NOTICE OF ANNUAL GENERAL MEETING
2022

TSOGO SUN
GAMING


MONTECASINO
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Contents

NOTICE OF ANNUAL GENERAL MEETING
2022

Condensed consolidated income statement

for the year ended 31 March

	2022 Rm	2021 Rm
Net gaming win	**7 779**	5 253
Food and beverage revenue	**365**	141
Rooms revenue	**303**	125
Other revenue	**219**	73
Other income	**272**	94
Income	**8 938**	5 686
Gaming levies and Value Added Tax	**(1 708)**	(1 138)
Employee costs	**(1 489)**	(1 032)
Other operating expenses	**(2 580)**	(1 745)
Amortisation and depreciation	**(783)**	(844)
Impairment reversal of non-current assets	**298**	129
Impairment of non-current assets	**(10)**	(12)
Fair value adjustment of investment properties	**10**	(67)
Operating profit	**2 676**	977
Finance income	**26**	19
Finance costs	**(792)**	(963)
Share of profit/(loss) of associates	**2**	(8)
Profit before income tax	**1 912**	25
Income tax (expense)/credit	**(478)**	3
Profit for the year	**1 434**	28
Profit attributable to:		
Equity holders of the company	**1 405**	21
Non-controlling interests	**29**	7
	1 434	28
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)	**134.3**	2.0

Condensed consolidated statement of comprehensive income

for the year ended 31 March

	2022 Rm	2021 Rm
Profit for the year	**1 434**	28
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	**137**	(29)
Cash flow hedges	**189**	(41)
Income tax relating to items that may subsequently be reclassified to profit or loss	**(52)**	12
Items that may not be reclassified subsequently to profit or loss:	**139**	(296)
Equity instruments at FVOCI fair value adjustment	**139**	(223)
Income tax relating to items that may not subsequently be reclassified to profit or loss[1]	**–**	(73)
Total comprehensive income/(loss) for the year	**1 710**	(297)
Total comprehensive income/(loss) attributable to:		
Equity holders of the company	**1 681**	(304)
Non-controlling interests	**29**	7
	1 710	(297)

[1] *During the prior year, the deferred tax on the group's equity instruments at FVOCI was reversed due to the future profitability of the respective holding entity not being anticipated to produce taxable income in the foreseeable future and therefore the deferred tax asset was no longer considered fully recoverable. No deferred tax was raised during the year under review for the same reason*

Condensed consolidated balance sheet

as at 31 March

	Notes	2022 Rm	2021 Rm
ASSETS			
Non-current assets			
Property, plant and equipment		**8 109**	8 560
Right-of-use assets		**237**	224
Investment properties	5.1	**374**	350
Goodwill	4.3	**1 461**	1 461
Other intangible assets	4.4	**3 183**	2 903
Investments in associates		**27**	33
Financial assets at FVOCI	5.2	**814**	675
Non-current receivables		**50**	52
Deferred income tax assets		**92**	130
		14 347	14 388
Current assets			
Inventories		**70**	81
Trade and other receivables[1]		**392**	531
Current income tax assets		**73**	100
Cash and cash equivalents		**852**	516
		1 387	1 228
Assets classified as held for sale		**46**	59
Total current assets		**1 433**	1 287
Total assets		**15 780**	15 675
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium		**6 487**	6 487
Other reserves		**(4 185)**	(4 461)
Retained income/(accumulated losses)		**850**	(555)
Total shareholders' equity		**3 152**	1 471
Non-controlling interests		**120**	113
Total equity		**3 272**	1 584
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	6.1	**7 400**	10 300
Lease liabilities	6.2	**295**	266
Derivative financial instruments	5.3	**82**	228
Deferred income tax liabilities		**1 259**	1 107
Provisions and other liabilities		**98**	42
		9 134	11 943
Current liabilities			
Interest-bearing borrowings	6.1	**2 351**	1 007
Lease liabilities	6.2	**42**	40
Trade and other payables[1]		**961**	1 068
Current income tax liabilities		**20**	33
		3 374	2 148
Total liabilities		**12 508**	14 091
Total equity and liabilities		**15 780**	15 675

[1] *Reductions in trade and other receivables and trade and other payables are mainly due to the receipt of the business interruption reinsurance recoveries by the group of R174 million and the settlement of the business interruption insurance claims by the group of R177 million respectively – refer to note 7* Related party transactions

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 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**
Total comprehensive income	–	276	1 405	1 681	29	1 710
Profit for the year	–	–	1 405	1 405	29	1 434
Other comprehensive income	–	276	–	276	–	276
Ordinary dividends	–	–	–	–	(22)	(22)
Balance at 31 March 2022	**6 487**	**(4 185)**	**850**	**3 152**	**120**	**3 272**

Condensed consolidated cash flow statement

for the year ended 31 March

	2022 Rm	2021 Rm
Cash flows from operating activities		
Profit before income tax	**1 912**	25
Non-cash movements and other income allocations	**1 323**	1 596
(Decrease)/increase in working capital	**(50)**	55
Cash generated from operations	**3 185**	1 676
Finance income	**20**	17
Finance costs[(1)]	**(1 184)**	(565)
Income tax paid	**(326)**	(110)
Dividends paid to non-controlling interests	**(16)**	(7)
Dividends received	**62**	–
Net cash generated from operating activities	**1 741**	1 011
Cash flows from investment activities		
Purchase of property, plant and equipment	**(252)**	(145)
Proceeds from disposals of property, plant and equipment	**14**	33
Proceeds from disposals of assets classified as held for sale	**16**	–
Proceeds from insurance claims for capital assets	**20**	–
Additions to investment properties	**(14)**	(1)
Purchase of intangible assets	**(1)**	(15)
Common control acquisitions, net of cash acquired	**–**	(44)
Other loans granted	**(2)**	(2)
Net cash utilised for investment activities	**(219)**	(174)
Cash flows from financing activities		
Borrowings raised	**–**	650
Borrowings repaid	**(1 170)**	(1 500)
Principal elements of lease payments	**(31)**	(24)
Acquisition of non-controlling interests	**–**	(8)
Decrease in amounts due by share scheme participants	**1**	–
Net cash utilised for financing activities	**(1 200)**	(882)
Net increase/(decrease) in cash and cash equivalents	**322**	(45)
Cash and cash equivalents at beginning of the year, net of bank overdrafts	**458**	503
Cash and cash equivalents at end of the year, net of bank overdrafts	**780**	458

(1) *Includes the settlement of interest of R400 million paid in the year which was capitalised in the prior year – refer to note 6.1*

Reconciliation of earnings attributable to equity holders of the company to headline earnings

for the year ended 31 March

	2022 Rm	2021 Rm
Profit attributable to equity holders of the company	**1 405**	21
(Less)/add: Headline adjustments		
Gain on disposal of property, plant and equipment	**(2)**	(30)
Gain on disposal of assets classified as held for sale	**(11)**	–
Impairment of property, plant and equipment	**10**	12
Fair value adjustment of investment properties	**(10)**	67
Impairment reversal of intangible assets	**(298)**	(129)
Insurance claims for capital assets	**(20)**	–
Total tax effects of adjustments	**79**	27
Headline earnings/(loss)	**1 153**	(32)
Number and weighted average number of shares in issue (million)	**1 046**	1 046
Basic and diluted headline earnings/(loss) per share (cents)	**110.2**	(3.1)

Reconciliation of operating profit to EBITDA

for the year ended 31 March

	2022 Rm	2021 Rm
EBITDA pre-exceptional items is made up as follows:		
Operating profit	**2 676**	977
Add: Amortisation and depreciation	**783**	844
	3 459	1 821
(Less)/add: Headline adjustments	**(331)**	(80)
Gain on disposal of property, plant and equipment	**(2)**	(30)
Gain on disposal of assets classified as held for sale	**(11)**	–
Impairment of property, plant and equipment	**10**	12
Fair value adjustment of investment properties	**(10)**	67
Impairment reversal of intangible assets	**(298)**	(129)
Insurance claims for capital assets	**(20)**	–
EBITDA	**3 128**	1 741

Earnings before interest, tax, depreciation and amortisation and exceptional items ("EBITDA") excludes the effects of items that are regarded as unusual, are infrequent and are considered to distort the numbers if they were not adjusted (there were no adjustments in the current or prior periods to EBITDA), and headline adjustments in terms of Circular 1/2021 *Headline Earnings.*

Segmental analysis

for the year ended 31 March

There has been no change in the basis of segmentation or basis of measurement of segment profit or loss since the previous financial year end. The segment income and segment EBITDA for the year under review are as follows:

	Income[1]			EBITDA[2][3]		
	2022 Rm	2021 Rm	Change %	**2022 Rm**	2021 Rm	Change %
Casinos	**6 388**	4 074	57	**2 622**	1 487	76
Gauteng	**3 291**	2 124	55	**1 317**	750	76
KwaZulu-Natal	**1 806**	1 103	64	**796**	430	85
Mpumalanga	**507**	340	49	**192**	127	51
Western Cape	**494**	316	56	**230**	129	78
Eastern Cape	**204**	130	57	**61**	35	74
Free State	**86**	61	41	**26**	16	63
Bingo	**711**	476	49	**168**	103	63
LPMs	**1 687**	1 086	55	**510**	297	72
Other group operations	**152**	50	204	**(172)**	(146)	(18)
Group	**8 938**	5 686	57	**3 128**	1 741	80

[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 to the reconciliation of operating profit to EBITDA*
[3] *All casino units are reported pre-internal gaming management fees*

Disaggregation of revenue from contracts with customers

for the year ended 31 March

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 table below presents revenue by segment which excludes net gaming win and other income as these are accounted for under different accounting policies which are included in the segmental analysis. Disaggregation of revenue from contracts with customers for the year under review is as follows:

	Food and beverage recognised at a point in time		Rooms revenue recognised over time		Other revenue recognised over time		Revenue from contracts with customers	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
Casinos	**315**	118	**303**	125	**209**	66	**827**	309
Gauteng	**149**	50	**118**	44	**178**	48	**445**	142
KwaZulu-Natal	**78**	29	**68**	24	**10**	7	**156**	60
Mpumalanga	**38**	17	**76**	39	**9**	5	**123**	61
Western Cape	**28**	13	**20**	11	**6**	4	**54**	28
Eastern Cape	**18**	7	**21**	7	**5**	1	**44**	15
Free State	**4**	2	**–**	–	**1**	1	**5**	3
Bingo	**50**	23	**–**	–	**5**	2	**55**	25
LPMs	**–**	–	**–**	–	**3**	2	**3**	2
Other group operations	**–**	–	**–**	–	**2**	3	**2**	3
Group	**365**	141	**303**	125	**219**	73	**887**	339
Reconciliation to segmental analysis:								
Net gaming win							**7 779**	5 253
Revenue from contracts with customers per above							**887**	339
Other income							**272**	94
Total income per segmental analysis							**8 938**	5 686

Other revenue comprises mainly revenues from Theme Park, cinemas, other hotel revenue, venue hire, parking and other sundry revenue.

Other income comprises mainly property rentals and, in the current year, the group's business interruption insurance claim being the settlement of R111 million in respect of the negative impact of the COVID-19 pandemic on the group's trading and dividends received.

Summarised consolidated financial statements

1 BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 March 2022 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, G Lunga 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 2021 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 2022 which were approved by the board on 29 July 2022 and are available online. 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 2022, dated 29 July 2022, is included in the audited financial statements publicly available on the company's website, www.tsogosungaming.com, and at the registered office of the company at Palazzo Towers East, Montecasino Boulevard, Fourways, 2055.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The group has adopted all the new, revised or amended accounting standards which were effective for the group from 1 April 2021, including Interest Rate Benchmark Reform – Phase 2 (Amendment, effective for financial years beginning on or after 1 January 2021). No pronouncement had any material impact on the group.

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 2022 or later periods, which the group has not early adopted, would have a material impact on the group.

IFRS 17 *Insurance Contracts*

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 does not anticipate a material impact on the group's insurance arrangements of the application of IFRS 17 due to the insurance captive no longer writing third-party insurance risk business (refer to note 7 *Related Party Transactions*).

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023.

IAS 1 (Amendment) *Presentation of Financial Statements*

The amendment clarifies how to classify debt and other liabilities as current or non-current. IAS 1 amended must be applied for financial years commencing on or after 1 January 2023.

4 IMPAIRMENTS OF NON-CURRENT ASSETS

In terms of IAS 36 *Impairment of Assets,* the group assesses at the end of each reporting period whether there is any indication that an asset may be impaired, and assesses its goodwill and intangible assets with indefinite lives for impairment irrespective of whether there is any indication of impairment or not. The group makes estimates and assumptions concerning the future, with the significant estimates discussed below. Impairments and impairment reversals of non-current assets are shown separately in the income statement. Impairments of current assets are not significant and have therefore been included within "Other operating expenses" in the income statement.

4.1 Impairment reversals of non-current assets	2022 Rm	2021 Rm
Impairment reversal of intangibles (note 4.4)	**298**	129

4.2 Impairment of non-current assets	2022 Rm	2021 Rm
Impairment of property, plant and equipment	**(10)**	(12)

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

4.3 Goodwill

There were no impairments to goodwill during the year under review (2021: no impairments). A summary of the goodwill allocation is as follows per cash-generating unit ("CGU"):

	2022 Rm	2021 Rm
Montecasino	**273**	273
Suncoast	**890**	890
Golden Horse	**43**	43
Garden Route	**19**	19
Mykonos	**17**	17
The Caledon	**64**	64
Blackrock	**94**	94
Vukani	**61**	61
	1 461	1 461

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

Goodwill and casino licences are allocated and monitored based on the group's CGUs. The COVID-19 pandemic continued to negatively affect the South African economy and the gaming, entertainment and hospitality industry. The group's ability to trade during the year under review was adversely impacted by the closure of the group's businesses from 28 June 2021 to 25 July 2021. The country moved to adjusted alert level 2 lockdown on 13 September 2021 and to level 1 on 1 October 2021, resulting in the businesses gaining an extra hour of peak time trading with each adjustment. The gaming businesses were still required to close at midnight until 30 December 2021 when the curfew was lifted. The group's properties continued to trade under capacity limitations during the last quarter of the financial year. The group, however, still managed to achieve strong recoveries in income and EBITDA compared to the prior year, but still trading below pre-COVID-19 levels. 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 impact, the key assumptions used for value-in-use calculations were reviewed by management at the year end and estimated as follows:

- Trading assumptions – management forecast income, operating expenses and EBITDA margins are based on past and current performance and its expectations of market developments, taking into account the COVID-19 pandemic and the regulatory restrictions. The COVID-19 vaccine takeup has not been as high as anticipated, however it is expected that the COVID-19 pandemic will not be as severe as experienced in the third wave. A potential for a milder fifth wave has been considered in the forecast cash flows. Management has continued to focus on cost reductions and operational efficiencies during the year under review, resulting in a significantly reduced cost base compared to pre-COVID-19 levels. As the group gradually returns to a normal state after continuous restrictions affecting the business over an extended period, certain expenses, some of which are beyond the group's control (such as utility costs), will continue to increase, offsetting some of the savings initiatives achieved. Taking the aforementioned into account, the group's forecast models assume a strong recovery in trading during the 2023 financial year off a low base, mainly due to the lifting of trading restrictions and cost savings initiatives which result in improved EBITDA margins compared to pre-COVID-19 levels. As a result of this, forecast EBITDA has higher growth rates for 2023, levelling off to normal levels with effect from 2024;
- Risk-adjusted 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 pre-tax discount rates have reduced marginally in comparison with the prior year due to a lower risk-free rate and the group's lower cost of debt. The group believes the discount rate 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, entertainment and hospitality industry in which the CGUs operate and are consistent with forecast information specific to the gaming, entertainment and hospitality industry in which each CGU operates. The group considers the long-term growth rate unchanged at 4.7% compared to 31 March 2021 due to the negative effects of COVID-19, offset by the gradual lifting of trading restrictions, the reopening of the economy and the effects of the government's vaccination programme.

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

4.3 Goodwill continued

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

Based on the above, the significant unobservable inputs used in the group's value-in-use calculations for the CGUs as at 31 March 2022 are shown below:

- Expected net gaming win for the respective CGUs increases on average by 26% for the 2023 financial year, then levels out to normal trading growths of 3% over the following years (2021: Expected net gaming win for the respective CGUs increased on average by 7% for the 2023 financial year and then levelled out to normal trading growths of 3% over the following years);
- Expected operating expenditure costs increase on average by 22% for the 2023 financial year, then levels out to normal trading growths of 4% (2021: Expected operating expenditure costs increased on average by 9% for the 2023 financial year and then levelled out to normal trading growths of 4%);
- Long-term growth rate of 4.7% – unchanged; and
- Discount rates (pre-tax) as shown in the table below.

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

	2022		2021	
	EBITDA margin (average) %	Discount rate pre-tax %	EBITDA margin (average) %	Discount rate pre-tax %
Montecasino	**41.3**	**18.5**	40.2	19.0
Suncoast	**36.8**	**18.3**	36.3	18.7
Gold Reef City	**33.4**	**18.5**	33.8	18.7
Silverstar	**35.4**	**19.5**	33.5	19.7
Other gaming operations[1]	**37.9**	**20.1**	39.9	20.4
Vukani	**31.1**	**23.9**	27.6	24.6

[1] *Includes the balance of the group's casino properties which have an allocation of goodwill*

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 any 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.

Significant estimate – impairment charges

Taking into account the revised assumptions, no further impairments to goodwill were deemed necessary since the previous reporting date (2021: no goodwill impairments recognised). This was mainly due to the five-year forecast cash flows reflecting a marginal improvement compared to those expected at 31 March 2021, together with the decrease in the respective discount rates.

4 IMPAIRMENTS OF NON-CURRENT ASSETS *continued*

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

	2022 Rm	2021 Rm
At 1 April	**2 842**	2 705
Additions	**2**	12
Acquisition of business	**–**	1
Amortisation charge	**(5)**	(5)
Impairment reversals	**298**	129
At 31 March	**3 137**	2 842
Cost	**4 565**	4 563
Accumulated amortisation	**(176)**	(171)
Accumulated impairments	**(1 252)**	(1 550)
Net carrying amount	**3 137**	2 842

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

	2022 Rm	2021 Rm
Indefinite lives:		
Montecasino	**70**	70
Suncoast	**105**	105
Gold Reef City	**1 568**	1 418
Silverstar	**289**	147
Golden Horse	**554**	554
Garden Route	**252**	252
Mykonos	**215**	215
Goldfields	**39**	33
Galaxy	**13**	13
Other	**7**	7
Definite lives:		
Hemingways	**20**	23
Other	**5**	5
	3 137	2 842

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 R298 million made up of the Gold Reef City (R149 million), Silverstar (R142 million) and Goldfields (R7 million) precincts (2021: R129 million impairment reversals 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 five-year forecast cash flows reflecting a marginal improvement compared to those expected at 31 March 2021, together with the decrease in the discount rate mentioned in note 4.3.

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 below CGUs.

The following reflects the impact (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:

	2022			2021		
	1pp decrease in trading assumptions[1] Rm	**1pp decrease in growth rate assumption[1] Rm**	**1pp increase in discount rate assumption[1] Rm**	1pp decrease in trading assumptions[1] Rm	1pp decrease in growth rate assumption[1] Rm	1pp increase in discount rate assumption[1] Rm
Gold Reef City	**–**	**(23)**	**(88)**	–	(133)	(196)

[1] *Refer to note to 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 in the fair value hierarchy) and its derivative financial instruments (interest rate swaps categorised as level 2 values in the fair value hierarchy). There were no transfers into or out of level 3 for any fair value assets during the year under review.

5.1 Investment properties

	2022 Rm	2021 Rm
At 1 April	**350**	416
Additions to investment properties	**14**	1
Fair value adjustments recognised in profit or loss	**10**	(67)
At 31 March	**374**	350

5 FAIR VALUE ESTIMATION *continued*

5.1 Investment properties *continued*

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 independent appointed valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. For the intervening years, the fair values are estimated by management.

During the year under review, the group recognised a R10 million fair value gain (2021: R67 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 continued to negatively impact the South African economy resulting in increased vacancy rates. This impact has also been taken into account when determining the fair value of the group's investment properties. The fair value gain was mainly as a result of the decreased capitalisation rates, offset by the increase in the vacancy rates.

At 31 March 2022 the significant unobservable inputs were as follows:

- Capitalisation rates applied to rental income vary between 9.25% and 9.50% (2021: varied between 10.0% and 10.5%), and
- Vacancy rates applied of between 10% and 15% (2021: 5% and 10%).

Inter-relationships 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 by 1pp as follows:

	2022		2021	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
1pp change in the projected rental income	**3**	**(3)**	4	(4)
1pp change in the capitalisation rate	**(29)**	**36**	(27)	33
1pp change in the vacancy rate	**(4)**	**4**	(4)	4

5 FAIR VALUE ESTIMATION *continued*

5.2 Financial asset at FVOCI

At the end of each reporting period, the group's 20% equity interest in each of SunWest International Proprietary Limited ("SunWest") and Worcester Casino Proprietary Limited ("Worcester") is remeasured, recognising the increase or decrease in other comprehensive income. The assets have been remeasured at 31 March 2022 to R814 million (2021: R675 million), a R139 million increase. A discounted cash flow valuation was used to estimate the fair values. The valuation models consider the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditures taking into account expected growths in net gaming win and other revenues generated from non-gaming related activities. These cash flow forecasts are aligned to the financial reporting periods of the respective entities, being 12 months to December each year. 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, entertainment and hospitality industry in which SunWest and Worcester operate. The fair value gain is as a result of the forecast cash flows increasing over what was estimated for the prior year based on casino operations reporting a recovery as lockdown restrictions gradually eased, together with recurring cost savings embedded during the entities' December 2020 and 2021 year ends, resulting in margins being maintained at historical levels. The cash flow forecasts used in the valuation anticipate that during SunWest and Worcester's December 2022 reporting period there will be a recovery in trading off a low base for December 2021 with relatively high gaming growth in 2023 and reaching normal growth rate levels from the 2024 December reporting period.

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester are shown below (based on the respective entities December financial year ends):

- Expected income, including net gaming win, hotel rooms revenue and other income increases by 45% for 2022, and gradually levels out to normal trading growths of 3% over the following years (2021: Expected income, including net gaming win, hotel rooms revenue and other income increased by 13% for 2022, 11% for 2023 and then levelled out to normal trading growths of 3% over the following years);
- Expected operating expenditure costs increase by 24% and then levels out to normal trading growths of between 3% and 4% for the following years (2021: Expected operating expenditure costs increased by 7% for 2022, 17% for 2023 and then levelled out to normal trading growths of 4%);
- Risk-adjusted discount rate of 14.65% (2021: 14.83%) post-tax; and
- Long-term growth rate of 4.7% (2021: 4.7%).

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

	2022		2021	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
Expected net gaming win growth	**79**	**(75)**	48	(47)
Operating expenditure cost growth	**(39)**	**38**	(36)	35
Risk-adjusted discount rate	**(76)**	**92**	(68)	83
Long-term growth rate	**69**	**(56)**	60	(49)

5 FAIR VALUE ESTIMATION *continued*

5.3 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a non-current liability of R82 million (2021: R271 million of which the R43 million current portion was included within "Trade and other payables" in the balance sheet) 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 reason for the decrease in the liability is due to an increase in market-related interest rates since the previous year end, as well as the settlement of swaps with a notional amount of R4 billion during the year under review. The amount recognised in finance costs in respect of the interest rate swap instruments is R161 million (2021: R271 million). No amount has been expensed in profit or loss due to ineffectiveness of the group's derivatives for the year under review (2021: Rnil).

6 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

6.1 Borrowings

Changes arising from interest-bearing borrowings, excluding bank overdrafts from short-term borrowings of R72 million (2021: R58 million), are as follows:

	Non-current Rm	**Current Rm**	**Total Rm**
At 1 April 2021	**10 300**	**949**	**11 249**
Borrowings repaid	**–**	**(1 170)**	**(1 170)**
Borrowings reclassification to current	**(2 900)**	**2 900**	**–**
Interest raised for the year	**–**	**585**	**585**
Interest paid during the year[(1)]	**–**	**(985)**	**(985)**
At 31 March 2022	**7 400**	**2 279**	**9 679**

	Non-current Rm	Current Rm	Total Rm
At 1 April 2020	11 200	530	11 730
Borrowings raised	600	50	650
Borrowings repaid	(700)	(800)	(1 500)
Borrowings reclassification to current	(800)	800	–
Interest raised and capitalised[(2)]	–	400	400
Interest raised for the year[(2)]	–	257	257
Interest paid during the year[(2)]	–	(288)	(288)
At 31 March 2021	10 300	949	11 249

[(1)] *Includes interest capitalised pursuant to the agreement reached with the lenders during the prior financial year, of R400 million*
[(2)] *Disaggregated interest capitalised, raise and paid*

6 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES *continued*

6.2 Lease liabilities

Changes arising from lease liabilities are as follows:

	Non-current Rm	Current Rm	Total Rm
At 1 April 2021	**266**	**40**	**306**
New leases raised	**56**	**5**	**61**
Lease finance costs – non-cash portion	**–**	**4**	**4**
Principal elements of lease payments	**(4)**	**(27)**	**(31)**
Remeasurement of leases	**(9)**	**24**	**15**
Termination of leases	**–**	**(4)**	**(4)**
Lease concessions practical expedient applied	**–**	**(14)**	**(14)**
Reclassification to current	**(14)**	**14**	**–**
At 31 March 2022	**295**	**42**	**337**

	Non-current Rm	Current 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 leases	1	1	2
Termination of leases	(3)	(9)	(12)
Lease concessions practical expedient applied	(1)	(66)	(67)
Reclassification to current	(18)	18	–
At 31 March 2021	266	40	306

7 RELATED PARTY TRANSACTIONS

The group had no significant related party transactions during the year under review, nor entered into any new significant related party transactions during this period, other than as mentioned below and in note 10.

The group operates a short-term insurance captive for its own account, and also underwrites short-term insurance for the Tsogo Sun Hotels Limited ("THL") group. The THL business is only covered to the extent of the run-off business remaining as, subsequent to the prior year end, THL and its subsidiaries exited the group's insurance captive for their insurance requirements. Claims payable to THL of R179 million were settled during the period under review, including the business interruption claims of R177 million which were recognised previously.

8 CAPITAL COMMITMENTS

A total of R120 million for maintenance capital items, which is anticipated to be spent during the next 12 months, has been contracted for.

The group has entered into agreements in order to acquire a 55% shareholding in a small gaming operator for an amount not exceeding R232 million. This transaction is still subject to fulfilment of certain conditions precedent which were not met as at the date of this report.

9 GOING CONCERN

Despite over two years of various restrictions and closures affecting the business, the group was within its original net leverage covenants for the 12 months ended 31 March 2022. The group experienced a strong recovery in the second half of the year under review, following the lockdown imposed from 28 June 2021 to 25 July 2021. The net debt to adjusted EBITDA ratio for the year, as measured for covenant purposes, amounted to 2.89 times, the required covenant being less than 3.0 times. The additional conditions that arose as a result of the covenant reset fell away from 1 April 2022, including reporting to the lenders on a monthly basis, the requirement of a business plan if a material part of the business is locked down for 30 days cumulatively, the limitations around permitted acquisitions and no further quarterly margin ratchet. At the date of this report, the directors are not aware of any circumstances whereby the group should not be able to achieve the original covenant requirements for September 2022.

The cash flow and liquidity projections for the group were prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses. Based on the forecast performed, the directors are of the opinion that the group has sufficient access to liquidity and facilities to fund operations for the ensuing 12 months. Although current liabilities exceed current assets at 31 March 2022, the group's forecast reflects that it will generate sufficient cash flows during the period to meet all trading liability obligations.

The group reduced its net interest-bearing debt and guarantees significantly from the R10.9 billion at 31 March 2021 to R9.0 billion at 31 March 2022 under difficult, restrictive trading conditions. The group's focus remains on reducing its medium to long-term debt levels, thereby reducing risk and funding costs.

Also, subsequent to the reporting date as from 23 June 2022, the National State of Disaster, together with all remaining COVID-19 restrictions, were lifted. This further puts the company in a stronger position as there are no longer limitations on people in a gathering and no social distancing measures that need to be adhered to.

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

10 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 condensed consolidated financial statements that would affect the operations or results of the group significantly, other than as mentioned below.

Subject to certain conditions precedent, Tsogo Sun Gaming and its subsidiaries concluded a separation agreement with regards to the termination of the management of 15 of its hotels by THL for a cost of R399 million, and the disposal of its remaining two hotels to the Hospitality Property Fund (a subsidiary of THL) for a total consideration of R142 million (carrying value R57 million). In terms of the separation agreement, the respective management and licence agreements may be cancelled on a month's notice and these hotels will accordingly be incorporated into the group's own management and operational structure. These transactions are considered related party transactions with the company's ultimate controlling shareholder being Hosken Consolidated Investments Limited ("HCI"), and HCI also being a major shareholder of THL. The agreements, which were concluded in May 2022, are considered non-adjusting events in terms of IAS 10 *Events after the Reporting Period*.

11 RUSSIA/UKRAINE CONFLICT

The ongoing Russia/Ukraine conflict causes volatility in commodity prices (in particular the cost of fuel) and impacts on the global supply chain. Although the group does not have direct exposure to either country, these negative influences on global economies may impact disposable income in South Africa.

Board and committees

Board composition, structure and report back

Executive directors

CG du Toit (52) – **Executive director – Chief Executive Officer**
CA(SA), FCMA
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. Following three years of working in the financial services industry in the UK, he joined Mettle Limited (financial services) in 2001 and served as Financial Director from 2003. In 2009 he joined the JSE-listed Hosken Consolidated Investments group and was appointed as CEO of its gaming and entertainment division. Chris was promoted to COO of the Tsogo Sun Alternative Gaming division in 2017 and was appointed to the Tsogo Sun Gaming board on 1 June 2019 and as the Chief Executive Officer from 1 July 2019.

G Lunga (50) – **Executive director – Chief Financial Officer**
CA(SA), EDP
Date appointed: 1 October 2021[1]

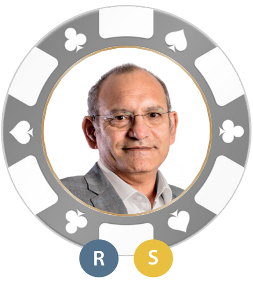
Key skills and experience
Gregory is a qualified Chartered Accountant who completed his articles with KPMG in 1996 and commenced as the Group Reporting Manager for the then South African Breweries Limited in 1997. He joined the group in 2001 as Financial Manager of the group's gaming division and was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

Non-executive directors

JA Copelyn (72) – **Non-executive Chairperson**
BA (Hons), BProc
Date appointed: 24 February 2011[2]

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 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.



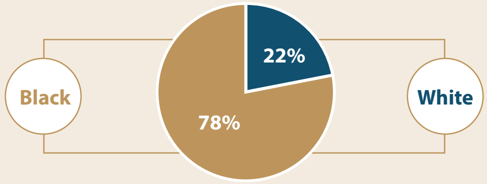
Y Shaik (64) – **Non-executive director**
BA (Law), BProc
Date appointed: 15 June 2011

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 Frontier Transport Holdings 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.

Board profile

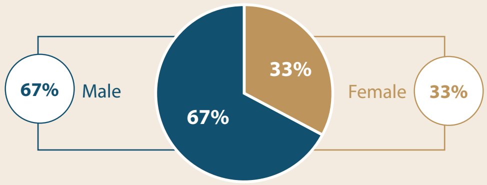
Race diversity: July 2022



Board tenure: July 2022

1 – 3 years	22%
4 – 6 years	22%
7 – 9 years	11%
10+ years	45%

Gender diversity: July 2022



Non-executive committee key

A **Audit and risk committee**
Chair: F Mall

R **HR and remuneration committee**
Chair: Y Shaik

S **Social and ethics committee**
Chair: RD Watson

Notes to CVs
[1] *G Lunga replaced A Hoyer on the board on 1 October 2021 following her resignation*
[2] *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*
[3] *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*
[4] *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*

Independent non-executive directors

BA Mabuza (58) – Lead independent non-executive director
BA, MBA
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 Chairperson 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 currently holds the abovementioned directorships and positions, serving on a number of board committees within these organisations.

MJA Golding (62) – Independent non-executive director
BA (Hons)
Date appointed: 24 February 2011[3]

Major external positions, directorships or associations
Non-executive Chairperson of Rex Trueform Group Limited, non-executive Chairperson of Texton Property Fund Limited, executive director of African and Overseas Enterprises Limited, non-executive director of Vunani Limited and Vunani Capital Partners Limited and Chairperson of Geomer Investments Proprietary Limited.

Key skills and experience
Marcel served as executive Chairperson 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. Marcel currently runs a private family investment portfolio.

F Mall (45) – Independent non-executive director
CA(SA)
Date appointed: 18 September 2020

Major external positions, directorships or associations
Chief Executive Officer of Komorebi Holdings (Pty) Ltd, director of Usizo Advisory Solutions and non-executive director of Crookes Brothers Limited.

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.

VE Mphande (64) – Independent non-executive director
Date appointed: 24 February 2011[4]

Major external positions, directorships or associations
Independent non-executive director and Chairperson of HCI, Independent non-executive director and Chairperson of HCI Coal Proprietary Limited, 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, former Chief Executive Officer of Vukani Gaming Corporation and former Chairperson of Golden Arrow Bus Services.

RD Watson (63) – Independent non-executive director
Date appointed: 1 June 2019

Major external positions, directorships or associations
Independent non-executive director of HCI, eMedia Holdings Limited and Frontier 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.

COMMITTEE STRUCTURE AND REPORT BACK

The board governs through clearly mandated statutory and board committees. The statutory committees have the power to make decisions regarding their statutory duties and are fully accountable for their performance in regard to those statutory duties. In addition to their statutory duties, the board has delegated certain of its responsibilities to the committees. The board retains full accountability for all matters in respect of which it has delegated responsibility to a committee.

Each committee has specific written terms of reference approved by the board and adopted by such committee. The board has appointed a non-executive director to chair each committee. The committees meet at regular intervals, and committee Chairpersons report orally to the board on the proceedings of these meetings, any decisions taken thereat and any recommendations to be made to the board for their consideration.

The board is satisfied that:

- Each committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its mandate and responsibilities efficiently; and
- Each of the committees has fulfilled its responsibilities in accordance with its mandate and terms of reference during the year.

Set out on the next few pages are the reports relating to the committees.

Audit and risk committee

A

Members

F Mall *(Chairperson)*
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 provide independent oversight of the group's assurance functions and services, and of the group's management of its financial and other risks that affect the integrity of the reports issued by the group. The committee assists the board with discharging its responsibilities relating to the integrity of the group's annual financial statements and integrated annual report, including the adequacy of the disclosures made therein; as well as those relating to the effectiveness of its systems of governance, risk management and internal control; the monitoring of the effectiveness, independence and objectivity of its internal and external auditors, and combined assurance. These responsibilities include the safeguarding of assets and ensuring compliance with the statutory duties of the committee, and with all applicable legal requirements as contained in all relevant legislation, the JSE Listings Requirements and King IV.

The audit and risk committee is constituted as a statutory committee of the company in respect of its statutory duties, and as a committee of the board in respect of all other duties delegated to it by the board. It is a combined committee that fulfils the functions of both an audit committee and a risk committee. The committee is chaired by F Mall, an independent non-executive director of the company, and the other members of the committee are also independent non-executive directors.

The committee met three times during the year. The Chief Executive Officer, the Chief Financial Officer, the Director of Corporate Services and the Chairperson of the company attend the meetings as permanent invitees, together with external audit representatives and the outsourced internal audit representatives. Other directors and members of management attend as required.

The scope of the audit and risk committee's work during the year included the following matters:

- Reviewed 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;
- Considered and reviewed the effectiveness of the group's internal controls over its interim and annual financial reporting;
- Evaluated the group's financial reporting procedures, overseeing the management of financial and other risks that affect the integrity of external reports issued by the group;
- Reviewed the controls in place to be able to make the CEO and CFO statement in terms of JSE LR 3.84;
- Reviewed and approved for recommendation to the board, the half year and full year results and announcements, the annual financial statements and integrated annual report;
- Review the group's internal control policies and procedures in place for the identification, assessment and reporting of risks, as well as the group's process of risk management;
- Reviewed the risk landscapes to which the group is exposed in relation to the group's risk tolerance and risk appetite levels and evaluated the appropriateness of management's responses to risk;
- Reviewed operational risk management including fraud and theft, whistle-blowing systems and organisational resilience;
- Reviewed IT risks in relation to core operational systems, system projects, information management and security initiatives and governance and regulatory compliance;
- Reviewed insurance, treasury and taxation matters;
- Reviewed material legal, legislation and regulatory developments affecting the group's businesses;
- Reviewed and monitored the independence and objectivity of the external auditors and considered whether the audit firm and the individual auditor responsible for performing the functions of auditor, are accredited as such on the JSE list of auditors and their advisers;

- Reviewed the scope of the external audit, the effectiveness of the audit process, risk areas of operations covered in the scope, planned levels of materiality, resourcing and the terms of the external auditor's engagement letter;
- Assessment and approval of the limited non-audit services provided by the external auditors and the service fees charged for the provision thereof;
- Reviewed the scope of the internal audit being performed, and evaluated the effectiveness, as well as the fees and terms of engagement, of the outsourced internal audit function;
- Reviewed developments in corporate governance and better practices and considered their impact and implication on the group's processes and structures; and
- Reviewed the integrated annual report and is of the opinion that it is presented in accordance with the International Integrated Reporting Council's ("IIRC") Integrated Reporting ("<IR>") Framework, addresses all material matters and offers a balanced view of the performance of the group and the impact on its stakeholders.

The committee was kept updated on, and continued monitoring, the group's going concern assumptions and the continued achievement of its debt covenants as revised from time to time during the period.

The committee is satisfied that it has fulfilled its responsibilities for the year in compliance with its mandate as prescribed in the Companies Act and in compliance with its terms of reference.

Refer to the report of the audit and risk committee in the annual consolidated financial statements for the year ended 31 March 2022.

HR and remuneration committee

R

Members

Y Shaik *(Chairperson)*	JA Copelyn	BA Mabuza	VE Mphande	RD Watson
Non-executive director	Non-executive director	Lead independent non-executive director	Independent non-executive director	Independent non-executive director

Key objectives

The key objectives of the HR and remuneration committee are to assist the board with overseeing remuneration governance and the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance, 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, complete and transparent; 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 HR and remuneration committee is constituted as a committee of the board in respect of the duties delegated to it by the board. The committee is chaired by Y Shaik, a non-executive director of the company. The majority of the members of the committee are independent non-executive directors.

The committee met three times during the year. The Chief Executive Officer and the group's Director of Human Resources attend committee meetings as permanent invitees. Other directors and members of management 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 matters relating to the pension/provident fund contribution holiday;
- The monitoring of UIF/TERS payments;
- The monitoring of executive appointments, terminations and retirements;
- The monitoring of material litigation and disputes;
- 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 bonuses and long-term incentives, having regard to the COVID-19 pandemic;
- Assessing and proposing non-executive director fees;
- Overseeing the preparation of the group's remuneration implementation report included in this integrated annual report, ensuring its accuracy and that it provides sufficient levels of disclosure; and
- Performed the annual review of the nomination policy.

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.

The committee is satisfied that it has fulfilled its responsibilities for the year in compliance with its mandate and terms of reference.

Board and committees *continued*

Board composition, structure and report back continued

Social and ethics committee

S

Members

RD Watson *(Chairperson)*
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 provide oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, 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, 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 social and ethics committee is constituted as a statutory committee of the company in respect of its statutory duties, and as a committee of the board in respect of all other duties delegated to it by the board. The committee is chaired by RD Watson, an independent non-executive director of the company. The majority of the members of the committee are independent non-executive directors.

The committee met twice during the year. The Chief Executive Officer, the Chief Financial Officer, the group's Director of Human Resources and the Chairperson of the company attend committee meetings as permanent invitees. Other directors and members of management attend as required.

The scope of the social and ethics committee's work during the year included the following matters:

- Monitoring of the COVID-19 pandemic and varying regulations promulgated under the Disaster Management Act, including the July lockdown of our business, and the impact of this on the group and its stakeholders;
- Monitoring progress in the alignment of the group's practices to the requirements of the 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;
- Monitoring customer satisfaction, loyalty, health and safety and consumer protection; and
- Monitoring employee health and safety, employee development, management of diversity and employment equity.

Matters considered by the committee during the year are included in our sustainability strategy in action section of the integrated annual report.

The committee is satisfied it has fulfilled its responsibilities for the year in compliance with its mandate as prescribed by the Regulations to the Companies Act and its terms of reference and that there are no instances of non-compliance to disclose.

BOARD EFFECTIVENESS

A formal self-evaluation of the performance of the board and board committees has been conducted, using an independent online assessment system. The board is satisfied with the performance of the Chief Executive Officer and with the competence of the Chief Financial Officer as set out in the report of the audit and risk committee in the annual consolidated financial statements for the year ended 31 March 2022.

The representative of the Company Secretary ensures that board procedures are fully adhered to. The representative of the Company Secretary is not a director of the company. The directors have unlimited access to the advice and services of the representative of the Company Secretary. The board is satisfied that the representative of the Company Secretary is competent and has the appropriate qualifications and experience required by the group. The representative of the Company Secretary also acts as Secretary for the committees.

Analysis of shareholding

as at 31 March 2022

	Number of shareholders	%	Number of shares	%
Portfolio size				
Range				
1 – 1 000	13 994	83.40	1 433 300	0.14
1 001 – 5 000	1 443	8.60	3 542 436	0.34
5 001 – 10 000	362	2.16	2 793 963	0.27
10 001 – 50 000	453	2.70	11 130 025	1.06
50 001 – 100 000	127	0.76	9 076 445	0.86
100 001 – and more	400	2.38	1 022 212 131	97.33
	16 779	100.00	1 050 188 300	100.00
Shareholder spread				
Public	16 774	99.96	506 578 884	48.25
Individuals	15 862	94.52	15 286 093	1.46
Banks and insurance companies	52	0.31	27 213 733	2.59
Pension funds and medical aid societies	206	1.23	62 962 657	6.00
Collective investment schemes and mutual funds	110	0.66	195 787 008	18.64
Other corporate bodies	544	3.24	205 329 393	19.56
Non-public	5	0.04	543 609 416	51.75
Directors[1]	2	0.01	23 059 454	2.19
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
	16 779	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
Allan Gray Balanced Fund			54 193 540	5.16
SBSA ITF MANDG SA Equity Fund			43 651 682	4.16
Steyn Capital SNN Retail Hedge Fund			33 777 995	3.22
Alexander Forbes Investments			32 535 766	3.10
Standard Chartered Bank as trustee			31 288 513	2.98
Aylett Equity Prescient Fund			21 554 637	2.05
SBSA ITF PSG Flexible Fund			18 947 126	1.80
Geomer Investments Proprietary Limited			15 872 978	1.51
JPMC-Vanguard BBH Lending Account			11 828 542	1.13

(1) *At 31 March 2022 6 946 560 shares were indirectly held (2021: 6 946 560 shares indirectly held) by JA Copelyn, Non-executive Director and Chairperson and 16 112 894 shares indirectly held (2021: 16 112 894 shares indirectly held) by MJA Golding, non-executive director. There has been no other change to directors' shareholdings between the balance sheet date and the date of these consolidated financial statements*

(2) *Treasury shares*

	Number of shares
There are 4 086 043 treasury shares made up as follows:	
Treasury shares per above:	
• Held by the Gold Reef Share Scheme	435 558[1]
• Treasury shares allocated as part of the executive facility – refer to note 35.1 in the consolidated financial statements	3 650 485
	4 086 043

(1) *In accordance with the JSE Listings Requirements, the votes on these shares will not be taken into account for the purposes of adopting the resolutions proposed at the company's annual general meeting*

Remuneration report

Remuneration policy

The information in this report covers the period from 1 April 2021 to 31 March 2022 ("the reporting period"). The group's remuneration reporting framework is informed by the Companies Act, 71 of 2008, as amended ("Companies Act"), the JSE Limited Listings Requirements ("Listings Requirements") and the King Code on Corporate Governance™ for South Africa, 2016 ("King IV").

As required by principle 14 of King IV, the group's remuneration policy and remuneration implementation report will be tabled for separate non-binding advisory votes by shareholders at the AGM.

In the event that either the remuneration policy or the remuneration implementation report, or both, are voted against by 25% (twenty-five percent) or more of the voting rights exercised in respect thereof at the annual general meeting ("AGM"), the company will engage with the dissenting shareholders within a period of 30 days from the AGM to ascertain the reason for the dissenting votes and will appropriately consider legitimate and reasonable objections and concerns raised/alternatives that may be proposed. Details of the manner and timing of this process (if applicable) will be released on SENS with the AGM voting results announcement.

At the AGM of the company held on 1 December 2021, 92.5% of the voting rights exercised on the advisory vote relating to the group's remuneration policy were cast in favour of the remuneration policy and 97.1% of the voting rights exercised on the advisory vote relating to the group's remuneration implementation report were cast in favour of the remuneration implementation report.

In its ongoing endeavours to deliver a restructured business that will be sustainable and recover from the recent adverse impact of COVID-19 on its financial position, the group has continued to modify and improve its remuneration policy framework during the reporting period, having regard to the position of land-based casinos in the current economy, the lasting impact of the COVID-19 pandemic, as well as the other risks to which the industry remains subject, thereby ensuring that affordable, yet fair remuneration structures are implemented.

Remuneration background statement

The objective of the group's remuneration policy framework is to ensure that the group remunerates fairly, responsibly and transparently, so as to attract and retain employees of the right calibre and skillset and 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.

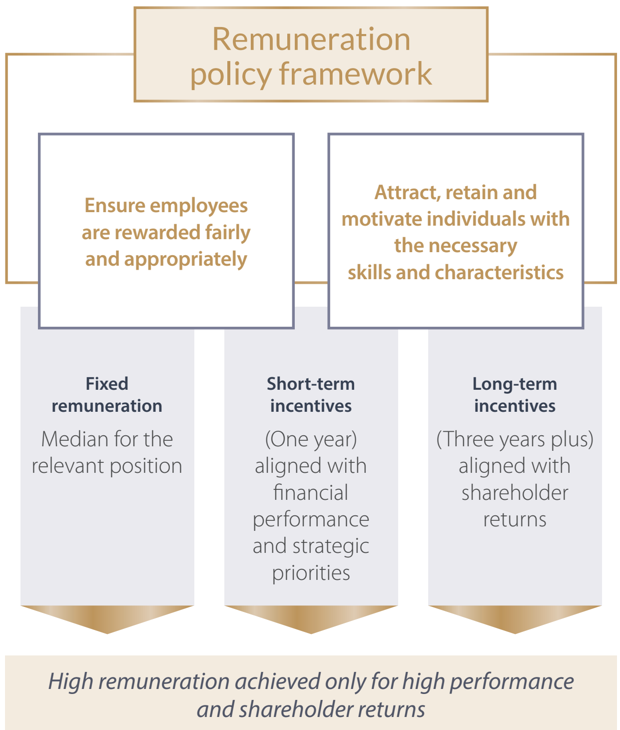
Total rewards are set at levels that are reasonable within the gaming, food and beverage, entertainment and broader hospitality sector. The fixed and variable financial reward elements of the remuneration structure of the group's employees differ depending on the division in which they are employed and on their relative broadband level/employee grade within that division.

The HR and remuneration committee, consisting of five non-executive directors, three of whom are independent, considers all matters pertaining to remuneration of the group's employees together with other significant matters relating to employment and employer/employee relations. The CEO and the Director of Human Resources provide comprehensive reports to the committee at each meeting. The committee, after due consideration of these reports, makes the necessary decisions and submits these as recommendations to the board which ultimately remains responsible for approving remuneration policy and employment-related decisions. The committee met three times during the reporting period.

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

Refer to the HR and remuneration committee report back contained in our board composition, structure and report back section of this integrated annual report for the key objectives and the key decisions taken by the HR and remuneration committee during the reporting period.

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 the expected aftermath thereof, and that it has achieved its objectives for the past year.



The remuneration of each of the group's divisions (i.e. casino and corporate, bingo and LPMs) is run independently of each other due to the different demands of the respective sectors.

The high-level remuneration policy framework for each division is, however, centrally managed and maintained by the Director of Human Resources, having regard to the input of the respective divisions and the group CEO. This remuneration policy framework is presented to, and considered by, the HR and remuneration committee.

Each division's remuneration policy framework, as a minimum, complies 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. Top management have a larger portion of their potential total remuneration subject to the achievement of performance-based targets than the lower broadbands. Short-term incentives are predominantly linked to annual financial performance, and are balanced with other strategic priorities, where appropriate.

The group has implemented the approach to preserve as many employment opportunities as possible in the current challenging environment and remains mindful of future regulatory threats to the business.

FIXED REMUNERATION: SALARIES AND BENEFITS

Group

The group provides employment to approximately 10 000 people including outsourced functions. The total direct employee cost for the financial year increased to R1.5 billion (2021: R1.0 billion), but remains significantly less than the R2.2 billion cost in 2020, mainly as a result of continued different levels of restrictive trading and the restructuring of the business during the reporting period.

As a result of the continued significant negative impact of the restrictive regulations imposed on trading in the gaming, food and beverage, entertainment and broader hospitality sector during the reporting period due to the pandemic, the July 2021 shutdown and the destruction of businesses in KwaZulu-Natal and Gauteng following the July 2021 unrest, no general salary increases were granted during the reporting period. Adjustments were however made to a limited number of employees' remuneration in the ordinary course of business in keeping with regulatory requirements or where specific positions were determined to require adjustment in order to ensure retention of staff and fair remuneration. In particular, the information technology and digital marketing positions had become increasingly active, mainly a consequence of businesses focusing on online offerings following the change of consumer behaviour during the pandemic, and this has placed pressure on the required remuneration levels for these employees.

Casino division and corporate office

The casino division and corporate office provide employment to 5 340 employees. Employees of the casino division and corporate office are categorised into varying grades denoted as broadbands A to F.

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

The operational support staff ("OSS") are also employed on a basic plus benefit basis.

Employees are either employed on a permanent or a flexi basis, with flexi staff working variable hours depending on demand. More employment was preserved during the pandemic with staff working on a flexi basis.

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

Salary levels of similar job categories may vary depending on the size of the casino unit and the individual's skills, qualifications and experience. The Director of Human Resources and operations management compare and review the remuneration packages payable in respect of similar roles across the divisions and units within the group to evaluate the appropriate compensation for each employee.

The casino division in particular is still in the process of implementing improved structure and efficiency measures required to enable the business to recover subsequent to the COVID-19 pandemic. These structural and efficiency changes are continuously and separately assessed for each casino unit.

In the aftermath of the pandemic, the flooding in KwaZulu-Natal and other influences resulting in revenue still being lower than pre-pandemic levels, and with the continued pressure on costs, no general salary increases are expected for the 2023 financial year. This excludes increases granted as a result of a change of role, promotions, adjustments to ensure fair remuneration or retention, requirements by law and otherwise in the normal operation of the business.

It should be noted that salary reviews occur at different dates during the year, and relevant consultations are therefore a continuous process which may result in different outcomes. In April 2022 the relevant units, departments and corporate office due for salary reviews received *ex gratia* payments equivalent to half a month's salary in lieu of increases. This ensured that the cost base of the affected units remain protected in these uncertain times, yet rewarded management and staff for their contribution to the relevant units.

The pension fund contribution holiday for the employer and employee implemented in May 2020 lapsed on 30 April 2022 and contributions resumed from 1 May 2022, albeit at a lower contribution level of 8% for the year commencing 1 May 2022, and thereafter, at a contribution level of 10% for the year commencing 1 May 2023. This is deemed a reasonable level of contribution in the current circumstances. The employer and employee co-contribute where employees are on a basic plus benefits package. Management remunerated on a total package basis pay their pension contributions from their cost-to-company earnings with no requirement for a co-contribution from the employer.

The funeral, life and disability benefit cover for the various categories of employees was reviewed and reset in the reporting period, which reset will be applicable until 31 March 2023. This cover is provided solely at the company's cost, and was accordingly set at a level which comprises a fair and reasonable cost to the employer while simultaneously providing an appropriate benefit to employees.

Changes to employment policies relating to leave at more reasonable levels for the employer (efficiency and cost) and the discontinuation of long-service awards have been predominantly implemented (more than 90%), but are still in the process of consultation for a small number of employees.

Galaxy Bingo and VSlots divisions

The Galaxy Bingo and VSlots divisions provide permanent employment to 1 410 and 210 employees, respectively.

Average salary increases for these divisions are set annually for each specific Galaxy Bingo unit and the head office employees of Galaxy Bingo and VSlots with inflation and market-related remuneration as the benchmark. Comprehensive performance management systems are in place.

All salaries are based on a total package basis, with all contributions and benefits forming part of the total package remuneration.

As with the casino division, no general salary increases were granted to employees of the Galaxy Bingo and VSlots divisions during the reporting period, save in respect of increases granted as a result of a change of roles, promotions, requirements by law and otherwise in the normal operation of the business.

With results still below those achieved pre-COVID-19 and the continued uncertainty, no general salary increases have been granted to employees for the 2023 financial year in respect of the Galaxy Bingo units which are subject to an April review cycle, save for limited increases granted for promotions, job changes in the ordinary course of business or as required by law and otherwise in the normal operation of the business. The employees of these units were, however, paid a once off *ex gratia* amount equal to half a month's salary in April 2022 in lieu of an increase, thereby maintaining the existing cost base. The same approach was adopted for those Galaxy Bingo units which are subject to the July 2022 review cycle.

As the revenues in the VSlots division have normalised to pre-COVID-19 levels, the employees of this division were granted salary increases in April 2022, determined with reference to position, performance and market conditions. The average increase for this division amounted to 5% per annum.

For the Galaxy Bingo division the staff contribute a lower portion to the retirement fund, which will be increased on an annual basis until it matches the employer's contribution. This will be done in a sensible manner, taking into account the market conditions affecting the division and its employees.

The other benefits applicable depend on the category of employee, unit or department and include, *inter alia*, retirement funds and medical aid contributions, and funeral cover.

BONUS AND SHORT-TERM INCENTIVES ("STIS")

Casino division and corporate office

December bonuses for broadband levels E, F and OSS, casino division and corporate employees are discretionary and if awarded, are based on financial and personal performance, with exceptional and poor performers being adjusted upwards or downwards, as appropriate. The caps applied vary from a maximum of two weeks to one month's basic salary cost, depending on the broadband level. Historically performance criteria were not taken into account in regard to December bonus awards, and were guaranteed. In December 2021, bonuses equivalent to between one and two weeks basic salary cost were paid to this category of employees given the group's performance for the period up to November 2021.

The award and payment of STIs to broadband levels A to D in the casino division and corporate employees is discretionary and is operated within a framework that has been assessed and recommended by the CEO and the Director of Human Resources to the HR and remuneration committee, and ultimately approved by the board.

The framework dictates that a decision to make any STI award be determined with reference to the following evaluation criteria:

- Financial performance of the group (where applicable);
- Financial performance of the respective divisions (casino, VSlots, Galaxy Bingo);
- Financial performance of the unit e.g. a specific casino;
- Performance of a specific department e.g., compliance; and
- Personal performance (specific achievements and/or general) (only the outliers).

In addition, the following measures apply to the award of STIs:

- Tables for the determination of STI awards are set for each broadband, which tables may be amended on an annual basis with the approval of the HR and remuneration committee and the board;
- The potential STI cost per broadband is capped;
- There are "low", "middle" and "high" potential STI brackets;
- Even though there is a "low" STI bracket, a zero STI benefit (or between R0 and low) may be applied in the event of poor individual, unit or divisional performance or any external circumstances (such as a pandemic or restrictive regulations) which may have a significant negative impact on the results of the unit, division or group;
- The maximum allocation is an additional 10% of annual cost to company over and above the "high" STI bracket, which is only awarded in instances of exceptional personal achievement which may result in significant financial gain to the unit/division/group; and
- Units are partially differentiated on size for cost to be commensurate with earnings.

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

CEO	75%
Top management	33% to 55% (depending on position/unit)
Various levels of management	13% to 33% (depending on broadband/unit)

The STI policy framework aims to achieve a reasonable overall STI cost for the group, while incentivising management to "go the extra mile" and deliver the best performance practically possible. The CEO is also responsible to ensure that short-term focus by management to generate profits does not detract from long-term strategies. The total potential cost is controlled/capped and the scheme is simpler to administer than it was historically.

Short-term incentives are predominantly focused on financial performance, but also include specific strategic priorities and personal performance. Financial performance is based on targeted EBITDA, headline earnings (or profit after tax at 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 performance or results achieved compared to the benchmarks are assessed for each unit/department and then applied to the relevant STI table.

Benchmarks take into account the location, economic environment and optimisation of the respective unit or group potential. Even though budgets are used as part of performance measurement, different targets may be set from time to time, as appropriate. Simply using budgets from year to year may lead to manipulation, have an unfair result among units and may not drive specific relevant performance.

The financial and relative growth performance or results achieved compared to the benchmarks are assessed for each unit/department. The total STI to EBITDA and profit after tax/headline earnings are assessed and controlled to ensure the total cost of STIs to the business is rational.

At the end of each financial year, the above evaluation criteria and additional measures are assessed and considered by the CEO and the Director of Human Resources, whereafter their recommendations for the payment (or otherwise) of STIs, together with a summary of the proposed STI cost calculated within the STI framework, are presented to the HR and remuneration committee for their assessment and if approved, for recommendation to the board. The Chairperson of the board assesses the CEO's performance in line with pre-determined criteria considered and recommended by the HR and remuneration committee and approved by the board.

As previously reported no STI was accrued or paid to any employees in respect of the 2020 financial year as a result of the impact of the pandemic on the group's results, cash resources and inability to trade unrestricted.

With the financial results for the 2021 financial year being below budget due to the impact of the COVID-19 pandemic, the decision on whether to pay STIs in respect of the 2021 financial year was deferred to November 2021, where 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 was assessed, and it was resolved to award STIs to this category of employees, equivalent to three weeks salary for broadband level D, and only one month's salary for the CEO and broadband levels B and C. The total STI awarded and paid in respect of the 2021 financial year amounted to approximately R30 million.

In regard to STIs for the 2022 financial year, on the recommendation of the HR and remuneration committee, the board resolved to award STIs to the CEO and to the broadband levels B, C and D, the amounts of which STIs were determined with reference to the STI policy framework. The total 2022 financial year STIs awarded and paid increased to R57 million after the HR and remuneration committee and board took into account that the group's original financial covenants had been met for the 2022 financial year and the underlying performances. Refer to the implementation report for additional information.

With the business back within original covenants and severe restrictions on the trade of the business lifted, the 2023 and 2024 financial years finally present management with an opportunity to drive business performance, which, subject to achievement, should be rewarded with higher levels of STI. For some divisions and units it is still difficult to set exact financial targets for the year, without reviewing these during the period, due to the uncertainty that still exists relating to the post-pandemic recovery and external influences on results of land-based businesses.

The historical (pre-2020) outperformance stretch of 15% is no longer part of the STI determination, since such a high deviation would in all likelihood only occur as a result of poor budgeting or target setting, an unusual event such as the lifting of restrictions when the targets were set taking the applicable restrictions into account, a consequence of a significant macro-economic shift, natural recovery after an event such as the pandemic, etc. On the other hand the upper end of such a stretch is not achievable and therefore does not drive performance to achieve the maximum as management "accepts" that it cannot be achieved. As an example, a 15% stretch on pre-pandemic EBITDA would be approximately R600 million for the group.

Galaxy Bingo and VSlots divisions

December bonuses/STIs for the Galaxy Bingo and VSlots divisions are discretionary, and if awarded, are based on financial and personal performance, allocated per job category and amounts are limited to a maximum based on monthly total package multiples. Senior head office management and regional general managers are aligned with management of the casino division and corporate office, and are subject to similar criteria and caps of the STI scheme applicable to the casino division and corporate office.

The performance of the employer and its financial position as a result of the pandemic and restrictions imposed, as well as individual employee performance were considered in the determination of bonuses payable in December 2021. As with the casino division and corporate office, the decision on whether to pay STIs for the 2021 financial year was deferred to November 2021, and it was resolved to award STIs to qualifying management, subject to a maximum cap of one month's total package.

In regard to STIs for the 2022 financial year, on the recommendation of the HR and remuneration committee, the board resolved to award STIs to selected senior management.

Since the VSlots division's potential performance and targets for the 2023 financial year can be determined more accurately than the other divisions, the financial targets include a percentage award based on a specific threshold and thereafter the award can increase by 1% for each R1 million of EBITDA achieved up to the maximum cap. This ensures continuous focus by the senior management of the division to drive every R1 million of performance, especially for outperformance above the initial targets set. The upper end equates to approximately 5% above target and 8% above budget which is deemed to be appropriate (challenging, yet achievable) based on the circumstances applicable to this division.

LONG-TERM INCENTIVES ("LTIS")

Tsogo Sun Gaming Share Appreciation Bonus Plan

The Tsogo Sun Gaming Group Share Appreciation Bonus Plan is a discretionary phantom share scheme which aligns participants with long-term shareholders and is operated in terms of the approved rules of the scheme.

Appreciation units (notional shares) are allotted to participants at a strike price per notional share which is calculated at a 10% discount to the seven-day VWAP of a Tsogo Sun Gaming Limited ("TSG") share for the seven-day period prior to the date of allotment, and vest in full after three years. All notional shares allotted before 1 March 2022 are required to be cashed out by the participant before the sixth anniversary of the date of their allotment (i.e. within a period of three years of vesting), failing which they will lapse.

During the reporting period, the scheme rules were amended to the effect that all notional shares allotted from 1 March 2022 are required to be encashed before the fourth anniversary of the date of their allotment (i.e. within one year of vesting), failing which they will lapse. The rationale for this change is to align selected participants even closer to the interests of shareholders, i.e. the value appreciation is required to be realised within one year of vesting, rather than having another long-term benefit of another three years after the vesting period to accrue upside while new allotments continue to be made. This should provide a fairer outcome to the company in the long term. From a selected senior management participant perspective, it is the responsibility of the CEO, the HR and remuneration committee and the board to ensure that appropriate levels of incentive is allotted to selected participants to ensure long-term retention of essential key management driving the long-term performance of the respective divisions, units and the group.

The encashment value per notional share is calculated as an amount equal to the seven-day VWAP of a TSG share for the seven-day period prior to the date of encashment, minus the strike price per notional share, plus the amount of dividends paid or declared in respect of a TSG share between the date of allotment and encashment. This value is multiplied by the number of notional shares being encashed and the encashment 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, considered 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 is limited and the total "value in scheme" is continually monitored and limited by the HR and remuneration committee. For this reason, participants who were allotted notional shares in December 2020 had to surrender all historical notional shares for no consideration.

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.

In the prior year, the company indicated that key to such achievement would be a reduced debt structure and therefore a stronger financial position with less risk and better capability to react relating to opportunities in the long term. The group has done well in the past year to achieve this objective and is still committed to this strategy to enhance long-term value appreciation.

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 and especially relevant currently with no or low increases for the 2020, 2021 and 2022 financial years and no STIs for the 2020 financial year and an STI capped to one month's total package for the 2021 financial year.

Accordingly on the recommendation of the HR and remuneration committee, the board resolved to allot up to 15 million new appreciation units/notional shares at a strike price equal to a 10% discount to the seven-day VWAP for the period 7 March 2022 to 15 March 2022, to selected core senior managers who are responsible for delivering revenue, EBITDA and adjusted headline earnings per share (or profit after tax as appropriate) for the next three years. The limited allotment of such notional shares was implemented within the framework approved by the HR and remuneration committee and approved by the board, and such allotment was limited to selected participants where it was deemed necessary and critical to ensure retention of the allotees for an additional period, by ensuring an appropriate level of LTI applicable to each individual's relevant role. The group has accordingly managed to weather the storm of what has been referred to as the "great resignation" in the market in the aftermath of the pandemic, and has ensured that senior management has been appropriately incentivised to maintain this position. With a shortage of skills and experience in South Africa in the information technology sector, the group included a broader network of employees to participate in the scheme and expects to have to lock in certain key positions in the online space as this part of the business evolves.

"Top-up" and the consequent issue of notional shares occurs annually within the discretion of the HR and remuneration committee and the board when previous allotted options vest or lapse. Top-ups may also be applied when salary increases are effected. With the issue of notional shares/options in December 2020, all participants who were offered such options and accepted same had to also agree to surrender all historical options at no cost to the company. As a result of this cancellation and the fact that general salary increases were not granted for the 2022 financial year, no standard "top-up" options were approved by the HR and remuneration committee and the board.

There are effectively only two tranches of notional shares currently active, being those allotted in December 2020 and in March 2022, which should provide stability in senior management until approximately 2025. The administrative burden of the LTI scheme has also simplified with fewer tranches of options in issue. The last few historical notional shares which were not surrendered, and which resulted in no new allotments being made to the relevant participants, will lapse within the next few years.

Only a few selected key senior management of the Galaxy Bingo and VSlots divisions with group performance responsibilities participate in the LTI scheme.

Gold Reef share scheme and executive facility LTI scheme

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

The Gold Reef share scheme has only nine participants remaining (2021: 13), holding in aggregate approximately 190 000 shares in TSG and Tsogo Sun Hotels Limited ("THL"), and having loan claims due to the Gold Reef share trust. Steps have been taken during the reporting period to finally unwind this scheme. The remaining participants are currently "out of the money" and have been granted an extension of time within which to settle their loans as the share prices recover to a break-even level. The remaining participants are required to close out their positions within three months of being "in-the-money" with the result that there is no significant upside for such remaining participants. This is purely an administrative process being implemented to responsibly and permanently close down the scheme, which should finally unwind within the next few years.

The executive facility LTI scheme has no participants left in the employ of the group. Save as set out hereunder, there has been no change to the status of the executive facility LTI scheme reported in the 2021 remuneration report, and this scheme will be wound up in the coming years. As a result of the impact of the pandemic on the share price, Booysen, who took early retirement in 2019, has been granted an extension of three years within which to close out his position. As part of this concession, he is required to pay any dividends received to the company in order to reduce his loan liability and will no longer be entitled to any upside with the sale of his shares to settle his loans, i.e. any profit achieved will be attributed to the company and not the participant in his personal capacity.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees are reviewed and assessed by the HR and remuneration committee, proposed to the board for their consideration, and if approved by the board, are recommended to, the shareholders of the company for their approval at each AGM of the company.

Due to the ongoing impact of the COVID-19 pandemic, no increase to the amount of non-executive directors' fees payable by the company has been proposed since the 2019 AGM. In addition to this, a discount has been applied to the fees payable to non-executive directors from April 2020. The proposal put to shareholders at the 2021 AGM in respect of non-executive directors' fees payable for the period from the 2021 AGM until 30 September 2022, which proposal again included the application of this discount, did not include an automatic correction to such reduction in directors' fees in circumstances where the group succeeded in meeting its financial covenants. This automatic correction is required to be approved by the shareholders at the 2022 AGM.

The group has managed to turn the business around and has met all requirements necessary to be back within its original financial covenants at 31 March 2022, thereby allowing the group to trade normally from 1 April 2022 for the first time since the pandemic hit. The business is once again under full control of the directors and is not subject to any of the additional requirements that were imposed by lenders while out of covenant. Therefore, it is proposed that an amount equal to the discount on the fees payable for the period 1 April 2022 to 30 September 2022 be paid to the non-executive directors as and by way of a once-off *ex gratia* amount. This is consistent with the treatment of employees, who are now back to earning their full pay for the 2023 financial year.

In addition, for the new period from 1 October 2022 until the next AGM of the company, it is proposed that non-executive directors' fees be set at the last quarterly fees approved and paid pre-pandemic, with no increase, subject however to the payment of a once-off *ex gratia* amount equal to 4.16%, in lieu of an increase. This ensures that the base cost of the group remains fixed until there is more certainty of future earnings levels and is consistent with the treatment of management of the group.

Refer to the non-executive directors' fees section contained in the remuneration implementation report for full details and a breakdown of the proposed non-executive directors' fees for approval at the AGM.

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	**Base salaries** Base salaries are subject to annual review using inflation as the 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	**Non-executive directors' fees** The fees for the non-executive directors are recommended by the HR and remuneration committee to the board for its approval, considering 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	**Retirement fund membership** Retirement funding for management, who are remunerated on a total package basis, is non-contributory and is included in their total cost of employment. For staff, retirement funding consists of employer and employee contributions dependent on fund membership. The group offers a pension fund, 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

2022 key elements of remuneration	Fixed pay **Other benefits**	Bonus and short-term incentives **Annual bonus plan**	Long-term incentives **Share appreciation bonus 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 broadbands, employees are eligible for membership of a company-approved medical scheme and other benefits	Executives, senior management and selected middle management receive STIs, if awarded Other staff receive December bonuses, if awarded	Selected senior management Focusing on performance drivers of the business
Operation and performance measures	**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 **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 **Long-service awards** Discontinuation of long-service awards has been implemented for more than 90% of employees and is still in progress for the remainder	**Annual cash incentive** STIs are capped per broadband level and in terms of pre-approved tables in accordance with the size and nature of the unit Measurement for STIs includes unit or group financial and personal performance, where relevant Staff bonuses, if applicable, are determined in December and are capped STIs and bonuses are discretionary	**Share appreciation bonus plan** The essential elements of the plan are a "phantom" version of a share scheme where each appreciation unit/notional share is in effect linked to an underlying share in TSG, designed to align the interests of participants with those of the company's shareholders Annual allocations of appreciation units at 10% below market price (seven-day VWAP) are made to selected senior managers (linked to specific positions and cost to company). These vest and are available to be settled on the third anniversary of the date of allocation but must be exercised by the fourth anniversary of the date of allocation (sixth anniversary of the date of allocation for all allotments made prior to March 2022), or they will lapse. On settlement, the value accruing to participants will be the full appreciation of TSG'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

Remuneration implementation report

NON-EXECUTIVE DIRECTORS' 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.

ANNUAL GENERAL MEETING

Due to the ongoing impact of the COVID-19 pandemic, no increase to non-executive directors' fees has been proposed since the fees approved by shareholders at the 2019 AGM. In addition, the directors agreed to a discount on the fees payable to them from April 2020 to September 2022. Since the group is again within its original net leverage covenants for the 12 months ended 31 March 2022, the following has been proposed in regard to non-executive directors' fees:

- An amount equal to the discount on the fees payable for the period 1 April 2022 to 30 September 2022 be paid to the non-executive directors by way of a once-off *ex gratia* amount, to top-up the actual fees paid such that the fee to be paid for the 2023 financial year will equate to the full previously approved fee. This is consistent with the treatment of all employees, who are now all on full pay;
- No increase to the full fees approved at the 2020 AGM and the 2021 AGM, subject however to the payment of an *ex gratia* amount in lieu of an increase, thereby maintaining the existing cost base.

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

Role	Proposed fees 2022/2023[(1)] R'000	Full fees 2021/2022[(2)] R'000	Discounted fees 2021/2022[(3)] R'000	Proposed *ex gratia* top up 2021/2022[(4)] R'000	Proposed *ex gratia* in lieu of increase 2022/2023[(5)] R'000
Chairperson of the board[(6)]	1 155	1 155	693	231	48
Lead independent non-executive and member of all committees[(6)]	685	685	411	137	29
Non-executive director	335	335	201	67	14
Chairperson of the audit and risk committee[(7)]	170	170	102	34	7
Chairperson of social and ethics committee[(7)]	100	100	60	20	4
Chairperson of the HR and remuneration committee[(7)]	150	150	90	30	6
Member of a committee	30	30	18	6	1

(1) *Unchanged since 2019/2020*
(2) *Full fee approved at 2021 AGM*
(3) *Discounted fee approved at 2021 AGM*
(4) *Proposed to be paid in October 2022 to adjust the discount applied*
(5) *Proposed to be paid in October 2022*
(6) *Including fee as a non-executive director*
(7) *Including fee as member of the respective committee*

The proposed fee for 2023, excluding *ex gratia* payments, equates to R4.1 million.

Directors' fees for the year ended 31 March	2022 R'000	2021 R'000
JA Copelyn	693	809
MSI Gani[(1)]	–	259
MJA Golding	201	235
BA Mabuza	411	480
F Mall[(2)]	303	162
VE Mphande	237	253
Y Shaik	309	360
RD Watson	297	318
	2 451	2 876

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

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Remuneration

The remuneration 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 made up of the executive directors and prescribed officers.

Executive directors

	2022				2021			
	C du Toit R'000	G Lunga[(1)] R'000	A Hoyer[(2)] R'000	Total R'000	C du Toit R'000	A Hoyer[(2)] R'000	R Huddy[(3)] R'000	Total R'000
Salary	6 437	1 442	1 615	9 494	6 430	1 314	2 004	9 748
Pension fund contributions	–	–	–	–	27	–	29	56
Other benefits	136	77	56	269	116	61	34	211
Current year STI accrued	5 525	1 000	–	–	–	–	–	–
Total single figure of remuneration	12 098	2 519	1 671	16 288	6 573	1 375	2 067	10 015
Current year STI accrued not yet settled	(5 525)	(1 000)	–	(6 525)	–	–	–	–
Prior year STI settled	542	250	–	792	–	–	–	–
Financial statement remuneration[(4)]	7 115	1 769	1 671	10 555	6 573	1 375	2 067	10 015

[(1)] *Appointed as CFO and as an executive director 1 October 2021, previously Financial Director – Casino Gaming*
[(2)] *Appointed as CFO and as an executive director on 1 August 2020, resigned effective 30 September 2021*
[(3)] *Resigned as CFO and as an executive director effective 31 July 2020*
[(4)] *As per 2022 consolidated financial statements*

Prescribed officers

	2022					2021			
	G Lunga[(1)] R'000	B Mogiba[(2)] R'000	S van Vuuren[(3)] R'000	C Wannell[(4)] R'000	Total R'000	G Lunga R'000	B Mogiba R'000	C Wannell R'000	Total R'000
Salary	1 390	2 578	1 372	1 689	7 029	2 760	3 046	1 664	7 470
Pension fund contributions	–	375	–	–	375	28	3	18	49
Other benefits	77	26	–	90	193	122	161	68	351
Current year STI accrued	–	1 300	450	500	2 250	–	–	–	–
Total single figure of remuneration	1 467	4 279	1 822	2 279	9 847	2 910	3 210	1 750	7 870
Current year STI accrued not yet settled	–	(1 300)	(450)	(500)	(2 250)	–	–	–	–
Prior year STI settled	–	248	117	150	515	–	–	–	–
Financial statement remuneration[(5)]	1 467	3 227	1 489	1 929	8 112	2 910	3 210	1 750	7 870

[(1)] *Appointed as an executive director and CFO on 1 October 2021, previously Financial Director – Casino Gaming*
[(2)] *CEO – Vukani*
[(3)] *Appointed as the Director of Human Resources on 1 April 2021*
[(4)] *Legal Manager and representative of the Company Secretary*
[(5)] *As per 2022 consolidated financial statements*

Short-term incentive

The 2021 STI which was placed on hold until November 2021, was capped at a maximum of one month's total package. The total amount paid equated to R28 million.

The STI accrued for the year ended 31 March 2022 and paid in May 2022 amounted to R56 million. The HR and remuneration committee, in their recommendation to the board, took into account that the group met its original financial covenants for the first time since March 2020. Even though the group financial results were still lower than pre-pandemic levels, taking into account the lockdown of July 2021 and the severe restrictions in place during the first half of the financial year, the restructured group delivered the best results possible in the circumstances.

As a result of the varying restrictions during the 2022 financial year and the uncertainty at the time of budgeting and the interim reporting period, it was difficult to assess certain management on fixed targets for the year and it was found most effective to rather evaluate the results achieved against the challenges faced by the respective units. The Chairperson of the board assessed the CEO against the pre-determined framework, and in particular the return of the group to being within original covenants, the improvement of efficiencies across the group and the financial results achieved.

Long-term incentive liability – cash settled

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

Grant date	Total appreciation units granted 2022	Total appreciation units granted 2021	Appreciation units granted and not vested 2022	Appreciation units granted and not vested 2021	Strike price R	Appreciation units vested and still outstanding 2022	Appreciation units vested and still outstanding 2021	Expiry date	Provision 2022 Rm	Provision 2021 Rm
1 April 2015[1]	–	169 558	–	–	26.54	–	169 558	31 March 2021	–	–
1 April 2016[1]	**153 376**	241 019	–	–	22.82	**153 376**	241 019	31 March 2022	–	–
1 April 2017[1]	**125 004**	214 292	–	–	28.00	**125 004**	214 292	31 March 2023	–	–
1 October 2017[1]	–	24 190	–	–	20.67	–	24 190	30 September 2023	–	–
1 April 2018[1]	**124 584**	228 404	–	–	24.08	**124 584**	228 404	31 March 2024	–	–
13 December 2019[2]	**970 425**	970 425	**970 425**	970 425	10.82	–	–	12 December 2025	**1**	–
18 December 2020[2]	**18 200 000**	18 900 000	**18 200 000**	18 900 000	5.20	–	–	17 December 2026	**85**	25
16 March 2022[2]	**14 450 000**	–	**14 450 000**	–	9.61	–	–	15 March 2026[3]	**2**	–
Liability at 31 March	**34 023 389**	20 747 888	**33 620 425**	19 870 425		**402 964**	877 463		**88**	25
Average share price utilised to value the liability at 31 March									**R12.04**	R6.50

[1] As a result of the share price collapse due to COVID-19, the liability of the respective appreciation units were reduced to Rnil
[2] Relates to TSG 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
[3] The scheme rules were amended during the year under review. Appreciation units allocated from the 2022 financial year expire four years after grant date. All other terms and conditions remain unchanged

The following table summarises details of the units awarded to executive directors and prescribed officers:

	Grant date	Appreciation units granted and not vested 2022	Appreciation units granted and not vested 2021	Strike price R	Appreciation units vested and still outstanding 2022	Appreciation units vested and still outstanding 2021	Expiry date	Provision 2022 R'000	Provision 2021 R'000
Executive directors									
C du Toit	18 December 2020	**4 500 000**	4 500 000	5.20	–	–	18 December 2026	**18 673**	5 850
	16 March 2021	**1 550 000**	–	9.61	–	–	16 March 2025	**1 541**	–
G Lunga[1]	18 December 2020	**1 000 000**	–	5.20	–	–	18 December 2026	**4 150**	–
	16 March 2021	**300 000**	–	9.61	–	–	16 March 2025	**298**	–
A Hoyer[2]	18 December 2020	–	1 000 000	5.20	–	–	18 December 2026	–	1 300
		7 350 000	5 500 000		–	–		**24 662**	7 150
Other prescribed officers									
G Lunga[1]	18 December 2020	–	600 000	5.20	–	–	18 December 2026	–	780
B Mogiba[3]	18 December 2020	**1 000 000**	1 000 000	5.20	–	–	18 December 2026	**4 150**	1 300
	16 March 2021	**750 000**	–	9.61	–	–	16 March 2025	**746**	–
S Van Vuuren[4]	18 December 2020	**300 000**	–	5.20	–	–	18 December 2026	**1 245**	–
	16 March 2021	**300 000**	–	9.61	–	–	16 March 2025	**298**	–
C Wannell[5]	18 December 2020	**300 000**	300 000	5.20	–	–	18 December 2026	**1 245**	390
	16 March 2021	**300 000**	–	9.61	–	–	16 March 2025	**298**	–
		2 950 000	1 900 000		–	–		**7 982**	2 470

[1] Financial Director – Casino Gaming. Appointed as CFO and as an executive director 1 October 2021
[2] Resigned as CFO and as an executive director 20 September 2021
[3] CEO – Vukani
[4] Appointed as Director of Human Resources from 1 April 2021
[5] Legal Manager and representative of the Company Secretary

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 of the company ("AGM") will be held at the company's head office, main boardroom, Ground Floor, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa on Wednesday, 21 September 2022 at 10:00, 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. The proceedings will be held in English.

ATTENDANCE AND PARTICIPATION IN AGM AND IDENTIFICATION

In terms of section 63(1) of the Companies Act, 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, 9 September 2022 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, 9 September 2022, 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, 9 September 2022 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 10:00 on Monday, 19 September 2022, 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 Limited ("JSE Listings Requirements"), equity securities of the company held by a share trust or scheme established by the company, where such securities are controlled by the company 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 in terms of the JSE Listings Requirements.

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.

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, 22 July 2022; and
- participate in and vote at the AGM is Friday, 9 September 2022.

The last date to trade in order to be registered in the company's securities register to be able to participate in and vote at the AGM will therefore be Tuesday, 6 September 2022.

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 2022 ("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 reports of the social and ethics committee and the HR and remuneration committee, together with the company'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 REAPPOINTMENT 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 JSE Listings Requirements, 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 reappointment as the registered external auditors 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 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 auditors of the company for the financial year ending 31 March 2023 and until the conclusion of the next annual general meeting of the company."

3 RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION BY SEPARATE RESOLUTIONS

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, MJA Golding, VE Mphande and Y Shaik, 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 MJA Golding, VE Mphande and Y Shaik are eligible, and have offered themselves for re-election as a director of the company.

Summarised *curricula vitae* in respect of MJA Golding, VE Mphande and Y Shaik are included with this notice.

3.1 Ordinary resolution 2.1

"Resolved as an ordinary resolution that MJA Golding, 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."

3.2 Ordinary resolution 2.2

"Resolved as an ordinary resolution that VE Mphande, 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 Y Shaik, 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 RE-ELECTION OF MEMBERS TO THE AUDIT AND RISK COMMITTEE BY SEPARATE RESOLUTIONS

In terms of section 94(2) of the Companies Act and the King Report on Corporate Governance in South Africa™* ("King IV"), the audit and risk committee of a company is a committee elected by shareholders at each annual general meeting of such 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 F Mall, BA Mabuza and RD Watson, who currently serve as members of the company's audit and risk committee, recommends their re-election as members of the company's audit and risk committee. Each of F Mall, BA Mabuza and 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 F Mall, BA Mabuza and RD Watson are included with this notice.

4.1 Ordinary resolution 3.1

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

4.3 Ordinary resolution 3.3

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

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.

It is noted that this resolution does not grant the directors the authority to issue shares for cash (whether by way of a general issue of shares for cash or a specific issue of shares for cash) where the JSE Listings Requirements or the Companies Act require an additional approval to be granted. Rather, this resolution is primarily included to allow the company to implement acquisition issues and rights offers, neither of which require the approval of shareholders in terms of the JSE Listings Requirements, but only insofar as the JSE Listings Requirements and the Companies Act do not require additional approvals for such actions.

Ordinary resolution 4

"Resolved as an ordinary resolution that subject to the company's memorandum of incorporation, the Companies Act, 71 of 2008, as amended 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 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 each AGM for consideration and endorsement on a non-binding advisory basis.

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

In the event that 25% (twenty-five percent) or more of the voting rights exercised on the non-binding advisory endorsements 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.

6.1 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 committees) set out in the notice convening the annual general meeting of the company at which this non-binding advisory endorsement was proposed."

6.2 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."

7 IMPLEMENTATION OF RESOLUTIONS

Ordinary resolution 5

"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:

8 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 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, 71 of 2008, as amended 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 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 21 September 2022 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 memorandum of incorporation.

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 21 September 2022 until the conclusion of the next AGM.

9 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 Listings Requirements"), 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, 71 of 2008, as amended ("the Companies Act") and the JSE Listings Requirements, 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 5% (five 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 JSE Listings Requirements 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;
- subsidiaries of the company which hold shares in the company shall not, in terms of section 48(2)(b)(ii) of the Companies Act, be entitled to exercise voting rights on any resolutions proposed by the company in respect of such shares;
- an announcement, giving such details as may be required in terms of the JSE Listings Requirements, 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 JSE Listings Requirements, 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 2022 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 JSE Listings Requirements, particulars of the major shareholders of the company are included with 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 JSE Listings Requirements.

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 2022 and the date of this notice.

10 FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 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, 71 of 2008, as amended ("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;
- any funder of the company and any of its present or future subsidiaries or present or future related or interrelated companies in relation to the provision of such funding; 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 Limited."

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, to any member of its present or future subsidiaries and/or any other company or corporation that is or becomes a related or interrelated company or corporation, to any funder of the company or any of its subsidiaries in relation to the provision of such funding, or to 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 policy and reports included with this notice 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 MOI 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.

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 2022, and the integrated report of the company are 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 21 September 2022.

Notice of Annual General Meeting *continued*

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 their representative (including its proxy) can be contacted) to so participate, to the transfer secretaries, at their email address below, to be received by the transfer secretaries at least seven business days prior to the AGM (i.e. by Monday, 12 September 2022) in order for the transfer secretaries to arrange for the shareholder (or their 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 their 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), on **companysecretary@tsogosun.com**.

RESULTS OF THE AGM

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

29 July 2022

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 10:00 on Wednesday, 21 September 2022 at the company's head office, main boardroom, Ground Floor, Palazzo Towers East, Montecasino Boulevard, Fourways, South Africa, ("the 2022 AGM"), 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 2022 AGM 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 2022 AGM 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 10:00 (South African time) on Monday, 19 September 2022, but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the 2022 AGM or at any adjournment or postponement thereof 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 2022 AGM 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 2022 AGM, 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 – Re-election of MJA Golding as a director			
Ordinary resolution 2.2 – Re-election of VE Mphande as a director			
Ordinary resolution 2.3 – Re-election of Y Shaik as a director			
Ordinary resolution 3.1 – Re-election of F Mall as member and Chairperson of the audit and risk committee			
Ordinary resolution 3.2 – Re-election of BA Mabuza as member of the audit and risk committee			
Ordinary resolution 3.3 – Re-election of 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			
Advisory endorsement 1 – Non-binding advisory vote on the group's remuneration policy			
Advisory endorsement 2 – Non-binding advisory vote on the group's remuneration implementation report			
Ordinary resolution 5 – Authority to implement 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 2022 AGM 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 2022 AGM, participating therein and speaking and voting thereat to the exclusion of the proxy(ies) so appointed.

Signed at this day of 2022

Signature(s)

Assisted by (where applicable)

Please read the summary of the rights contained in section 58 of the Companies Act, 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 2022 AGM', 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 2022 AGM. 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 2022 AGM 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 shareholder's exercisable votes, and if the proxy is the Chairperson of the 2022 AGM, he/she shall be entitled to vote in favour of the resolutions proposed at the 2022 AGM 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 10:00 on Monday, 19 September 2022), but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the 2022 AGM or at any adjournment or postponement thereof 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 2022 AGM.
9. The Chairperson of the 2022 AGM 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 2022 AGM subject to any revocation thereof.

Corporate information

Directors
JA Copelyn (Chairperson)*
CG du Toit (Chief Executive Officer)
G Lunga (Chief Financial Officer)
MJA Golding**
BA Mabuza (Lead Independent)**
F Mall**
VE Mphande**
Y Shaik*
RD Watson**

** Non-executive Director*
*** Independent Non-executive Director*

Registered office
Palazzo Towers East, Montecasino Boulevard,
Fourways, 2055
(Private Bag X200, Bryanston, 2021)
www.tsogosungaming.com

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

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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