽⁸⁾ | 2 910 | 3 210 | 1 750 | 7 870 |

| | 2020 | | | | | | | | Total R'000 |
|---|-----------------------------------|----------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|----------------|
| | C du Toit ⁽¹⁾ R'000 | G Joseph ⁽²⁾ R'000 | G Lunga ⁽³⁾ R'000 | B Mogiba ⁽⁴⁾ R'000 | C Wannell ⁽⁵⁾ R'000 | G Tyrrell ⁽⁶⁾ R'000 | M Von Aulock ⁽⁷⁾ R'000 | R Nadasen ⁽⁷⁾ R'000 | |
| Salary | 723 | 2 992 | 2 422 | 2 141 | 98 | 1 954 | 1 840 | 649 | 12 819 |
| Pension fund contributions | 49 | 387 | 349 | 278 | 12 | 321 | – | 84 | 1 480 |
| Other benefits | 26 | 171 | 171 | 56 | 8 | 277 | 148 | 45 | 902 |
| Current year STI accrued | – | – | – | – | – | – | – | – | – |
| Fair value of cash based LTI | – | – | – | – | – | – | – | – | – |
| Leave pay | – | 228 | – | – | – | – | – | – | 228 |
| Total single figure of remuneration | 798 | 3 778 | 2 942 | 2 475 | 118 | 2 552 | 1 988 | 778 | 15 429 |
| Current year STI accrued not yet settled | – | – | – | – | – | – | – | – | – |
| Prior year STI accrual settled | 2 270 | 1 255 | 859 | – | – | – | 2 678 | 986 | 8 048 |
| Settlement of cash based LTI | – | – | – | – | – | – | – | 216 | 216 |
| Total cash equivalent value of remuneration | 3 068 | 5 033 | 3 801 | 2 475 | 118 | 2 552 | 4 666 | 1 980 | 23 693 |
| Fair value of cash based LTI | – | – | – | – | – | – | – | – | – |
| Financial statement remuneration ⁽⁸⁾ | 3 068 | 5 033 | 3 801 | 2 475 | 118 | 2 552 | 4 666 | 1 980 | 23 693 |

⁽¹⁾ Appointed as an executive director on 1 June 2019 and as CEO on 1 July 2019

⁽²⁾ Employment ended 18 March 2020

⁽³⁾ Financial Director – Casino Gaming – Prescribed Officer from the unbundling of THL on 23 June 2019

⁽⁴⁾ Chief Executive Officer – Vukani – Prescribed Officer from the unbundling of THL on 23 June 2019

⁽⁵⁾ Appointed as Legal Manager and representative of the Company Secretary from 1 March 2020

⁽⁶⁾ Company Secretary and Legal Officer – Prescribed Officer from the unbundling of THL on 23 June 2019. Resigned 28 February 2020

⁽⁷⁾ No longer a Prescribed Officer from the unbundling of THL on 23 June 2019

⁽⁸⁾ As per 2021 consolidated financial statements

Remuneration report *continued*

Short-term incentive

Due to the financial impact of the Covid-19 pandemic no short-term incentives were paid for the 2020 financial year end. 2021 STI has been placed on hold given the significant impact of the pandemic restrictions on the business and will not exceed R39 million, but may be determined to be zero depending on the financial position of the business by November 2021 and the projections until March 2022.

Long-term incentive liability – cash settled

The following table summarises details of the units awarded to all scheme participants:

| Grant date | Appreciation units granted and still outstanding | | Strike price R | Appreciation units vested and still outstanding | | Expiry date | Liability 2021 Rm | Liability 2020 ⁽²⁾ Rm |
|---|--|------------|----------------|---|-----------|------------------|-------------------|----------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | | | |
| 1 April 2014 | – | 1 875 968 | 25.72 | – | 1 875 968 | 1 April 2020 | – | – |
| 1 April 2015 | 169 558 | 725 332 | 26.54 | 169 558 | 725 332 | 1 April 2021 | – | – |
| 1 April 2016 | 241 019 | 996 940 | 22.82 | 241 019 | 996 940 | 1 April 2022 | – | – |
| 1 April 2017 | 214 292 | 848 233 | 28.00 | 214 292 | – | 1 April 2023 | – | – |
| 1 April 2018 | 228 404 | 1 048 584 | 24.08 | – | – | 1 April 2024 | – | – |
| 10 December 2019 ⁽¹⁾ | 970 425 | 18 646 026 | 10.82 | – | – | 12 December 2025 | – | – |
| 18 December 2020 ⁽¹⁾ | 18 900 000 | – | 5.20 | – | – | 18 December 2026 | 24.6 | – |
| Other | 24 190 | 349 678 | 24.08 | 24 190 | 16 041 | Various | – | – |
| At 31 March | 20 747 888 | 24 490 761 | | 649 059 | 3 614 281 | | 24.6 | – |
| Share price utilised to value the liability at 31 March | | | | | | | R 6.50 | – |

⁽¹⁾ Relates to Tsogo Sun Gaming Limited only. All other appreciation units were issued pre the THL unbundling and therefore includes both businesses and both the share prices of TSG and THL are taken into consideration when valuing those liabilities

⁽²⁾ As a result of the share price collapse due to Covid-19, the liability of all the appreciation units were reduced to Rnil

| | Grant date | Appreciation units granted and still outstanding | | | Strike price ⁽⁵⁾ R | Appreciation units vested and still outstanding | | Expiry date | Provision 2021 R'000 | Provision 2020 ⁽⁷⁾ R'000 |
|--|------------|--|-----------|-------|-------------------------------|---|------------|-------------|----------------------|-------------------------------------|
| | | 2021 | 2020 | 2021 | | 2020 | | | | |
| Executive directors | | | | | | | | | | |
| C du Toit ⁽¹⁾ | 10/12/2019 | – | 3 826 248 | 10.82 | – | – | 10/12/2025 | – | – | |
| | 18/12/2020 | 4 500 000 | – | 5.20 | – | – | 18/12/2026 | 5 850 | – | |
| A Hoyer ⁽²⁾ | 18/12/2020 | 1 000 000 | – | 5.20 | – | – | 18/12/2026 | 1 300 | – | |
| RB Huddy ⁽³⁾ | 01/04/2014 | – | 184 681 | 25.72 | – | – | 01/04/2020 | – | – | |
| Total | | 5 500 000 | 4 010 929 | | – | – | | 7 150 | – | |
| Other key management and prescribed officers | | | | | | | | | | |
| G Lunga ⁽⁴⁾ | 01/04/2014 | 97 201 | 97 201 | 25.72 | 97 201 | 97 201 | 01/04/2020 | – | – | |
| | 10/12/2019 | – | 646 950 | 10.82 | – | – | 10/12/2025 | – | – | |
| | 18/12/2020 | 600 000 | – | 5.20 | – | – | 18/12/2026 | 780 | – | |
| B Mogiba ⁽⁵⁾ | 10/12/2019 | – | 924 214 | 10.82 | – | – | 10/12/2025 | – | – | |
| | 18/12/2020 | 1 000 000 | – | 5.20 | – | – | 18/12/2026 | 1 300 | – | |
| C Wannell ⁽⁶⁾ | 10/12/2019 | – | 277 264 | 10.82 | – | – | 10/12/2025 | – | – | |
| | 18/12/2020 | 300 000 | – | 5.20 | – | – | 18/12/2026 | 390 | – | |
| Total | | 1 997 201 | 1 945 629 | | 97 201 | 97 201 | | 2 470 | – | |

⁽¹⁾ Appointed as an Executive Director on 1 June 2019 and as CEO 1 July 2019

⁽²⁾ Appointed CFO and as an executive director 1 August 2020, resigned effective 30 September 2021

⁽³⁾ Resigned as CFO and as an executive director effective 31 July 2020

⁽⁴⁾ Financial Director – Casino Gaming – Prescribed Officer from the unbundling of THL on 23 June 2019, appointed CFO effective 1 October 2021

⁽⁵⁾ Chief Executive Officer – Vukani – Prescribed Officer from the unbundling of THL on 23 June 2019

⁽⁶⁾ Appointed as Legal Manager and representative of the Company Secretary from 1 March 2020

⁽⁷⁾ As a result of the share price collapse due to Covid-19, the liability of all the appreciation units were reduced to Rnil

Notice of annual general meeting

Tsogo Sun Gaming 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 Wednesday, 1 December 2021 at 14:00, for the purpose of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary resolutions, special resolutions and non-binding advisory endorsements set out in this notice, and considering any other matters raised by shareholders at the AGM. The proceedings will be held in English.

ATTENDANCE AND PARTICIPATION IN AGM AND IDENTIFICATION

In terms of section 63(1) of the Companies Act, No 71 of 2008, as amended ("Companies Act") before any person may attend in person or participate in the AGM of the company, 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.

Shareholders holding certificated shares and shareholders holding dematerialised shares registered in such shareholders' own name and who are registered as such on Friday, 19 November 2021 are entitled to attend, participate in and vote at the AGM.

Shareholders who hold dematerialised shares, other than holders of dematerialised shares registered in their own name, and who are registered as such on Friday, 19 November 2021, must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the AGM in person, 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, 19 November 2021 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, JSE Investor Services 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 14:00 on Monday, 29 November 2021, 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.

VOTING

An ordinary resolution requires the support of more than 50% (fifty percent) of the voting rights exercised on such ordinary resolution in order to be adopted, and a special resolution requires the support of at least 75% (seventy-five percent) of the voting rights exercised on such special resolution in order to be adopted.

In terms of the Listings Requirements of the JSE, equity securities of an applicant issuer held by a share trust or scheme established by the applicant issuer, where such securities are controlled by the applicant issuer from a voting perspective constitute "treasury shares" and will not have their votes at the AGM taken into account for the purposes of adopting the resolutions proposed thereat.

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.

Notice of annual general meeting *continued*

RECORD DATES

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

- Receive notice of the AGM is Friday, 27 August 2021; and
- Participate in and vote at the AGM is Friday, 19 November 2021.

The last date to trade in order to be registered in the company's securities register to be able to participate and vote at the AGM will therefore be Tuesday, 16 November 2021.

AGENDA

1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

The consolidated audited financial statements of the company and its subsidiaries, including the reports of the directors, the audit and risk committee and the independent auditors, for the year ended 31 March 2021 ("the AFS") have been published on the company's website at <https://www.tsogosungaming.com/investors> and are hereby presented to shareholders as required in terms of sections 30(3)(d) and 61(8)(a) of the Companies Act.

The report back of the social and ethics committee and the HR and remuneration committee, together with the group's remuneration policy and remuneration implementation report are included with this notice.

ORDINARY RESOLUTIONS

Shareholders are requested to consider, and if deemed fit, to pass, with or without modification, the following ordinary resolutions:

2 RE-APPOINTMENT OF AUDITORS

In terms of section 90(1) of the Companies Act, each year at its AGM, the company must appoint an auditor in terms of section 90(1) of the Companies Act who satisfies the requirements of section 90(2) of the Companies Act.

The company's audit and risk committee has considered the independence of the company's current auditors, PricewaterhouseCoopers Inc. ("PwC") in accordance with the Companies Act and is satisfied that PwC is independent as contemplated by the Companies Act.

Furthermore, the company's 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 the JSE, 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.

As proposed by ordinary resolution number 1, the board and the audit and risk committee have 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.

PwC has indicated its willingness to continue in office, and Mr S Murugen shall serve as the registered audit partner in relation to the audit.

Ordinary resolution 1

"Resolved as an ordinary resolution, that PricewaterhouseCoopers Inc. be and are hereby reappointed as independent external auditor of the company for the financial year ending 31 March 2022 and until the conclusion of the next AGM."

3 ELECTION OF DIRECTOR APPOINTED BY THE BOARD AND RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION BY SEPARATE RESOLUTIONS

Mr G Lunga has been appointed by the board to serve as an executive director and the Chief Financial Officer of the company with effect from 1 October 2021 to fill the vacancy on the board arising following the resignation of Mrs A Hoyer with effect from close of business on 30 September 2021. It is proposed that the appointment of Mr Lunga as a director of the company be confirmed and approved by the shareholders of the company, and that Mr Lunga be elected as a director of the company.

In accordance with the company's memorandum of incorporation ("MOI"), one third of the company's non-executive directors are required to retire at each AGM and if eligible, may offer themselves for re-election. The non-executive directors to retire at each AGM are firstly those appointed to the board since the last AGM to fill a vacancy, and secondly those who have been in office the longest since their election or last re-election, as the case may be. It is proposed, by way of separate resolutions, to re-elect as directors of the company, Mr JA Copelyn, Ms BA Mabuza and Ms RD Watson, comprising one-third of the non-executive directors of the company who have retired by rotation from office in accordance with the requirements of the company's MOI. Each of Mr JA Copelyn, Ms BA Mabuza and Ms RD Watson are eligible, and have offered themselves for re-election as a director of the company.

Summarised *curricula vitae* in respect of Mr G Lunga, Mr JA Copelyn, Ms BA Mabuza and Ms RD Watson are included with this notice.

3.1 Ordinary resolution 2.1

"Resolved as an ordinary resolution that the appointment of Mr G Lunga as a director of the company with effect from 1 October 2021 be confirmed, and accordingly that Mr G Lunga be and is hereby elected as a director of the company."

3.2 Ordinary resolution 2.2

"Resolved as an ordinary resolution that Mr JA Copelyn, who retires by rotation in accordance with the company's memorandum of incorporation, be and is hereby re-elected as a director of the company."

3.3 Ordinary resolution 2.3

"Resolved as an ordinary resolution that Ms BA Mabuza, who retires by rotation in accordance with the company's memorandum of incorporation, be and is hereby re-elected as a director of the company."

3.4 Ordinary resolution 2.4

"Resolved as an ordinary resolution that Ms RD Watson, who retires by rotation in accordance with the company's memorandum of incorporation, be and is hereby re-elected as a director of the company."

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

In terms of section 94(2) of the Companies Act and the South African King IV Report on Corporate Governance™ ("King IV"), the audit and risk committee of a company is a committee elected by shareholders at each AGM of the company. In terms of the Companies Regulations, 2011, at least one third of the members of a company's audit and risk committee at a particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

The board, having satisfied itself of the independence, qualifications, skills, experience and expertise of Ms F Mall, Ms BA Mabuza and Ms RD Watson, who currently serve as members of the company's audit and risk committee, recommends their election as members of the company's audit and risk committee. Each of Ms F Mall, Ms BA Mabuza and Ms RD Watson are eligible, and have offered themselves for election as members of the company's audit and risk committee.

Summarised *curricula vitae*, in respect of Ms F Mall, Ms BA Mabuza and Ms RD Watson are included with this notice.

4.1 Ordinary resolution 3.1

"Resolved as an ordinary resolution that Ms F Mall be and is hereby elected as a member and the chairperson of the company's audit and risk committee in terms of section 94(2) of the Companies Act until the conclusion of the next AGM."

4.2 Ordinary resolution 3.2

"Resolved as an ordinary resolution that, subject to the passing of ordinary resolution number 2.3, Ms BA Mabuza 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 until the conclusion of the next AGM."

4.3 Ordinary resolution 3.3

"Resolved as an ordinary resolution that, subject to the passing of ordinary resolution number 2.4, 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 until the conclusion of the next AGM."

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Notice of annual general meeting *continued*

5 GENERAL AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED ORDINARY SHARES

In terms of the company's MOI, shareholders may authorise the directors to allot and issue authorised but unissued shares as the directors in their discretion see fit, but at all times subject to the company's MOI, the Companies Act and the JSE Listings Requirements. The directors consider it advantageous to obtain this authority to enable the company to take advantage of any business opportunities that may arise in future, particularly in the current financial and economic environment. Being able to act promptly on such opportunities through the issue of shares puts the company in an advantageous position at the time of negotiations and allows the company to protect its cash resources.

Ordinary resolution 4

"Resolved as an ordinary resolution that subject to the memorandum of incorporation of the company, the Companies Act, and the Listings Requirements of the JSE, if and to the extent applicable, the directors of the company are, as a general authority and approval, authorised as they in their discretion think fit, to allot and issue the authorised but unissued ordinary shares in the capital of the company to such person(s) and upon such terms and conditions as the directors may determine, such authority to remain valid until the commencement of the next annual general meeting of the company provided that it will not extend beyond fifteen months from the date on which this resolution is passed".

6 GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH

This ordinary resolution requires the support of at least 75% (seventy-five percent) of the voting rights exercised on such ordinary resolution in order to be adopted.

In terms of ordinary resolution number 4, the shareholders authorise the directors to allot and issue authorised but unissued ordinary shares, as the directors in their discretion think fit. The general authority to issue shares for cash granted by the shareholders will be subject to the provisions of the Companies Act and the JSE Listings Requirements. The aggregate number of ordinary shares capable of being allotted and issued for cash are limited as set out in the resolution. The directors consider it advantageous to obtain this authority to enable the company to take advantage of opportunities to raise further capital in the future. At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

Ordinary resolution 5

"Resolved that, subject to the provisions of the Companies Act and the provisions of the Listings Requirements of the JSE, the directors of the company be and are hereby authorised to allot and issue ordinary shares of the company for cash to such person or persons, on such terms and conditions as they may deem fit, subject to the following:

- the securities shall be of a class already in issue;
- the securities shall be issued to public shareholders as defined in the Listings Requirements of the JSE and not to related parties as defined in the Listings Requirements of the JSE;
- ordinary shares which are the subject of general issues for cash, in the aggregate, may not exceed 105 018 830 ordinary shares, being 10% (ten percent) of the company's number of ordinary shares in issue as at the date of this notice;
- any number of ordinary shares issued under the authority must be deducted from the number of ordinary shares referred to immediately above;
- the maximum discount at which the shares may be issued shall be 10% (ten percent) of the weighted average traded price of the ordinary shares of the company over the thirty business days prior to the date that the price of the issue is determined or agreed by the directors of the company;
- the company shall publish such announcements (if any) as may be required by the Listings Requirements of the JSE pursuant to the issue of shares under this authority;
- any such general issue is subject to exchange control regulations and approval at that time (if and to the extent applicable); and
- the authority hereby granted will be valid until the commencement of the next annual general meeting provided that it will not extend beyond fifteen months from the date on which this resolution is passed."

7 NON-BINDING ADVISORY VOTE ON THE GROUP'S REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

In terms of principle 14 of King IV, the group's remuneration policy and remuneration implementation report should be tabled to the shareholders of the company at the AGM of the company for consideration and endorsement on a non-binding advisory basis.

The group's remuneration policy and remuneration implementation report are included with this notice of AGM, and will be submitted for endorsement by separate non-binding advisory votes at the AGM.

The minimum percentage of voting rights required for the advisory vote to be passed is more than 50% (fifty percent) of the voting rights exercised by shareholders present at the AGM in person or represented thereat by proxy and entitled to exercise voting rights. A failure to pass the non-binding advisory vote will not however have any legal consequences for existing arrangements.

In the event that 25% (twenty-five percent) or more of the voting rights exercised on the advisory votes are cast against the remuneration policy, the remuneration implementation report or both, the board commits to implementing the process of consultation with shareholders detailed in the remuneration policy read together with King IV. Details of the manner and timing of this process (if applicable) will be released with the AGM voting results announcement.

7.1 Advisory endorsement 1

"Resolved on a non-binding advisory basis that shareholders endorse the group'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 in the notice convening the annual general meeting of the company at which this non-binding advisory endorsement was proposed."

7.2 Advisory endorsement 2

"Resolved on a non-binding advisory basis that shareholders endorse the group's remuneration implementation report set out in the notice convening the annual general meeting of the company at which this non-binding advisory endorsement was proposed."

8 IMPLEMENTATION OF RESOLUTIONS

Ordinary resolution 6

"Resolved as an ordinary resolution to authorise any director of the company, or a representative of the Company Secretary, to give effect to and implement all ordinary resolutions and special resolutions duly passed at the annual general meeting of the company at which this resolution was proposed, and that any director of the company, or representative of the Company Secretary, be and is hereby authorised to sign all such documents and to do all such things as may be necessary to give effect to and implement such ordinary resolutions and special resolutions."

SPECIAL RESOLUTIONS

Shareholders are requested to consider, and if deemed fit, to pass, with or without modification, the following special resolutions:

9 NON-EXECUTIVE DIRECTORS' FEES

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 are set out in the remuneration implementation report included with this notice.

Special resolution 1

"Resolved as a special resolution in terms of the company's memorandum of incorporation and sections 66(8) and 66(9) of the Companies Act, 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, set out in the remuneration implementation report included with the notice convening the annual general meeting of the company at which this special resolution was proposed, be and are hereby approved for the period from 1 December 2021 until the conclusion of the next annual general meeting of the company."

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 MOI.

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 set out in the remuneration implementation report included with this notice, for the period from 1 December 2021 until the conclusion of the next AGM.

Notice of annual general meeting *continued*

10 GENERAL AUTHORITY TO ACQUIRE SHARES IN THE COMPANY

The directors consider that a general authority for the company and/or any of its subsidiaries to acquire ordinary shares issued by the company should be put in place to facilitate the repurchase of securities should an opportunity present itself which would be in the best interests of the company and its shareholders in the ensuing year.

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 authority and approval in terms of the Listings Requirements of the JSE Limited ("JSE"), to acquire ordinary shares issued by the company, from any person, upon such terms and conditions and in such number as the directors of the company or the subsidiary may from time to time determine, subject to the applicable requirements of the memorandum of incorporation of the company, the Companies Act, and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, and provided that:

- this general authority will only be valid until the commencement of the next annual general meeting of the company, provided that it will not extend beyond 15 months from the date on which this special resolution is passed;
- all acquisition/s under this general authority 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;
- acquisition/s under this general authority may not, in aggregate in any one financial year, exceed 10% (ten percent) of the company's issued ordinary share capital at the beginning of the financial year, and the subsidiaries of the company may not collectively hold more than 10% (ten percent) of the company's issued shares at any one time;
- no acquisition under this general authority may be made at a price which is more than 10% (ten percent) above the weighted average traded price of the ordinary shares of the company for the five business days immediately preceding the date of such acquisition. The JSE shall be consulted for a ruling if the company's ordinary shares have not traded in such five-business day period;
- no acquisition under this general authority may take place during a prohibited period as defined in the Listings Requirements of the JSE unless the company has in place a repurchase programme where the dates and quantities of ordinary shares in the company to be traded are fixed (not subject to any variation) and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period;
- an announcement, giving such details as may be required in terms of the Listings Requirements of the JSE, shall be published when the company or its subsidiaries have, on a cumulative basis, acquired ordinary shares in the company which constitute 3% (three percent) of the number of ordinary shares in issue (at the time that this general authority was granted) and for each 3% (three percent) in aggregate of such number of ordinary shares acquired thereafter;
- the company may only appoint one agent at any point in time to effect any such acquisition/s on the company's behalf;
- no acquisition under this general authority may be effected unless a resolution by the board of directors of the company ("board") authorising such acquisition has been passed in accordance with the requirements of the Companies Act, stating that the board has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and has reasonably concluded that the company and its subsidiaries will satisfy the solvency and liquidity test immediately after such acquisition 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 acquisition 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 a general authority, subject to 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.

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

- the company and its subsidiaries are able to pay their debts in the ordinary course for a period of 12 months after the date of this notice;
- the assets of the company and its subsidiaries will be in excess of the liabilities of the company and its subsidiaries 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 audited consolidated annual financial statements of the group for the year ended 31 March 2021 which comply with the Companies Act;
- the share capital and reserves of the company and its subsidiaries 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 its subsidiaries will be adequate for ordinary business purposes for a period of 12 months after the date of this notice.

For the purposes of considering special resolution number 2, and in compliance with the Listings Requirements of the JSE, particulars of the major shareholders of the company are detailed in 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

1 050 188 300 ordinary shares having a par value of 2 cents per share.

Directors' responsibility statement

The directors of the company, whose names are included in 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

No material changes in the financial position or trading of the company and its subsidiaries have occurred since the date of signature of the audited annual financial statements for the year ended 31 March 2021 and the date of this notice.

11 FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 AND 45 OF THE COMPANIES ACT

Special resolution 3

"Resolved as a special resolution to authorise the directors of the company, during the period of two years commencing on the date of the adoption of this special resolution 3, in terms of and subject to the provisions of sections 44 and 45 of the Companies Act, to cause the company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to or for the benefit of:

- 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 related or interrelated corporations; or
- any employee, director, prescribed officer or other person or any trust established for their benefit, in terms of any share-based incentive scheme described in the company's remuneration report, or any other incentive scheme approved by shareholders from time to time,

for such amounts and 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, subject at all times to the provisions and requirements of the Companies Act, the company's memorandum of incorporation and the Listings Requirements of the JSE."

The reason for, and effect of, special resolution 3, if passed and becoming effective, is to grant the directors of the company the authority to cause the company to provide financial assistance to or for the benefit of 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, 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 or any employee, director, prescribed officer or other person or any trust established for their benefit, in terms of any share-based incentive scheme described in the company's remuneration report or any other incentive scheme approved by shareholders from time to time, subject to the provisions and requirements of the Companies Act, the company's memorandum of incorporation and the JSE Listings Requirements.

The financial assistance will be provided in accordance with the company's MOI, the provisions of the Companies Act and the JSE Listings Requirements. The directors will, in accordance with sections 44(3)(b) and 45(3)(b) of the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied including, inter alia, that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test set out in section 4 of the Companies Act.

Shareholders and interested and affected parties are advised to take note that as part of the normal conduct of the business of the group, and consistent with standard practice, the board of directors of the company has from time to time, authorised, and will continue to authorise, the provision by the company of direct or indirect financial assistance to group members as envisaged in sections 44 and 45 of the Companies Act, including in relation to cash management practices that result in intragroup liabilities, where the provision of such financial assistance has, or will have been, authorised by a special resolution of the shareholders adopted within the previous two years of the provision thereof.

Notice of annual general meeting *continued*

AVAILABILITY OF DOCUMENTS

The consolidated audited annual financial statements of the company and its subsidiaries, including the reports of the directors, the audit and risk committee and the independent auditors, for the year ended 31 March 2021, are available on the company's website, <https://www.tsogosungaming.com/investors>. Copies may be inspected at the registered office of the company, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa, during normal business hours from 30 July 2021 up to and including 1 December 2021.

The integrated report of the company is available on the company's website, <https://www.tsogosungaming.com/investors> and may be inspected at the registered office of the company, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa, during normal business hours, from the date of this notice, up to and including 1 December 2021.

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 (ie by Monday, 22 November 2021) 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, Tsogo Sun Casino Management Company Proprietary Limited (Attn: C Wannell), 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

For: Tsogo Sun Casino Management Company Proprietary Limited

Company Secretary

3 September 2021

Registered office

Palazzo Towers East
Montecasino Boulevard
Fourways, 2055
Private Bag X200
Bryanston, 2021
companysecretary@tsogosun.com

Transfer secretaries

JSE Investor Services Proprietary Limited
13th Floor, 19 Ameshoff Street
Braamfontein, 2001
PO Box 4844,
Johannesburg, 2000
meetfax@jseinvestorservices.co.za

Form of proxy

Tsogo Sun Gaming Limited

(Incorporated in the Republic of South Africa)

Registration number: 1989/002108/06

JSE 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 14:00 on Wednesday, 1 December 2021 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, JSE Investor Services Proprietary Limited (for administrative purposes only) by no later than 14:00 (South African time) on Monday, 29 November 2021, 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 – Re-appointment of auditors | | | |
| Ordinary resolution 2.1 – Election of Mr G Lunga as a director | | | |
| Ordinary resolution 2.2 – Re-election of Mr JA Copelyn as a director | | | |
| Ordinary resolution 2.3 – Re-election of Ms B Mabuza as a director | | | |
| Ordinary resolution 2.4 – Re-election of Ms RD Watson as a director | | | |
| Ordinary resolution 3.1 – Election of Ms F Mall as member and chair of the audit and risk committee | | | |
| Ordinary resolution 3.2 – Election of Ms BA Mabuza as member of the audit and risk committee | | | |
| Ordinary resolution 3.3 – Election of Ms RD Watson as member of the audit and risk committee | | | |
| Ordinary resolution 4 – General authority for directors to allot and issue authorised but unissued ordinary shares | | | |
| Ordinary resolution 5 – General authority to issue ordinary shares for cash | | | |
| Advisory endorsement 1 – Non-binding advisory vote on the company's remuneration policy | | | |
| Advisory endorsement 2 – Non-binding advisory vote on the company's remuneration implementation report | | | |
| Ordinary resolution 6 – Implementation of resolutions | | | |
| Special resolution 1 – Approval of the proposed fees for non-executive directors | | | |
| Special resolution 2 – General authority to repurchase shares | | | |
| Special resolution 3 – Financial assistance in terms of sections 44 and 45 of the Companies Act | | | |

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 2021

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, JSE Investor Services Proprietary Limited, PO Box 4844, Johannesburg, 2000 or 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, **meetfax@jseinvestorservices.co.za** (for administrative purposes only) by no later than 14:00 on Monday, 29 November 2021), 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

Directors:

JA Copelyn (Chairman)*
CG du Toit (Chief Executive Officer)
A Hoyer (Chief Financial Officer)
MJA Golding**
BA Mabuza (Lead Independent)**
F Mall**
VE Mphande**
Y Shaik*
RD Watson**

* Non-executive Director

** Independent Non-executive Director

Company Secretary:

Tsogo Sun Casino Management Company Proprietary Limited
(Registration no. 1996/007718/07)
companysecretary@tsogosun.com
Attention: C Wannell

Registered Office:

Palazzo Towers East,
Montecasino Boulevard,
Fourways, 2055
(Private Bag X200, Bryanston, 2021)

www.tsogosungaming.com

Transfer Secretaries:

JSE Investor Services Proprietary Limited
13th Floor, Rennie House,
19 Ameshoff Street,
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)
meetfax@jseinvestorservices.co.za

Equity Sponsor:

Investec Bank Limited,
100 Grayston Drive, Sandton, 2196
(PO Box 785700, Sandton, 2146)

Debt Sponsor:

Nedbank Corporate and Investment Banking,
A division of Nedbank Limited,
3rd Floor, Block F, 135 Rivonia Campus,
135 Rivonia Road, Sandown, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Auditors:

PricewaterhouseCoopers Inc.,
4 Lisbon Lane, Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)



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