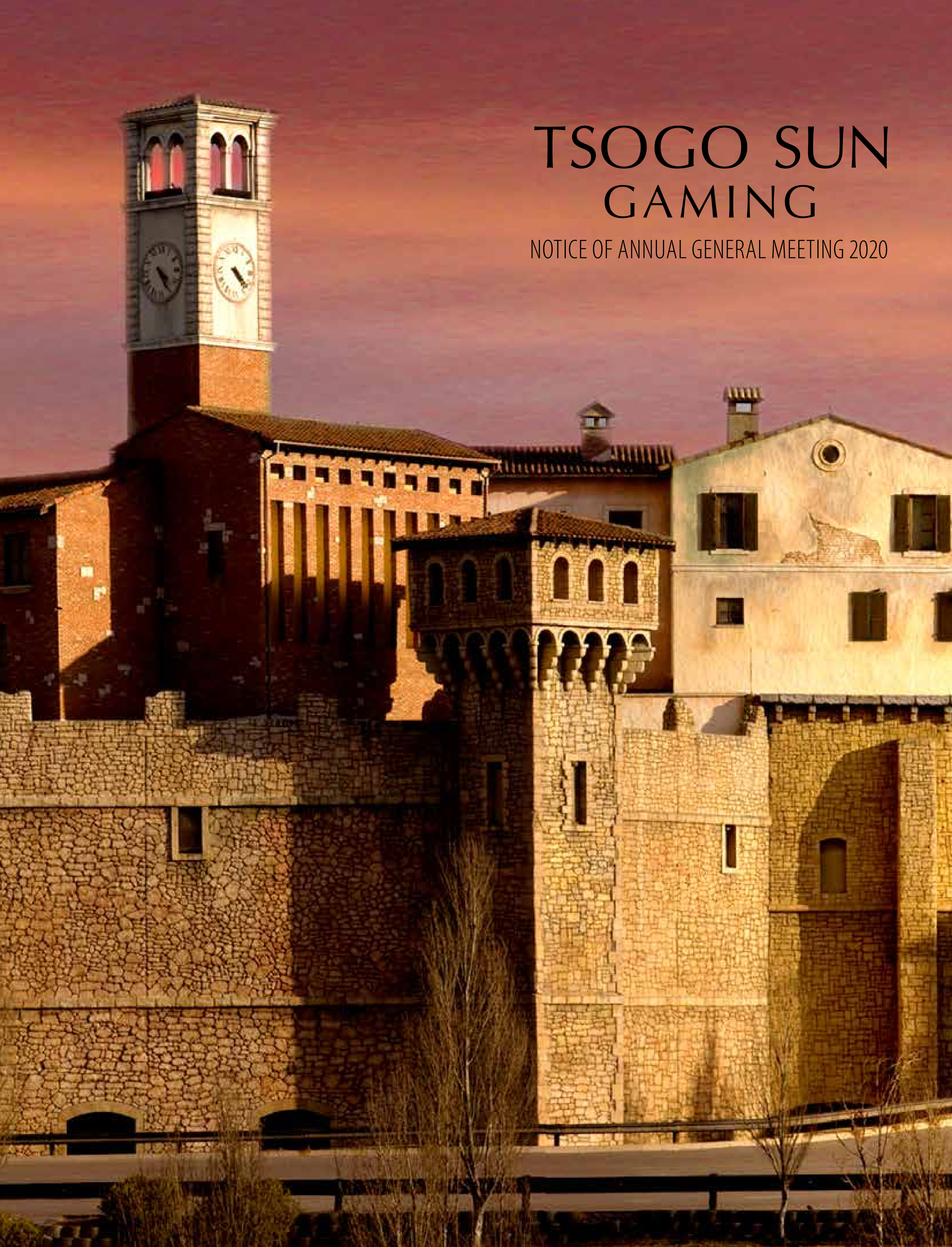
TSOGO SUN GAMING

NOTICE OF ANNUAL GENERAL MEETING 2020



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NOTICE OF ANNUAL GENERAL MEETING 2020

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 March 2020 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa applicable to summarised consolidated financial statements. The Listings Requirements require summarised consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. Chief Financial Officer, A Hoyer CA(SA), supervised the preparation of the summarised consolidated financial statements. The accounting policies applied in the preparation of the audited consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements as at 31 March 2019 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 2020 which were approved by the board on 31 July 2020 and are available online or can be requested from the Company Secretary. The summarised consolidated financial statements are extracted from audited information, but are not themselves audited. The unmodified audit report of PricewaterhouseCoopers Inc. ('PwC'), the independent auditors, on the consolidated financial statements for the year ended 31 March 2020, dated 31 July 2020, is available for inspection at the registered office of the company and is included in the audited financial statements available online.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

(i) New and amended standards adopted by the group

The group adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the group from 1 April 2019, the significant accounting pronouncement being IFRS 16 *Leases*.

The adoption of IFRS 16 was applied retrospectively without restating comparative figures. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019 as an adjustment to the opening balance of retained earnings at the date of initial application. The net impact on retained earnings at 1 April 2019 was a decrease of R133 million and is discussed below. No other pronouncements had any material impact on the group.

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee

The standard affected the way the group previously accounted for its operating leases being mostly, in the continuing operations, the Sandton Convention Centre, the Golden Horse Casino land, leases of various properties at the bingo business sites and offices at certain of the LPM business sites and gaming equipment at the casinos. These rental contracts are typically made for fixed periods of three years to 30 years, but may have extension options as described below. Lease rental contracts in the discontinued operations include some hotel property leases typically for fixed periods of 15 years to 99 years. Up to, and including the 2019 financial year, as a lessee under IAS 17, the group classified leases as operating or finance leases based on its assessment of whether the leases transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the group. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease. The group had no finance leases at 31 March 2019.

At 31 March 2019, the group reported it expected right-of-use assets and lease liabilities to be accounted for being R333 million and R569 million respectively for continuing operations, and R712 million expected right-of-use assets for discontinued operations. Subsequent to that year end, changes in lease conditions impacted the initial values by a decrease of R78 million in respect of right-of-use assets and a decrease of R126 million in respect of lease liabilities for continuing operations. This was due to refinements in the amortisation tables and changes in lease agreements that were not taken into account at 31 March 2019. There was a decrease of R39 million in respect of right-of-use assets for discontinued operations due to a refinement of the discount rate. Lease liabilities of R950 million remained as reported for discontinued operations.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee continued

Per IFRS 16, right-of-use assets were measured on transition as if the new rules had always been applied since the commencement date, but discounted using respective incremental borrowing rates as of 1 April 2019 and providing for depreciation from commencement date of the lease until transition date. The recognised right-of-use assets are made up as follows:

	Continuing operations	
	31 March 2020 Rm	1 April 2019 Rm
Property	**176**	210
Gaming equipment	**30**	45
Right-of-use assets recognised under IFRS 16	**206**	255

	Held for distribution to owners	
	23 May 2019 Rm	1 April 2019 Rm
Property	**655**	673
Right-of-use assets recognised under IFRS 16	**655**	673

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the group's respective incremental borrowing rates as of 1 April 2019. The group's respective weighted average incremental borrowing rates applied to the lease liabilities on 1 April 2019 ranged between 9.55% and 10.25% for continuing operations and the disposal group's incremental borrowing rate ranged between 9.75% and 10.25%. Intangible leases not capitalised represent leases which are outside of the scope of IFRS 16 and are accounted for under IAS 38 *Intangible Assets*.

Reconciliation of outstanding commitments under non-cancellable operating lease agreements as at 31 March 2019 to lease liability recognised as at 1 April 2019:

	Continuing operations Rm	Held for distribution to owners Rm
Outstanding commitments at 31 March 2019 under IAS 17, undiscounted	**513**	1 951
Discounting adjustment using the respective incremental borrowing rates mentioned above	**(129)**	(980)
Outstanding commitments at 31 March 2019 under IAS 17, discounted	**384**	971
Adjusted for:		
Short-term leases not capitalised	**(4)**	(18)
Low value leases not capitalised	**(3)**	(3)
Intangible leases not capitalised	**(12)**	–
Lease extension options capitalised	**57**	–
Other sundry adjustments	**21**	–
Lease liability recognised under IFRS 16 as at 1 April 2019	**443**	950
Analysed as:		
Non-current portion	**307**	944
Current portion	**136**	6
	443	950

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee continued

	Continuing operations Rm	Held for distribution to owners Rm
Other balance sheet impacts as at 1 April 2019 are:		
Deferred tax assets increase	**124**[1]	266
Deferred tax liabilities increase	**98**[1]	239
Straight-lining provision decreased	**92**	186
Non-controlling interests portion thereof	**7**	–
Retained income decrease	**64**	69

[1] *At 30 September 2019, the group reported the deferred tax on initial adoption of IFRS 16 from continuing operations on a net basis. Subsequently, it was noted that the manner of presentation for deferred tax on the adoption of IFRS 16 was not applied consistently in the group. To align both accounting policies, the disclosures relating to the deferred tax impact on initial adoption from continuing operations has been updated to reflect on a gross basis. There has been no impact on the net deferred tax amount*

The following amounts have been included in the income statement relating to leases:

	Continuing operations Year ended 31 March 2020 Rm	Discontinued operations Period ended 23 May 2019 Rm
Depreciation charge of right-of-use assets	**60**	–
Property	**48**	–
Gaming equipment	**12**	–
Short-term leases	**23**	–
Low-value leases	**7**	–
Variable lease portions	**146**	–
Interest expense (included in finance cost)	**44**	16
Also,		
Net operating costs reduced by	**14**	–
Property rentals reduced by	**108**	24
Earnings per share increased as a result of the adoption of IFRS 16 – cents per share	**2**	1

Practical expedients applied by the group on transition as permitted by IFRS 16

The group applied the practical expedient per IFRS 16 C3 in that the IFRS 16 definition of a lease would only be applied to assess whether contracts entered into after the date of initial application (1 April 2019) are, or contain, leases, and electing not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made by applying IAS 17 and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Hence, all contracts previously assessed not to contain leases were not reassessed.

The group applied the recognition exemptions for short-term leases (a lease that, at the commencement date, has a lease term of 12 months or less) and leases of low-value items (mainly small items of office equipment and furniture).

The group used hindsight in determining the lease term if the contracts contained options to extend or terminate the respective leases.

Initial direct costs were excluded from the measurement of the right-of-use asset at the date of initial application.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(iii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessor

Assets leased to third parties under operating leases are included in property, plant and equipment and investment property in the balance sheet. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard. Refer notes below for accounting policy details.

(iv) The group's accounting for leases under IFRS 16

(i) The group is a lessee

The group recognises right-of-use assets and corresponding lease liabilities on the balance sheet for leases at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present-value basis.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses its respective incremental borrowing rates. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments). Variable lease payments that depend on an index or a rate are initially measured using the index or rate as at the commencement date.

The group is exposed to potential future increases in variable lease payments based on indices and gross gaming win. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Where the group's leases are based on gross gaming win, these payments are recognise in profit or loss in the period in which the event or condition that triggers those payments occurs and are not included in the measurement of the lease liabilities.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices. However, for leases for which the group is a lessee, non-lease components, such as cleaning and maintenance, are accounted for separately by applying other applicable standards.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly small items of office equipment and furniture.

Variable lease payments

Some property and gaming equipment leases contain variable payment terms that are linked to indices and gross gaming win respectively. For property, the Golden Horse Casino land lease includes variable lease payments that are included in the lease liability. The lease payment terms, in addition to the annual CPI increase, are based on 4.5% of gross operating profit. A 10% increase in the variable lease liability would increase lease payments by less than R1 million.

Bingo gaming machine leases contain variable payment terms that are linked to gross gaming income generated by the respective machines and these payments are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs and are not included in the measurement of the lease liabilities. A 10% increase in gross gaming win across all sites in the group with such variable lease contracts would increase total lease payments included in operating costs (property and equipment lease rentals) by approximately R12 million. Variable lease payments are included in other operating expenses.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(iv) The group's accounting for leases under IFRS 16 continued

(i) The group is a lessee continued

Extension options and termination options

Extension options and termination options are included in certain property and equipment leases across the group. These are used to maximise operational profitability in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Extension options and termination options in respect of property leases:

The Golden Horse Casino land has an extension option with effect from September 2030 which the group is reasonably certain to extend. Hemingways Casino has a cinema lease with an extension option with effect from 21 August 2024 which the group is reasonably certain to extend.

Where the group leases property for bingo operations:

- If a gaming licence term exceeds the initial property rental term, the group is typically reasonably certain to extend the lease contract (or not terminate the lease contract); and
- For operational properties being leased and more suitable properties have been identified, management is reasonably certain to not extend the property lease contract.

Extension options and termination options in respect of gaming equipment leases:

- For casino gaming equipment leases, the group has the option to terminate without penalties the respective lease contract.

Residual value guarantees

The group has not provided residual value guarantees in relation to any of its leases as none of its leases contain residual value guarantees.

Leases not yet commenced but committed

The group has not committed to any leases which had not commenced by the reporting date.

The key estimates applied by the group in applying IFRS 16:

The determination of the respective discount rates

In determining the respective discount rates by the various entities within the group, the entity considers the rate of interest that the respective entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Determining the lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. There are no potential future cash outflows. All future cash outflows have been included in the lease liability. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(ii) The group is a lessor

Assets leased to third parties under operating leases are included in property, plant and equipment and investment property in the balance sheet. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

3 STANDARDS ISSUED NOT YET EFFECTIVE

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 2020 or later periods, which the group has not early adopted, would have a material impact on the group.

4 UNBUNDLING OF HOTELS

As reported in the prior year, the group unbundled its entire Tsogo Sun Hotels Limited ('THL') shareholding to Tsogo Sun Gaming Limited ('Tsogo Sun') (previously Tsogo Sun Holdings Limited) shareholders registered as such in the Tsogo Sun register at the close of business on the record date, Friday, 14 June 2019, by way of a distribution *in specie* to Tsogo Sun shareholders of one THL share for every Tsogo Sun share held, reflected as being held by that Tsogo Sun shareholder on the record date. The board approved the dividend distribution on 23 May 2019, being the effective disposal date. The listing of the entire issued share capital of THL in the 'Travel and Leisure' sector on the main board of the JSE was effective from the commencement of trade on Wednesday, 12 June 2019. As of the distribution date, Tuesday, 18 June 2019, Tsogo Sun and THL were independent public companies, the shares of which are listed on the JSE and have separate public ownership, boards of directors and management.

In terms of the unbundling, all inter-company loan balances, which were not in the ordinary course of business, were settled between Tsogo Sun and THL, including the treasury loan owed by THL to Tsogo Sun. The remaining inter-company balances incurred in the ordinary course of business are not significant.

Therefore, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the profits from discontinued operations have been disclosed separately.

Profit attributable to discontinued operations	**Period ended 23 May 2019 Rm**	Year ended 31 March 2019 Rm
Revenue	**648**	4 389
Expenses	**(522)**	(3 038)
Fair value adjustment of investment properties[1]	**–**	(445)
Property rentals	**(11)**	(208)
Amortisation and depreciation[2]	**–**	(306)
Operating profit	**115**	392
Net finance costs	**(59)**	(417)
Share of profit of associates and joint venture	**8**	15
Pre-tax profits/(losses)	**64**	(10)
Income tax expense	**(6)**	(49)
Profit/(loss) for the period from discontinued operations after income tax	**58**	(59)
Profit on disposal of subsidiary after income tax (see below)	**506**	–
Profit/(loss) for the year from discontinued operations	**564**	(59)

[1] *There were no changes to the significant unobservable inputs which were identified since the previous financial year end and therefore no adjustment to the fair value was deemed necessary*

[2] *In terms of IFRS 5, an entity shall not depreciate or amortise a non-current asset while it is classified as part of a disposal group classified as held for disposal*

4 UNBUNDLING OF HOTELS continued

	Period ended 23 May 2019 Rm	Year ended 31 March 2019 Rm
Net cash flows attributable to discontinued operations for the period:		
Net cash (utilised in)/generated from operating activities	**(48)**	524
Net cash utilised for investment activities	**(95)**	(479)
Net cash generated by financing activities	**69**	29
Net cash (generated by)/utilised in discontinued operations	**(74)**	74
Net asset value distributed to owners	**(9 766)**	
Non-controlling interests ('NCI')	**2 815**	
Net asset value after NCI	**(6 951)**	
Reserves realised on unbundling reclassified to profit or loss	**(506)**	
Foreign currency translation reserve	**(507)**	
Cash flow hedge reserve	**1**	
	(7 457)	
Dividend *in specie* distributed (at cost)[1]	**6 951**	
Profit on disposal of subsidiary after income tax	**(506)**	

[1] *The group has elected to use cost to value the dividend* in specie *rather than at fair value*

5 IMPAIRMENTS OF NON-CURRENT ASSETS

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

5.1.1 Impairment of non-current assets

Impairment of non-current assets is made up as follows:

	2020 Rm	2019 Rm
Impairment of property, plant and equipment	**99**	21
Impairment of right-of-use assets	**6**	–
Impairment of goodwill (note 5.1.2)	**332**	–
Impairment of intangibles (note 5.1.3)	**1 585**	1
	2 022	22

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.2 *Goodwill*

	2020 Rm	2019 Rm
At 1 April	**1 793**	2 134
Acquisition of subsidiary	**–**	13
Impairments	**(332)**	–
Reclassification to held for distribution to owners	**–**	(354)
At 31 March	**1 461**	1 793
A summary of the goodwill allocation is as follows per CGU:		
Montecasino	**273**	273
Suncoast	**890**	890
Gold Reef City	**–**	136
Silverstar	**–**	85
Golden Horse	**43**	43
Garden Route	**19**	19
Blackrock	**94**	94
Mykonos	**17**	17
The Caledon	**64**	175
Vukani	**61**	61
	1 461	1 793

Impairment test for goodwill and casino licences (refer note 5.1.3 for casino licences)

Goodwill is allocated and monitored based on the group's CGUs. The recent outbreak of Covid-19 has significantly affected the South African economy and the gaming and hospitality industry. The closure of all the group's casino precincts during the lockdown and the uncertain economic outlook once the properties open again is anticipated to have a material adverse effect on the group's operations and ability to generate cash flows in the short to medium term. This uncertainty is factored into the impairment testing of goodwill and for the group's intangibles being 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 pre-tax cash flow projections based on five-year forecasts approved by the board of directors. The expected capital cost spend in the CGUs is based on the historical experience of maintaining each property and no expansionary capital expenditure has been forecast in order to preserve cash. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rates stated below.

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

- Income, operating expenses and Ebitdar margins (trading assumptions) – management determined budgeted income, operating expenses and Ebitdar margin based on past performance and its expectations of market development. Due to the lockdown, it is anticipated that during the 2021 financial year group revenues will be significantly lower, offset by a reduction in variable and fixed costs, the most significant of these being gaming levies and VAT and payroll costs. It will be necessary for the group to implement deep structural changes for the business to be sustainable through this period. The group anticipates a phased approach of the opening of the economy which would continue to pose a severe short-term challenge for trading due to elements like social distancing, restrictions of numbers of gatherings, continued closure of restaurants and bars and the general impact of the weak economy on customers' disposable incomes. The group's forecast models assume a strong recovery in trading during the 2022 financial year off an extremely low base, reaching a new normal trading level one year's growth behind what the group anticipated pre-Covid-19 levels to be. These trading projections are what the group believes the South African economy to achieve based on various economic reports to hand and discussions held with the group's bankers and other professionals;

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.2 *Goodwill* continued

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

- 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 entertainment and hospitality industry in which the CGUs operate and are consistent with forecasts included in industry reports specific to the entertainment and hospitality industries in which each CGU operates. Therefore, the group believes that it has not been necessary to revise the rate and has therefore left it unchanged from the prior year; and
- 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. The discount rate has increased compared to the prior year due to economic downturn and technical recession resulting from the impact Covid-19 had on the economy which has been factored in to the risk premium and beta which the group believes will return to more normal levels over the medium term.

The significant unobservable inputs used in the group's value-in-use calculations as at 31 March 2020 are shown below:

- Expected gaming win declines by (40.0)% and increases by 67%, then 8% and then to 3% over the following years (2019: growth ranged between 5.0% and 7.6%);
- Operating expenditure cost declines by (22.0)% and increases by 33%, then to 4% over the following years (2019: growth ranged between 5.1% and 7.3%);
- Risk-adjusted discount rate of 17.46% (2019: 13.9%) pre-tax; and
- Long-term growth rate of 5.3% (2019: 5.3%).

Significant estimate – impairment charge

The impairments charge of R332 million shown above arose in the Gold Reef City (R136 million), Silverstar (R85 million) and The Caledon (R111 million) precincts. This was mainly as a result of the Covid-19 implications mentioned above, and also, to a lesser extent, trading related in both Silverstar and The Caledon precincts. Gold Reef City, Silverstar and Goldfields precincts also had licence impairments due to factors mentioned above. No class of asset other than goodwill and casino licences was impaired.

Significant estimate: impact of possible changes in key assumptions

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

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

	1pp decrease in trading assumptions[1] Rm	1pp decrease in growth rate assumption[1] Rm	1pp increase in discount rate assumption[1] Rm
Blackrock	51	17	23
The Caledon	60	15	21

[1] *Refer above for key assumptions*

	2020			2019		
	Ebitdar margin %	**Long-term growth rate %**	**Discount rate pre-tax %**	Ebitdar margin %	Long-term growth rate %	Discount rate pre-tax %
Montecasino	**35.2**	**5.3**	**18.3**	39.2	5.3	13.9
Suncoast	**34.8**	**5.3**	**17.6**	40.0	5.3	13.9
Gold Reef City	**27.6**	**5.3**	**17.6**	32.9	5.3	13.9
Silverstar	**26.2**	**5.3**	**17.1**	30.2	5.3	13.9
Other gaming operations[1]	**27.9**	**5.3**	**17.7**	30.3	5.3	13.9
Vukani	**27.7**	**5.3**	**16.8**	28.4	4.5	12.2

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

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.3 Casino licences (included in 'Other intangible assets')

	2020 Rm	2019 Rm
At 1 April	**4 283**	4 281
Additions	**3**	2
Acquisition of business	**–**	6
Amortisation charge	**(5)**	(5)
Impairment	**(1 576)**	(1)
At 31 March	**2 705**	4 283

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

	2020 Rm	2019 Rm
Indefinite lives:		
Gold Reef City[1]	**1 389**	1 765
Silverstar[1]	**53**	1 112
Golden Horse[1]	**554**	554
Garden Route[1]	**252**	252
Goldfields[1]	**26**	167
Mykonos[1]	**215**	215
Montecasino	**70**	70
Suncoast	**105**	105
Other	**8**	8
Definite lives:		
Hemingways	**27**	29
Vukani	**6**	6
	2 705	4 283

[1] *Relate to the casinos acquired on the reverse acquisition of Gold Reef during the year ended 31 March 2011*

Significant estimate – impairment charge

The impairments of intangibles charge of R1 585 million includes licence and software impairments. Licence impairments of R1 576 million consist of Gold Reef City (R376 million), Silverstar (R1 059 million) and Goldfields (R141 million) precincts. This was mainly as a result of the Covid-19 implications mentioned in goodwill (note 5.1.2), and also, to a lesser extent, trading related in both Silverstar and Gold Reef City precincts. No class of asset other than goodwill and casino licences was impaired. Impairments are included under other operating costs. For details of casino licence impairment tests and key assumptions, refer goodwill, note 5.1.2.

Significant estimate: impact of possible changes in key assumptions

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

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.3 *Casino licences (included in 'other intangible assets')* continued

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

	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	445	198	266
Silverstar	53	53	53
Goldfields	26	11	14

[1] *Refer note 5.1.2 for key assumptions*

6 FAIR VALUE ESTIMATION

The group fair values its investment properties (categorised as level 3 values), fair value through other comprehensive income ('FVOCI') investments (categorised as level 3 values) and its interest rate swaps (categorised as level 2 values). There were no transfers into or out of level 3 financial instruments during the year under review.

6.1 Investment properties

The movement of investment properties for the year is as follows:

	31 March 2020 Reviewed Rm	31 March 2019 Audited Rm
Opening net carrying amount	**486**	5 255
Acquisition and development of investment properties	**14**	189
Disposals	**(3)**	–
Fair value adjustment recognised in profit or loss: continued operations	**(81)**	(8)
Fair value adjustments recognised in profit or loss: discontinued operations	**–**	(445)
Transfer of owner occupied property	**–**	310
Transfers from held for sale	**–**	66
Reclassification to held for distribution to owners (note 4)	**–**	(4 881)
Closing net carrying amount	**416**	486

The group rents out retail and commercial office space in its investment properties. In the prior years, the group's main leases were contracts with tenants in respect of its investment properties held in HPF which was included in held for distribution to owners.

The group's investment properties have been categorised as level 3 values based on the inputs to the valuation technique used. The group has elected to measure investment properties at fair value. The fair value of the group's investment properties were independently valued at 31 March 2020 by professionally qualified valuers having the relevant experience.

During the year under review, the group recognised an R81 million (2019: R8 million) fair value loss of investment properties. The fair value has been determined using capitalised values of the projected rental income together with the assessment of development land. Vacancies have been considered based on the historical and current vacancy factors as well as the nature, location, size and popularity of the properties. In the current year, the recent outbreak of Covid-19 has significantly affected the South African economy and the gaming and hospitality industry. This impact has also been taken into account when determining the fair value of the group's investment properties.

At 31 March 2020 the significant unobservable inputs were as follows:
- capitalisation rates applied to rental income vary between 9% to 10% (2019: 9%), and
- vacancy rate applied of between 0% and 20% (2019: 0% and 10%).

6 FAIR VALUE ESTIMATION continued

6.1 Investment properties continued

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

- expected rental income were higher/(lower);
- expected vacancy rate was lower/(higher); and
- the capitalisation rate was lower/(higher).

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

	2020		2019	
	Increase Rm	**Decrease Rm**	Increase Rm	Decrease Rm
1% change in the capitalisation rate	**(42)**	**45**	(41)	51
1% change in the vacancy rate	**(3)**	**4**	(5)	5

During the prior year, the Pivot office building's owner occupation reduced substantially and the building was no longer considered to be owner occupied. The building was previously classified as owner occupied property in line with IAS 16 *Property, Plant and Equipment*. This application was made on the basis that the building was significantly occupied by entities within the group. The property was subsequently transferred from property, plant and equipment to investment properties and, in accordance with IAS 16 and IAS 40 *Investment Property*, the property was revalued through OCI to fair value before being transferred as shown in the statement of other comprehensive income in the 2019 comparative numbers.

6.2 Financial asset at FVOCI

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

At the end of each reporting period the investment is remeasured and the increase or decrease recognised in other comprehensive income. The asset has been remeasured at 31 March 2020 to R898 million, a R368 million decrease (R1.3 billion at 31 March 2019). A discounted cash flow valuation was used to estimate the fair value. The valuation model considers the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditure taking into account expected growth in gaming win and other revenue generated from non-gaming related activities. The expected net cash flows are discounted using a risk-adjusted post-tax discount rate. Among other factors, the discount rate estimation considers risks associated with the gaming and hospitality industry in which SunWest and Worcester operates. The reason for the fair value loss is as a result of the recent outbreak of Covid-19 which has significantly affected the South African economy. As discussed in note 5 it is anticipated that during the 2021 calendar year, revenues in the gaming and hospitality industry will be significantly lower, offset by a reduction in variable and fixed costs, with an assumption of a strong recovery in trading during the 2022 financial year off an extremely low base reaching a new normal trading level one year's growth below pre-Covid-19 forecasts as discussed in note 5.

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester as at 31 March 2020 are shown below:

- Expected gaming win declines by (40.0)% and increases by 67%, then 8%, then 3.0% over the following years (2019: growth ranged between 3.1% and 6.8%);
- Operating expenditure cost declines by (22.0)% and increases by 33%, then 4.0% over the following years (2019: growth ranged between 5.3% and 5.6%);
- Risk-adjusted discount rate of 14.25% (2019: 11.5%) post-tax; and
- Long-term growth rate of 5.3% (2019: 5.3%).

6 FAIR VALUE ESTIMATION continued

6.2 Financial asset at FVOCI continued

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

	2020 Increase Rm	2020 Decrease Rm	2019 Increase Rm	2019 Decrease Rm
Expected gaming win growth	**110**	**(106)**	502	(439)
Operating expenditure cost growth	**(84)**	**81**	(224)	207
Risk-adjusted discount rate	**(99)**	**124**	(189)	263
Long-term growth rate	**93**	**(75)**	150	(108)

6.3 SI put option

In terms of the acquisition agreement of the SunWest and Worcester interests mentioned above, in the event that any party acquires 35% or more of the issued ordinary shares of SI triggering a change in control of the SI group, the group may elect to put its equity interests in SunWest and Worcester to SI. SI can elect to either settle the put by the issue of new ordinary shares in SI and/or for a cash consideration, based on the aggregate value of Tsogo Sun's interest in SunWest and Worcester. No derivative has been recognised as the fair value of the option is Rnil at 31 March 2020 (31 March 2019: Rnil).

6.4 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a liability of R229 million (31 March 2019: R68 million) and is calculated as the present value of the estimated future cash flows based on observable yield curves, which is consistent with the prior year. On refinancing the group's debt effective January 2020, an amount of R136 million was recycled and transferred from the cash flow hedge reserve to profit or loss as the debt it related to was repaid. This charge is included in finance costs.

7 CHANGES IN INTEREST-BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES

Changes arising from financing activities for the year ended 31 March 2020 related to interest-bearing borrowings, excluding bank overdrafts from short-term borrowings of R2 559 million (2019: R1 929 million), are as follows:

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

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

[1] *At the time of the debt refinancing, certain borrowings in place were settled by lenders offsetting between themselves and therefore the cash did not flow through the group's bank accounts at the time the group received the new borrowing facilities and likewise the existing borrowings were settled*

7 CHANGES IN INTEREST-BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES continued

Changes arising from lease liabilities for the year ended 31 March 2020 are as follows:

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

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

The group derives revenue over time, with the exception of food and beverage revenue which is recognised at a point in time, together with its hotel customer reward programmes in terms of which revenue is recognised as the rewards are redeemed or they expire. The group has no contract assets. The table on page 25 presents revenue by segment which excludes gaming win, as this is accounted for under IFRS 9, and other sundry income which are included in the segmental analysis on page 24.

9 RELATED PARTY TRANSACTIONS

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

The company's ultimate controlling shareholder, HCI, is also the ultimate controlling shareholder of THL (refer note 4 Unbundling of Hotels). All of the group's hotel properties, which are situated at certain of the casino precincts, are managed by THL which charges management fees to the group in terms of the management fee agreements. Also, after the split of the group, certain departments were shared which resulted in additional management fees charges to and by THL. Fees paid to/received from THL during the year under review:

	2020 Rm
Hotel management fees and royalties paid to THL	**50**
Management fees paid to THL for shared services	**18**
Fees paid to THL for administration services of hotels	**53**
Management fees charged to THL for shared services	**(14)**

The rental and management fee and royalty agreements concluded with THL are in terms of the agreement at the time of the unbundling of the hotel division. Tsogo Sun Casinos Proprietary Limited ('TSC') entered into a lease agreement with Southern Sun Hotel Interests Proprietary Limited ('SSHI') in respect of leased premises comprising 4 000m^2 of office space in Palazzo Towers East and Palazzo Towers West, property owned by the group. The lease commenced on 1 April 2019 and shall continue for an indefinite term of years for a nominal amount. SSHI is not permitted to sublet any portion of the leased premises and should a change in shareholding of SSHI or THL occur of 35% or greater the lease may be terminated by TSC.

The group had no other significant related party transactions during the year under review, other than total dividends paid of R453 million (2019: R1.1 billion) to HCI and other related parties of HCI during the year, and in respect of the unbundling of the hotels group as mentioned in note 4, HCI and other related parties of HCI together received 517.9 million shares in THL which equated to a dividend *in specie* to the fair value of R2.3 billion, and at cost, a value of R3.4 billion.

10 SEGMENT INFORMATION

Subsequent to the disposal of the group's hotel business and the restructure of the group and change in management, the group's reporting lines changed and the precincts grouped under separate regional managers who now report on a regional basis to the Chief Executive Officer ('CEO'). In terms of IFRS 8 *Operating Segments*, the chief operating decision-maker ('CODM') has been identified as the group's CEO.

Due to the changes mentioned above, in order to re-determine the reportable segments, the group used the guidance from IFRS 8 in applying the aggregation criteria being that the casino businesses are all similar in nature, profit generation and class of customer in each province. Furthermore, each province has its own gambling board which governs the respective businesses. In light of the aforementioned, and in order to assess performance and allocate resources, the CODM reviews the businesses by region and thus the group now considers its reportable segments to be geographical, rather than by precinct as previously reported, and has presented a by-region segment analysis. In terms of the quantitative threshold, although Mpumalanga, Western Cape, Eastern Cape and Free State regions do not meet the 10% profit threshold, the group believes it is more appropriate to show these as separate segments because of their differing profiles.

The group's CEO assesses the performance of the operating segments based on Ebitdar. The measure excludes the effects of long-term incentives and the effects of non-recurring expenditure which are regarded as unusual and are considered to distort the numbers if they were not adjusted. The measure also excludes all headline earnings adjustments. Prior year Ebitdar has been restated due to expenses treated as exceptional in the prior period of R41 million now being included in Ebitdar. Finance income and finance costs are not included in the results for each operating segment as this is driven by the group's treasury function which manages the cash and debt position of the group. No measure of total assets and liabilities for the reportable segments has been provided as such amounts are not regularly provided to the CODM.

In terms of IFRS 8, as a result of the change in reportable segments, the comparatives have been restated. Other than these changes, there has been no change in the basis of measurement of segment profit or loss from the last annual financial statements.

11 CAPITAL COMMITMENTS

The board has approved a total of R281 million for maintenance and expansion capital items at its gaming and hotel properties which will now be restricted to critical items, to preserve cash. R107 million of the committed capital expenditure has been contracted for with the majority being placed on hold.

12 CONTINGENT LIABILITIES

The group had no significant contingent liabilities as at 31 March 2020.

13 GOING CONCERN

The board of directors evaluated the going concern assumption as at 31 March 2020, taking into account the current financial position and their best estimate of the cash flow forecasts in terms of their current knowledge and expectations of ongoing developments of the Covid-19 pandemic, and considered it to be appropriate for the presentation of these financial statements.

The cash flow and liquidity projections for the group were prepared for a period exceeding 12 months from the reporting date on the assumption that the group would be able to commence trading under restrictions in July 2020 and with limited restrictions in October 2020. In the event that cash flow is significantly negative post July 2020, the group may not have sufficient existing funding facilities to remain liquid.

The focus during the lockdown was primarily to eliminate variable operating costs as quickly as possible, reduce fixed costs and cancel non-essential and uncommitted capital expenditure in order to reduce the cash burn during the period the business was prevented from trading.

The main areas of uncertainty are what restrictions will remain in place and for how long and the length of time it will take for trading to ramp up again. In the event that trading is not as expected, the lenders have agreed to deferring interest payments for three quarters to provide the group with additional liquidity.

Following three months of closure the group commenced trading again, in line with the timeline assumed in the projections, from 29 June 2020, albeit under restrictions. The business has developed a robust strategy of enhanced hygiene and social distancing which has enabled it to operate successfully with its loyal customer base under the restrictive trading conditions.

13 GOING CONCERN continued

The projections indicate that the funding covenants will be breached for the September 2020, March 2021 and September 2021 measurement periods which, unless waived by the lenders, would require immediate repayment of the gross interest-bearing borrowings (excluding bank overdrafts) amounting to R11.7 billion at 31 March 2020. The amount outstanding at the date of the breach in funding covenants would require immediate repayment at that date.

The lenders have agreed to the waiving of financial covenants initially for the September 2020 measurement period and deferring interest payments for three quarters to provide the group with additional liquidity. The liquidity is expected to be adequate even if the group was not able to commence trade until January 2021.

In the event that the group is not trading as at 1 December 2020 or ceases trading any time thereafter or is not generating positive cash from operations for each month subsequent to December 2020, a capital structure and liquidity plan would be agreed with the lenders, failing which the amount outstanding would require immediate repayment. The waiver of financial covenants for the March 2021 measurement period will require further engagement with the lenders once there is more certainty by the end of February 2021.

As at the date of the financial statements, if cash flow is significantly negative post July 2020, the above conditions give rise to a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern and, therefore may be unable to realise its assets and discharge its liabilities in the normal course of business.

14 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Other than as mentioned elsewhere in this report the directors are not aware of any matter or circumstance arising since the balance sheet date and the date of this report.

Effects of Covid-19 pandemic

Subsequent to year end, the full impact of Covid-19 continues to be experienced globally. The group's operations will continue to be affected by the response to the ongoing outbreak which was declared a pandemic by the World Health Organisation in March 2020. South Africa, like many countries around the world, implemented restrictive governmental measures to control the spread of the virus, which included a national lockdown commencing on 27 March 2020, which was expected to last for a period of three weeks. The nation-wide lockdown was later extended to end April 2020. Certain sectors of the economy returned in a phased manner from 1 May 2020, however the Tsogo Sun Gaming group was required to remain closed and only commenced trading on 29 June 2020, albeit under restrictions.

In terms of IAS 10 *Events After the Reporting Period*, non-adjusting post-balance sheet events are events after the reporting period that are indicative of a condition that arose after the reporting date ended 31 March 2020. Those events that provide evidence of conditions that existed at the end of the reporting period are adjusting events. The group completed the impairment testing of its goodwill, intangible assets and financial assets through OCI based on the assumption of a six week lockdown period based on management's best estimate at reporting date. The lockdown extension beyond six weeks was considered to be a non-adjusting event in terms of IAS 10. The key assumptions have been included in notes 5 and 6 to these condensed financial statements, indicating the impact on the financial statements should the situation deteriorate further.

The cash flow and liquidity projections for the group indicate that the funding covenants will be breached for the September 2020, March 2021 and September 2021 measurement periods unless waived by the lenders. The lenders have agreed to the waiving of the financial covenants for the initial September 2020 measurement period which provides covenant certainty to March 2021 and will assess additional waivers when required. This is considered a non-adjusting event as the breach has not yet occurred.

As the situation continues to evolve with changes in governmental regulations and evolving business and consumer reactions thereto, as at the date of these financial statements the directors of the company considered that the financial effects of Covid-19 on the group's consolidated financial statements cannot be reasonably estimated for further financial impacts.

Acquisition of an interest in Betcoza

The group concluded an agreement on 7 August 2020 acquiring an interest in Betcoza, a business licensed to operate an online betting platform for an amount of R49 million. This acquisition is in line with the group's strategy to enter the online betting industry.

15 CHANGES TO SHARE CAPITAL

During April 2019 and May 2019, the company cancelled and subsequently delisted 83 632 695 ordinary shares of 2 cents each which were categorised as treasury shares held by subsidiary companies. The shares cancelled represent 7.3% of the total issued share capital of the company immediately prior to such cancellation. During the year under review, the company repurchased an additional 10 707 412 ordinary shares and these shares were cancelled and delisted prior to 31 March 2020.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 March

	Change %	2020 Rm	2019 Rm
Continuing operations			
Net gaming win		**9 846**	9 821
Rooms revenue		**490**	490
Food and beverage revenue		**647**	648
Other revenue		**445**	433
Other income[(1)]		**258**	227
Income	1	**11 686**	11 619
Gaming levies and Value Added Tax		**(2 148)**	(2 145)
Property and equipment rentals		**(176)**	(291)
Amortisation and depreciation		**(881)**	(738)
Employee costs		**(2 199)**	(2 327)
Other operating expenses		**(3 152)**	(2 959)
Impairments of non-current assets[(2)]		**(2 022)**	(22)
Fair value adjustments of investment properties		**(81)**	(8)
Operating profit	(67)	**1 027**	3 129
Finance income		**47**	333
Finance costs		**(1 289)**	(1 144)
Share of profit of associates		**10**	7
(Loss)/profit before income tax		**(205)**	2 325
Income tax expense		**(82)**	(644)
(Loss)/profit for the year from continuing operations		**(287)**	1 681
Profit/(loss) for the year from discontinued operations (note 4)		**564**	(59)
Profit for the year	(83)	**277**	1 622
Profit attributable to:			
Equity holders of the company		**207**	1 562
Non-controlling interests		**70**	60
		277	1 622
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)			
From continuing operations		**(31.4)**	155.0
From discontinued operations		**51.0**	(7.4)
Basic and diluted earnings per share (cents)	(87)	**19.6**	147.6
Number of shares in issue (million)		**1 046**	1 056
Weighted average number of shares in issue (million)		**1 056**	1 058

(1) *Rental income in the prior year of R137 million has been reclassified to 'Other income' due to the amounts no longer being significant subsequently to the unbundling of the hotels group (refer note 4)*

(2) *Impairment of non-current assets in the prior year of R22 million have been reclassified to a separate line due to the current year impairments being significant (refer note 5)*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March

	2020 Rm	2019 Rm
Profit for the year	**277**	1 622
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	**(26)**	217
Cash flow hedges fair value adjustment – continuing operations	**(162)**	61
Cash flow hedges recycled to profit or loss – continuing operations	**136**	–
Cash flow hedges – discontinued operations	**–**	4
Currency translation adjustments on discontinued operations	**(7)**	170
Income tax relating to items that may subsequently be reclassified to profit or loss	**7**	(18)
Items that may not be reclassified subsequently to profit or loss:	**(286)**	96
Gains on revaluation of owner occupied property reclassified to investment property – continuing operations	**–**	130
Equity instruments at FVOCI fair value adjustment – continuing operations	**(368)**	(9)
Remeasurements of post-employment defined benefit liability in discontinued operations	**–**	3
Income tax relating to items that may not subsequently be reclassified to profit or loss	**82**	(28)
Total comprehensive income for the year	**(35)**	1 935
Total comprehensive income attributable to:		
Equity holders of the company	**(105)**	1 873
Non-controlling interests	**70**	62
	(35)	1 935
Total comprehensive income attributable to equity holders:		
Continuing operations	**(636)**	1 778
Discontinued operations	**531**	95
	(105)	1 873

SUPPLEMENTARY INFORMATION

for the year ended 31 March

	Change %	2020 Rm	2019 Restated[1] Rm
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings			
(Loss)/profit attributable to equity holders of the company			
Continuing operations		**(331)**	1 640
Discontinued operations		**539**	(78)
(Less)/add: continuing operations adjustments			
Gain on disposal of property, plant and equipment		**(6)**	(1)
Impairment of property, plant and equipment		**99**	21
Impairment of right-of-use assets		**6**	–
Loss on disposal or investment property		**1**	–
Fair value adjustment of investment properties		**81**	8
Impairment of goodwill		**332**	–
Impairment of intangibles		**1 585**	1
Gain on disposal of business		**(1)**	–
Total tax effects of adjustments		**(482)**	(7)
(Less)/add: discontinued operations adjustments			
Gain on unbundling of THL		**(506)**	–
Other headline adjustments from discontinued operations[2]		**–**	541
Total tax and NCI effects of adjustments		**–**	(207)
Share of associates' headline earnings adjustments from discontinued operations		**–**	10
Headline earnings	(32)	**1 317**	1 928
Add: continuing operations' adjustment			
Ineffective portion of cash flow hedge on debt restructure		**136**	–
Adjusted headline earnings	(25)	**1 453**	1 928
Allocated as follows:			
Continuing		**1 420**	1 662
Discontinued		**33**	266
Number of shares in issue (million)		**1 046**	1 056
Weighted average number of shares in issue (million)		**1 056**	1 058
Basic and diluted headline earnings per share (cents):			
– Total group		**124.7**	182.2
– Continuing operations		**121.6**	157.1
– Discontinued operations		**3.1**	25.1
Basic and diluted adjusted headline earnings per share (cents):			
– Total group		**137.6**	182.2
– Continuing operations		**134.5**	157.1
– Discontinued operations		**3.1**	25.1

(1) *Restated to exclude all non-headline adjustments from adjusted headline earnings due to the disposal of the group's hotel business and the restructure of the group and change in management as described in note 10* Segment information

(2) *Refer reconciliation of operating profit to Ebitdar for detail on page 20*

SUPPLEMENTARY INFORMATION continued

for the year ended 31 March

Reconciliation of operating profit to Ebitdar[2]

Ebitdar pre-exceptional items is made up as follows:

	Change %	Continuing operations 2020 Rm	Continuing operations 2019 Restated[1] Rm	Discontinued operations 2020 Rm	Discontinued operations 2019 Restated[1] Rm
Operating profit		**1 027**	3 129	**115**	392
Add/(less):					
Property rentals		**25**	132	**11**	208
Amortisation and depreciation		**881**	738	**–**	306
Long-term incentive (credit)/expense		**(37)**	3		3
		1 896	4 002	**126**	909
Add: Exceptional losses net of gains					
Headline adjustments		**2 097**	29	**–**	541
(Gain)/loss on disposal of property, plant and equipment		**(6)**	(1)	**–**	3
Impairment of property, plant and equipment		**99**	21	**–**	93
Impairment of right-of-use assets		**6**	–	**–**	–
Loss on disposal or investment property		**1**	–	**–**	–
Fair value adjustment of investment properties		**81**	8	**–**	445
Impairment of goodwill		**332**	–	**–**	–
Impairment of intangibles		**1 585**	1	**–**	–
Gain on disposal of business		**(1)**	–	**–**	–
Ebitdar	(1)	**3 993**	4 031	**126**	1 450

[1] *Restated to exclude all non-headline adjustments from adjusted headline earnings due to the disposal of the group's hotel business and the restructure of the group and change in management as described in note 10* Segment information

[2] *The measure excludes the effects of long-term incentives, headline earnings adjustments and items which are regarded as unusual and are considered to distort the numbers if they were not adjusted*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March

	2020 Rm	2019 Rm
Cash flows from operating activities		
Operating (loss)/profit	**(205)**	2 325
Non-cash movements	**4 331**	1 787
Decrease in working capital	**(580)**	(343)
Cash generated from operations	**3 546**	3 769
Finance income	**55**	323
Finance costs	**(1 080)**	(1 137)
	2 521	2 955
Income tax paid	**(465)**	(559)
Dividends paid to shareholders	**(872)**	(2 137)
Dividends paid to non-controlling interests	**(23)**	(19)
Dividends received	**114**	98
Cash flows (utilised in)/generated from operating activities – discontinued operations	**(48)**	524
Net cash generated from operating activities	**1 227**	862
Cash flows from investment activities		
Purchase of property, plant and equipment	**(1 153)**	(1 453)
Proceeds from disposals of property, plant and equipment	**17**	9
Additions to investment properties	**(14)**	(30)
Proceeds from disposal of investment properties	**2**	–
Purchase of intangible assets	**(11)**	(17)
Common control acquisitions, net of cash acquired	**–**	4
Acquisition of business – intellectual property	**–**	(18)
Disposal of business	**8**	–
Loans repaid by associates	**–**	4
Other loans granted	**(8)**	–
Net cash outflow on unbundling of THL	**(178)**	–
Net cash utilised for investment activities – discontinued operations	**(95)**	(479)
Net cash utilised for investment activities	**(1 432)**	(1 980)
Cash flows from financing activities		
Borrowings raised	**7 306**	1 590
Borrowings repaid	**(7 261)**	(700)
Principal elements of lease payments	**(131)**	–
Shares repurchased	**(100)**	(65)
Treasury shares settled	**13**	–
Acquisition of non-controlling interests	**(15)**	(2)
Decrease in amounts due by share scheme participants	**–**	1
Net cash generated from financing activities – discontinued operations	**69**	29
Net cash (utilised for)/generated from financing activities	**(119)**	853
Net decrease in cash and cash equivalents	**(324)**	(265)
Cash and cash equivalents at beginning of the year, net of bank overdrafts	**824**	1 071
Foreign currency translation	**3**	18
Cash and cash equivalents at end of the year, net of bank overdrafts	**503**	824
Included in cash and cash equivalents in the balance sheet	**503**	612
Included in the assets of the held for distribution group	**–**	212
	503	824

CONDENSED CONSOLIDATED BALANCE SHEET

as at 31 March

	2020 Rm	2019 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**9 280**	9 154
Right-of-use assets	**206**	–
Investment properties	**416**	486
Goodwill	**1 461**	1 793
Other intangible assets	**2 781**	4 382
Investments in associates	**41**	35
Financial assets at fair value through OCI	**898**	1 266
Non-current receivables	**38**	34
Derivative financial instruments	**–**	3
Deferred income tax assets	**132**	43
	15 253	17 196
Current assets		
Inventories	**81**	75
Trade and other receivables	**488**	577
Current income tax assets	**119**	57
Cash and cash equivalents	**3 062**	2 541
	3 750	3 250
Assets classified as held for distribution to owners	**–**	14 631
Total current assets	**3 750**	17 881
Total assets	**19 003**	35 077
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary share capital and premium	**6 487**	6 571
Other reserves	**(4 081)**	(1 774)
(Accumulated losses)/retained earnings	**(576)**	5 699
Total shareholders' equity	**1 830**	10 496
Non-controlling interests	**126**	3 049
Total equity	**1 956**	13 545
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	**11 200**	10 072
Lease liabilities	**232**	–
Derivative financial instruments	**224**	71
Deferred income tax liabilities	**1 133**	1 525
Provisions and other liabilities	**88**	201
	12 877	11 869
Current liabilities		
Interest-bearing borrowings	**3 089**	3 452
Lease liabilities	**91**	–
Trade and other payables	**910**	1 441
Current income tax liabilities	**80**	37
	4 170	4 930
Liabilities classified as held for distribution to owners	**–**	4 733
	4 170	9 663
Total liabilities	**17 047**	21 532
Total equity and liabilities	**19 003**	35 077

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March

	Attributable to equity holders of the company					
	Ordinary share capital and premium Rm	Other reserves Rm	Retained earnings/ (accumulated losses) Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 April 2018	6 636	(2 040)	6 280	10 876	3 318	14 194
Total comprehensive income	–	309	1 564	1 873	62	1 935
Profit for the year	–	–	1 562	1 562	60	1 622
Other comprehensive income	–	309	2	311	2	313
Treasury shares settled	(65)	–	–	(65)	–	(65)
Acquisition of Kuruman Casino	–	(42)	–	(42)	(18)	(60)
Acquisition of non-controlling interests – Galaxy	–	(1)	–	(1)	(1)	(2)
Ordinary dividends	–	–	(2 145)	(2 145)	(312)	(2 457)
Balance at 31 March 2019	6 571	(1 774)	5 699	10 496	3 049	13 545
Change in accounting policy – adoption of IFRS 16 *Leases*[(1)]	–	–	(133)	(133)	(7)	(140)
Restated balance at 1 April 2019	6 571	(1 774)	5 566	10 363	3 042	13 405
Total comprehensive income	–	(312)	207	(105)	70	(35)
Profit for the year	–	–	207	207	70	277
Other comprehensive income	–	(312)	–	(312)	–	(312)
Reallocation of other reserves to retained earnings on disposal of THL	–	(1 472)	1 472	–	–	–
Realisation of reserves and non-controlling interests on disposal of THL	–	(506)	–	(506)	(2 815)	(3 321)
Buy-back of ordinary share capital	(100)	–	–	(100)	–	(100)
Treasury shares settled	16	–	–	16	–	16
Acquisition of non-controlling interests – Galaxy	–	(17)	–	(17)	(3)	(20)
Disposal of subsidiary – Galaxy	–	–	–	–	5	5
Ordinary dividends	–	–	(870)	(870)	(173)	(1 043)
Dividend *in specie* distribution[(2)]	–	–	(6 951)	(6 951)	–	(6 951)
Balance at 31 March 2020	6 487	(4 081)	(576)	1 830	126	1 956

[(1)] *Refer note 2* Changes in significant accounting policies
[(2)] *Refer note 4* Unbundling of hotels

SEGMENTAL ANALYSIS

for the year ended 31 March

	Income[1]			Ebitdar[2], [3]		
	2020 Rm	Restated[4] 2019 Rm	Change %	**2020 Rm**	Restated[4] 2019 Rm	Change %
Continuing operations						
Casinos	**8 878**	8 999	(1.3)	**3 368**	3 494	(3.6)
Gauteng	**4 732**	4 882	(3.1)	**1 786**	1 935	(7.7)
KwaZulu-Natal	**2 327**	2 313	0.6	**962**	948	1.5
Mpumalanga	**777**	759	2.4	**274**	264	3.8
Western Cape	**619**	604	2.5	**242**	229	5.7
Eastern Cape	**294**	304	(3.3)	**73**	83	(12.0)
Free State	**129**	137	(5.8)	**31**	35	(11.4)
Bingo	**933**	855	9.1	**287**	238	20.6
LPMs	**1 658**	1 559	6.4	**456**	441	3.4
Other gaming operations	**217**	206	5.3	**(118)**	(142)	16.9
Group continued operations	**11 686**	11 619	0.6	**3 993**	4 031	(0.9)
Discontinued operations[5]						
South African hotels division	**548**	3 784	*	**104**	1 307	*
Offshore hotels division	**100**	605	*	**22**	143	*
	648	4 389	*	**126**	1 450	*
Group, including discontinued operations	**12 334**	16 008	(23.0)	**4 119**	5 481	(24.8)

[1] *All revenue and income is derived from external customers. No one customer contributes more than 10% to the group's total revenue and income*
[2] *Refer reconciliation of operating profit to Ebitdar on page 20*
[3] *All casino units are reported pre-internal gaming management fees. The adoption of IFRS 16 had no significant impact on Ebitdar*
[4] *Restated for the change in reported segments due to the restructure and reporting of the group to a regional basis, together with the change in adjusted earnings – refer page 20*
[5] *Discontinued operations – refer note 4*

REVENUE FROM CONTRACTS WITH CUSTOMERS

for the year ended 31 March

	Rooms revenue recognised over time		Food and beverage recognised at a point in time		Other revenue recognised over time		Revenue from contracts with customers	
	2020 Rm	2019 Restated[1] Rm	**2020 Rm**	2019 Restated[1] Rm	**2020 Rm**	2019 Restated[1] Rm	**2020 Rm**	2019 Restated[1] Rm
Continuing operations								
Casinos	**490**	490	**573**	574	**323**	305	**1 386**	1 369
Gauteng	**257**	265	**295**	303	**253**	258	**805**	826
KwaZulu-Natal	**71**	73	**124**	122	**19**	11	**214**	206
Mpumalanga	**107**	95	**81**	77	**26**	17	**214**	189
Western Cape	**24**	26	**29**	29	**10**	7	**63**	62
Eastern Cape	**31**	31	**33**	33	**14**	11	**78**	75
Free State	**–**	–	**11**	10	**1**	1	**12**	11
Bingo	**–**	–	**73**	73	**7**	4	**80**	77
LPMs		–	**–**	–	**2**	3	**2**	3
Other gaming operations	**–**	–	**1**	1	**113**	121	**114**	122
Continuing operations	**490**	490	**647**	648	**445**	433	**1 582**	1 571
Discontinued operations[2]								
South African hotels	**342**	2 346	**125**	814	**46**	272	**513**	3 432
Offshore hotels	**64**	386	**29**	176	**6**	37	**99**	599
Discontinued operations	**406**	2 732	**154**	990	**52**	309	**612**	4 031
Group, including discontinued operations	**896**	3 222	**801**	1 638	**497**	742	**2 194**	5 602

[1] *Restated for the change in reported segments due to the restructure and reporting of the group to a regional basis – refer note 10*
[2] *Refer note 4* Discontinued operations – unbundling of hotels

	2020 Rm	2019 Restated[1] Rm
Reconciliation to segmental analysis on page 24:		
Continuing operations	**11 686**	11 619
Revenue from contracts with customers per above	**1 582**	1 571
Other income	**258**	227
Net gaming win	**9 846**	9 821
Discontinued operations	**648**	4 389
Revenue from contracts with customers per above	**612**	4 031
Property rentals	**36**	358
Total income per segmental analysis	**12 334**	16 008

BOARD AND COMMITTEES

BOARD COMPOSITION, STRUCTURE AND REPORT BACK

BOARD PROFILE

Executive directors | **Non-executive directors**

CG du Toit (50)
CA(SA), FCMA
Executive director – Chief Executive Officer
Date appointed:
1 June 2019

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

A Hoyer (45)
CA(SA), HDip (Tax)
Executive director – Chief Financial Officer
Date appointed:
1 August 2020[1]

Annelize Hoyer is a qualified Chartered Accountant who completed her articles with PwC in 2001. She originally joined the group in 2002 as Group Financial Accountant of the Hotels division, which position she held until 2005. She re-joined the group in 2011 as Financial Manager of the Casinos division. Annelize was appointed to the board and assumed the role of CFO on 1 August 2020.

JA Copelyn (70)
BA (Hons), BProc
Non-executive Chairman
Date appointed:
24 February 2011[2]

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

Y Shaik (62)
BA (Law), BProc
Non-executive director
Date appointed:
15 June 2011

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

RACE DIVERSITY (%)

- Black – **67%**
- White – **33%**

BOARD TENURE (%)

- 1 – 3 years – **29%**
- 4 – 6 years – **14%**
- 7 – 9 years – **43%**
- 10+ years – **14%**

GENDER DIVERSITY (%)

- Male – **55%**
- Female – **45%**

Independent non-executive directors

MJA Golding (60)
BA (Hons)
Independent non-executive director
Date appointed:
24 February 2011[3]

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

BA Mabuza (56)
BA (MBA)
Lead independent non-executive director
Date appointed:
1 June 2014

Busi Mabuza has held various positions in the financial services and energy sectors and is currently a non-executive director of the dual listed NinetyOne, the non-executive chairperson of the Industrial Development Corporation and the head of the South African BRICS Business Council.

F Mall (43)
CA(SA)
Independent non-executive director
Date appointed:
18 September 2020[4]

Farzanah Mall is a qualified Chartered Accountant who completed her articles with Deloitte in 2001. She joined Coles Myer Ltd (Australia) in 2002 where she focused on Corporate Governance, Business and Risk Analysis. In 2006 she joined PwC as a Manager in PwC's Business Consulting division. She served as Partner at KPMG from 2011 to 2019 and is currently CEO of Komorebi Holdings, Director of Usizo Advisory Solutions and a non-executive director of Comair Limited. She has over 20 years' experience in auditing, governance, financial and risk management.

VE Mphande (62)
Elec Eng (Dip)
Independent non-executive director
Date appointed:
24 February 2011[5]

Elias Mphande has served as national secretary of the Southern African Clothing and Textile Workers Union, as CEO of Vukani Gaming Corporation and Chairperson of Golden Arrow Bus Services. He was appointed as a non-executive director of HCI in 2010 and as the independent non-executive chairman in 2014. He is a non-executive director of eMedia Holdings.

RD Watson (61)
Independent non-executive director
Date appointed:
1 June 2019[6]

Rachel Watson 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. She is a non-executive director of HPL&R, HCI, Hospitality Property Fund and eMedia Holdings.

[1] *A Hoyer replaced RB Huddy on the board following his resignation effective 31 July 2020*
[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] *F Mall replaced MSI Gani on the board following his resignation effective 18 September 2020*
[5] *VE Mphande was appointed to the board of the holding company of the group on 3 February 2005, prior to the reverse listing of the group into Gold Reef. He was appointed to the social and ethics committee and the remuneration committee effective 18 September 2020*
[6] *RD Watson replaced JG Ngcobo on the board following his resignation on 31 May 2019. She was appointed as chair of the social and ethics committee effective 18 September 2020*

Non-executive committee key

A **Audit and risk committee** – Chair: F Mall
S **Social and ethics committee** – Chair: RD Watson
R **Remuneration committee** – Chair: Y Shaik

BOARD COMPOSITION, STRUCTURE AND REPORT BACK continued

SUB-COMMITTEE STRUCTURE AND REPORT BACK

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

Audit and risk committee

MEMBERS	KEY OBJECTIVE
Chair **Farzanah Mall** *Independent non-executive director* **Busi Mabuza** *Lead independent non-executive director* **Rachel Watson** *Independent non-executive director*	The provision of effective governance over the appropriateness of the group's financial and integrated reporting including the adequacy of related disclosures, the performance of both the internal audit function and the external auditor, and the management of the group's systems of internal control, business risks and related compliance activities.

The committee met three times during the year. Ms RD Watson replaced Mr JG Ngcobo as a member of the committee following his resignation from the board on 31 May 2019 and Ms F Mall replaced Mr MSI Gani as a member and chair of the committee following his resignation from the board effective 18 September 2020. The Chief Executive Officer, the Chief Financial Officer and non-executive directors representing the majority shareholder attend the meetings as permanent invitees, along with external audit representatives and the outsourced internal audit representatives. Other directors and members of management attend as required.

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

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

Refer to the report of the audit and risk committee in the consolidated financial statements for the year ended 31 March 2020.

Remuneration committee

MEMBERS	KEY OBJECTIVE
Chair **Yunis Shaik** *Non-executive director* **John Copelyn** *Non-executive director* **Busi Mabuza** *Lead independent non-executive director* **Elias Mphande** *Independent non-executive director* **Rachel Watson** *Independent non-executive director*	The committee is empowered by the board to assess and approve the broad remuneration strategy for the group, the operation of the company's short-term and long-term incentives for executives and senior management across the group, and sets short-term and long-term remuneration for the executive directors.

The committee met two times during the year and a third meeting was postponed to May 2020 due to the Covid-19 pandemic. Ms RD Watson replaced Mr JG Ngcobo as a member of the committee following his resignation from the board on 31 May 2019 and Mr VE Mphande replaced Mr MSI Gani as a member of the committee following his resignation from the board effective 18 September 2020. The Chief Executive Officer and the group's Human Resources Director attend the meetings as permanent invitees.

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

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

Further details of the group's remuneration policy, remuneration implementation report and the work of the remuneration committee can be found in the remuneration section on pages 31 to 40 of this notice.

Social and ethics committee

MEMBERS

Chair
Rachel Watson
Independent non-executive director

Busi Mabuza
Lead independent non-executive director

Elias Mphande
Independent non-executive director

Yunis Shaik
Non-executive director

KEY OBJECTIVE

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

The committee met twice during the year. Ms RD Watson replaced Mr JG Ngcobo as a member of the committee following his resignation from the board on 31 May 2019 and was appointed as the chair of the committee following the resignation of Mr MSI Gani from the board effective 18 September 2020. Mr VE Mphande was appointed as a member of the committee effective 18 September 2020. The Chief Executive Officer, the Chief Financial Officer, the group's Human Resources Director and directors from the majority shareholders attend the meetings as permanent invitees, along with other directors and members of management who attend as required.

The work of the social and ethics committee during the year focused on:

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

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

While the main focus areas during the year were on the group's achievement of a level 1 B-BBEE contributor status, contributions made to the greater community in respect of donations and the development of emerging enterprises, training and development of the group's workforce and its diversity, at the end of the year the primary focus became the Covid-19 national lockdown and its impact on the group and stakeholders. The committee has satisfied its mandate as prescribed by the Companies Regulations to the Companies Act and that there are no instances of material non-compliance to disclose.

ANALYSIS OF SHAREHOLDING

as at 31 March 2020

	Number of shareholders	%	Number of shares	%
Portfolio size				
Range				
1 – 1 000	1 989	52.65	467 209	0.04
1 001 – 5 000	824	21.81	2 067 890	0.20
5 001 – 10 000	185	4.90	1 365 707	0.13
10 001 – 50 000	260	6.88	6 622 010	0.63
50 001 – 100 000	96	2.54	7 241 813	0.69
100 001 – and more	424	11.22	1 032 423 671	98.31
	3 778	100.00	1 050 188 300	100.00
Shareholder spread				
Public	3 772	99.84	510 503 065	48.61
Individuals	2 732	72.31	607 723	0.06
Banks and insurance companies	78	2.06	48 822 528	4.65
Pension funds and medical aid societies	220	5.82	62 244 796	5.93
Collective investment schemes and mutual funds	150	3.97	211 141 866	20.11
Other corporate bodies	592	15.68	187 686 152	17.86
Non-public	6	0.16	539 685 235	51.39
Directors[(1)]	3	0.08	19 135 273	1.82
Gold Reef Share Scheme[(2)]	1	0.03	435 558	0.04
Majority shareholders (10% of issued share capital or more)	2	0.05	520 114 404	49.53
	3 778	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			46 650 198	4.44
Citiclient Nominees no 8 NY GW			34 151 795	3.25
Alexander Forbes Investments Limited			25 487 192	2.43
SBSA ITF Prudential SA Equity Fund			24 347 606	2.32
Old Mutual Life Assurance Co SA Limited			18 021 047	1.72
JPMC-Vanguard BBH Lending Account			16 105 281	1.53
Geomer Investments Proprietary Limited			15 872 978	1.51

(1) *At 31 March 2020 1 973 836 shares were indirectly held (2019: 1 973 836 shares indirectly held) by JA Copelyn, Non-Executive Director and Chairman, 1 048 543 shares directly held (2019: 1 048 543 directly held) by RB Huddy, executive director and CFO and 16 112 894 shares indirectly held (2019: 16 112 894 shares indirectly held) by MJA Golding, Non-Executive Director. All the aforementioned held shares are beneficially held with the exception of the indirectly held shares by JA Copelyn and MJA Golding and no other director holds shares in the company. There has been no other change to directors' shareholdings between the balance sheet date and the date of these consolidated financial statements. Certain of the directors are nominees of HCI and they (or their associates) may have an indirect interest in the company as a result of these interests in HCI*

(2) *Treasury shares*

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

REMUNERATION REPORT

REMUNERATION POLICY APPROVAL

The group's remuneration policy and remuneration implementation report shall be tabled to the shareholders of the company at the AGM to cast non-binding advisory votes in respect thereof. In the event that the remuneration policy or remuneration implementation report or both are voted against by more than 25% of the votes cast, the company shall engage with the dissenting shareholders within a period of 30 days from the AGM and will appropriately consider legitimate and reasonable alternatives that may be proposed.

Feedback received at the previous year's engagement (which was hosted by the chairperson of the remuneration committee and attended by the CEO and one shareholder) relating to the remuneration policy when less than 75% of the votes were received, was mainly:

- to provide additional information in the remuneration policy report, which has been improved in this year's report;
- criticism of the historical executive share and loan scheme, but with no reasonable alternatives offered. The implementation of this scheme some six years ago is unfortunate and with none of the participants employed by the group any longer and the scheme being unwound, the company hopes to close this chapter and learn from the mistakes made; and
- that the long-term incentive scheme should not only be linked to the share price, but should have additional criteria added. In addition that it is preferred that executives should hold shares in the company.

It is unlikely in our view that the share price and the financial performance in the long term will not align, especially if debt levels are managed appropriately to position the business stronger in future.

Should executives hold physical shares, they can in any event not be prevented from selling the shares. With the Tsogo Sun Gaming scheme new allotments to participants over time already provide alignment with shareholders and keep them vested in the share price performance.

We are mindful that there are different views and that various alternative schemes could be feasible as incentives. However, the mere fact that various other possible schemes exist, which some shareholders prefer, does not mean that the current scheme is inappropriate.

All matters raised were comprehensively tabled and discussed at the following remuneration committee meeting and after deliberation the chairperson of the remuneration committee presented the information and its views to the board who agreed with the outcome as noted above.

The company has spent a lot of time over the past year improving and continues to improve its policies thereby ensuring affordable, yet fair remuneration structures after several years with declining margins of the casino industry. This has been further complicated with the severe negative impact of Covid-19.

We hope shareholders will recognise our effort in this regard. The company is striving to deliver a restructured business which will recover quickly from the adverse impact on its financial position as a result of the pandemic.

REMUNERATION BACKGROUND STATEMENT

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

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

The remuneration committee consisting of five non-executive directors, three of whom are independent, also considers other significant matters relating to employment. The CEO and Director of HR provide comprehensive reports to the committee at each meeting. The committee, after consideration submits their recommendations to the board who ultimately remains responsible for approving remuneration policies and decisions. The committee met two times during the year and a third meeting for the year was postponed to May 2020 due to the Covid-19 pandemic.

Independent remuneration consultants were only used to the extent of providing industry remuneration benchmark statistics of various relevant roles.

The remuneration committee is satisfied that the remuneration policy has achieved its objectives in the past year and recognises the additional challenges posed by the current Covid-19 crisis.

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

REMUNERATION POLICY FRAMEWORK

Ensure employees are rewarded fairly and appropriately

Attract, retain and motivate individuals with the necessary skills and characteristics

Fixed remuneration	Short-term incentives	Long-term incentives
Median for the relevant market	(One year) aligned with financial performance and strategic priorities	(Three years plus) aligned with shareholder returns

High remuneration achieved only for high performance and shareholder returns

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

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

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

The group seeks to ensure an appropriate balance between fixed and performance-related elements of remuneration and those aspects of the package linked to short-term performance and to long-term shareholder value creation.

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

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

FIXED REMUNERATION: SALARIES AND BENEFITS

Group

The group employs more than 10 000 employees directly. The total employee cost (excluding long-term incentives and long-service awards (LSAs)) for the financial year reduced from R2.31 billion to R2.27 billion regardless of salary increases of approximately 5% granted during the year. This is the result of the improved efficiency in staff levels especially at the corporate office and casinos.

In addition, provisions totalling R99 million were released for LSAs (R62 million reduction) and long-term incentives (R37 million).

The remuneration committee pre-Covid-19, recommended increases of an average of approximately 5% (with some units and departments lower or higher than others based on the specific circumstances) for the 2021 financial year.

However, the group had to react quickly to the lockdown of the entire business and therefore the remuneration committee proposed, and the board approved, that increases effective from 1 April 2020 be placed on hold until there is greater financial certainty for the business. It is expected that increases will be on hold for at least this financial year.

Given that the group will most likely take 18 months to recover to be operating within its debt covenants again, there is significant pressure on the group to reduce staff and other costs in this difficult economic climate.

Casinos and corporate

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

Salaries of broad-bands A to D are based on a cost-to-company ('CTC') basis, with all contributions and benefits, except group life and disability, forming part of the CTC remuneration.

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

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

Approximately 2 000 OSS (operational support staff) previously employed by Tsogo Sun Hotels Limited (THL) group, were transferred to the respective casino units in November 2019.

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

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

The casino business in particular, as well as the corporate office, is in the process of evaluating and implementing cost reduction measures thereby enabling the business to recover and to improve margins subsequent to the Covid-19 crisis which have been under pressure for a number of years.

Other policies and benefits

General employment policies have been amended by each unit and the corporate office to a level which is reasonable, fair, affordable and compliant with all laws and regulations. LSAs are still in the process of being terminated for all levels of employees, with a further provision of approximately R65 million to be released on implementation.

SHORT-TERM INCENTIVES

Bonuses and short-term incentives ('STI')

Casino bonus payments for broad-bands E and F for the 2020 financial year were paid in December 2019 before the impact of Covid-19 affected South Africa. These bonuses equate to about a third of the total variable short-term payments of the group. The units and corporate office are in the process of implementing performance criteria for employees in this category, which were not applied historically.

STI applicable to broad-band A to D is discretionary, operated within a framework assessed and recommended by the remuneration committee and approved by the board.

However due to the severely constrained cash flow and high debt levels as a result of the impact of Covid-19 regulations, the 2020 STI payments have been placed on hold until there is more financial certainty for the group.

During the year, the following improvements were made:
- the potential STI cost per broad-band was capped at more reasonable levels;
- the low to high brackets were narrowed for simplification;
- the top bracket is now achievable with exceptional performance;
- the calculation methodology has been simplified and less prone to error; and
- units were differentiated on size for cost to be commensurate with earnings.

These changes will particularly assist smaller units where margins have been under pressure with inappropriate cost bases. Total potential cost is also better controlled and the scheme much simpler to administer.

The revised STI tables contain low, middle (expected/normal performance guidance) and high percentages of total package. The tables may be amended on an annual basis with the remuneration committee and the board's approval.

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

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

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

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

Benchmarks take into account the location, economic environment and optimisation of the respective unit potential.

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

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

LONG-TERM INCENTIVES (LTI)

The Tsogo Sun Gaming group share appreciation bonus plan is effectively a phantom share scheme which aligns participants with long-term shareholders.

Appreciation units (notional shares) are allotted to participants at a 10% discount to the 7 day VWAP and vest after three years and must be exercised before the sixth anniversary when they lapse. The encashment value is calculated at the 7 day VWAP when the option is exercised minus the strike price at allotment, plus dividends from the date of allotment to the exercise of the option.

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

The total number of "options" in issue and "value in scheme" are limited and monitored by the remuneration committee and approved by the board.

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

The scheme has become administratively cumbersome over the years with too many participants and allotments. The focus of the scheme should be to incentivise executives and management who are directly involved with driving the performance of the business.

Unfortunately efforts since the unbundling of THL to improve the focus of the scheme has been largely undone by the devastating impact of the Covid-19 pandemic and resultant regulations. Options were reduced from 39 million to 28 million, including 18 million options issued in December 2019 linked only to the TSG share price. R37 million of provisions relating to the LTI scheme were accordingly released in the 2020 financial year, since these TSG options and other historical options which are also linked to the THL share price are effectively significantly out of the money.

The LTI scheme is critical for retention of key performance drivers of the business, especially during the current period of no, or low, increases and STI.

Accordingly the business proposed to the remuneration committee and the board to make use of the opportunity to cancel most of the options in the scheme and to allocate up to 20 million new appreciation units/notional shares at a 10% discount to the 7 day VWAP as at 18 December 2020 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. This will provide the benefit to the group of locking in these managers for a further long-term period and retain its core team at a reasonable total cost (taking into account salaries, STI and LTI). It will also further reduce the administration burden of the scheme.

The proposed allotment date is to ensure that there is adequate time for the market to assess the market conditions (with relaxation of restrictions), the group's interim results (which is expected to be announced in the second half of November) and the price of the shares to settle at an appropriate level based on the market's assessment of the business.

The offer made will be on a voluntary basis to selected executives and senior management, ie a manager may decline and retain their existing options/rights.

This should provide the business with the long-term benefit of a motivated group of core managers driving performance.

Gold Reef and executive LTI scheme

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

The Gold Reef scheme only has approximately 16 participants left with approximately 400 000 shares in TSG and THL with loan claims due to the company. Most of these are out of the money. The participants' positions close out at the earliest of termination of employment or when they elect to.

The Executive LTI scheme has no participants left in employment of TSG.

FV Dlamini transferred to the hotels division with the unbundling and THL has accordingly taken over the position from TSG.

GD Tyrell and RB Huddy left employment in February and July 2020 respectively. They have until 28 February 2025 and 31 July 2025 respectively to dispose of their 776 699 and 1 048 543 shares in the company and to repay the loans equal to the proceeds of the shares sold. The balance on the loans, if any, will be written off. The company may extend the respective dates by a further three years. The shares may be sold at an earlier date at the option of either party if the share prices of TSG and THL reach certain thresholds. The shares were pledged to the company as security in November 2019 until the loans are repaid. The dividends have also been ceded to the company.

As reported in the prior year, J Booysen has until September 2022 to dispose of his shares and repay the loan.

This scheme is therefore effectively being wound up.

BINGO AND LPM DIVISIONS

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

As a result of Covid-19 and until there is more certainty, increases for the 2021 financial year have been placed on hold.

Salaries are all on a CTC basis.

Benefits include *inter alia* retirement funds, medical aid and funeral cover.

Bonuses/STIs are allocated per job category and amounts are limited to a maximum based on monthly salary multiples. Executives and regional general managers are aligned with management caps that apply to the TSG STI scheme.

In December 2019 bonus payments were made to most staff before the impact of Covid-19 affected the business. Since then, bonus/STI payments, normally paid in May and December 2020 have been placed on hold until there is more financial certainty.

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

NON-EXECUTIVE DIRECTORS' FEES

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

The proposal for this period is that there is no increase and that for the four quarters commencing 1 July 2020 only 60% of the fee be paid, as a result of the impact of Covid-19.

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 forfeited. The exception being in the event of death or disability the unvested portion is deemed to vest on date of termination.

2020 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 benchmark. 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 remuneration committee to the board for its approval, taking into account fees payable to non-executive directors of comparable companies. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing the board and in chairing or participating in its committees and are approved by special resolution of the shareholders. The increases are benchmarked to inflation. 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

REMUNERATION REPORT continued

2020 KEY ELEMENTS OF REMUNERATION	Fixed pay Other benefits	Short-term incentives Annual bonus plan	Long-term incentives Executive facility and share appreciation plan
Purpose and link to strategy	Provides benefits appropriate to the market and the role	Rewards the achievement of annual financial performance balanced with other specific priorities	Long-term incentives are utilised to reward long-term sustainable group performance improvement, retain senior management expertise and align executive pay and long-term value creation with shareholders
Application dependent on employee type and level	All employees entitled to benefits are eligible for membership of an approved medical scheme and other benefits	All executives, senior management and selected middle management receive STI Other staff receive December bonuses	Executives and selected managers
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 for 5 133 principal members (11 307 beneficiaries) **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 entitled thereto **Long-service awards** Full-time employees of the organisation receive long-service awards calculated based on the tenure of the employee linked to their guaranteed package. Long-service awards for all head office employees and for all unit-based broadband level A to D employees were terminated effective 1 April 2020, and further discontinuation of long-service awards is in progress.	**Annual cash incentive** STI is capped per broad-band level and in terms of pre-approved tables in accordance with the size of the unit. Measurement for STI includes unit or group financial and personal performance. Staff bonuses are determined in December.	**Share appreciation plan** Tsogo Sun Gaming has in operation a phantom share scheme with cash settlement designed to align the interests of participants with those of the company's shareholders. The essential elements of the scheme are that the plan is essentially a 'phantom' version of a share scheme where each appreciation unit is in effect linked to an underlying share in Tsogo Sun Gaming Limited Annual allocations of appreciation units at 10% below (policy amended during the year) market price (7 day VWAP) are made to executives and selected managers (for specific positions and linked to cost to company). They vest and are available to be settled on the third anniversaries of their allocation, but must be exercised by the sixth anniversary, or they will lapse. On settlement, the value accruing to participants will be the full appreciation of Tsogo Sun Gaming's share price over the allocation price plus dividends post-grant date, 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 director remuneration

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

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

In light of the Covid-19 pandemic, the directors agreed to receive only 60% of their fees as approved by shareholders at the AGM held on 17 October 2019, for the quarter from 1 July 2020 to 30 September 2020. In addition, the proposed fees for the ensuing year have been set at an aggregate amount which is equal to 60% of the amount of the fees that were payable per quarter as approved by shareholders at the AGM held on 17 October 2019, in respect of the period from 1 October 2020 to 30 June 2021, and 100% of the amount of the fees that were payable per quarter as approved by shareholders at the AGM held on 17 October 2019, in respect of the period from 1 July 2021 to the date of the next AGM, where approval will be sought for any increases that may be proposed thereto for the then ensuing year.

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

	Proposed discounted fees[1] 2020/2021 R'000	**New full fees 2020/2021 R'000**	Previously approved fees 2019/2020 R'000
Chairman of the board[2]	**809**	**1 155**	1 155
Lead independent non-executive and member of all board committees[2]	**480**	**685**	685
Chairperson of the audit and risk and social and ethics committees[3]	**N/A**	**N/A**	320
Chairperson of the audit and risk committee[3]	**119**	**170**	N/A
Chairperson of social and ethics committee[3]	**70**	**100**	N/A
Chairperson of the remuneration committee [3]	**105**	**150**	150
Member of a committee	**21**	**30**	30
Non-executive director	**235**	**335**	335

[1] Three quarters at 60% and one quarter at 100%

[2] Including fee as non-executive director

[3] Including fee as member of the respective committee

Fees and services paid by subsidiaries for the year ended 31 March	**2020 Directors' fees R'000**	2019 Directors' fees R'000
JA Copelyn	**1 106**	1 044
BA Mabuza	**655**	617
MSI Gani[3]	**655**	617
MJA Golding	**320**	300
VE Mphande	**320**	300
JG Ngcobo[1]	**200**	381
RD Watson[2]	**206**	–
Y Shaik	**493**	462
	3 955	3 721

[1] Resigned as a non-executive director 31 May 2019

[2] Appointed as a non-executive director 1 June 2019

[3] Resigned as a non-executive director 18 September 2020

Executive directors and executive managements' remuneration

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

Executive directors

	2020				2019		
	J Booysen[(1)] R'000	**C du Toit[(2)] R'000**	**R Huddy R'000**	**Total R'000**	J Booysen R'000	R Huddy R'000	Total R'000
Salary	**1 858**	**4 571**	**4 067**	**10 496**	6 997	3 825	10 822
Pension fund contributions	**92**	**314**	**351**	**757**	352	346	698
Other benefits	**122**	**114**	**187**	**423**	484	175	659
Current year STI accrued	**–**	**–**	**–**	**–**	4 397	2 199	6 596
Fair value of cash based LTI	**–**	**–**	**–**	**–**	–	–	–
Loss of office[(4)]	**8 064**	**–**	**–**	**8 064**	–	–	–
Total single figure of remuneration	**10 136**	**4 999**	**4 605**	**19 740**	12 230	6 545	18 775
Current year STI accrued not yet settled	**–**	**–**	**–**	**–**	(4 397)	(2 199)	(6 596)
Prior year STI accrual settled	**5 118**	**–**	**2 199**	**7 317**	2 562	1 315	3 877
Settlement of cash-based LTI	**–**	**–**	**–**	**–**	1 138	1 138	2 276
Total cash equivalent value of remuneration	**15 254**	**4 999**	**6 804**	**27 057**	11 533	6 799	18 332
Fair value of cash-based LTI	**–**	**–**	**–**	**–**	–	–	–
Financial statement remuneration[(3)]	**15 254**	**4 999**	**6 804**	**27 057**	11 533	6 799	18 332

[(1)] Retired 30 June 2019
[(2)] Appointed as an executive director 1 June 2019 and as CEO 1 July 2019
[(3)] As per 2020 consolidated financial statements page 70
[(4)] Ad hoc loss of office approved by the board

Other key management and prescribed officers

	2020								
	C du Toit[(1)] R'000	**G Joseph[(2)] R'000**	**G Lunga[(3)] R'000**	**B Mogiba[(4)] R'000**	**R Nadasen[(5)] R'000**	**G Tyrrell[(6)] R'000**	**C Wannell[(7)] R'000**	**M von Aulock[(8)] R'000**	**Total R'000**
Salary	**723**	**2 992**	**2 422**	**2 141**	**649**	**1 954**	**98**	**1 840**	**12 819**
Pension fund contributions	**49**	**387**	**349**	**278**	**84**	**321**	**12**	**–**	**1 480**
Other benefits	**26**	**171**	**171**	**56**	**45**	**277**	**8**	**148**	**902**
Current year STI accrued	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Fair value of cash based LTI	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Leave pay[(2)]	**–**	**228**	**–**	**–**	**–**	**–**	**–**	**–**	**228**
Total single figure of remuneration	**798**	**3 778**	**2 942**	**2 475**	**778**	**2 552**	**118**	**1 988**	**15 429**
Current year STI accrued not yet settled	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Prior year STI accrual settled	**2 270**	**1 255**	**859**	**–**	**986**	**–**	**–**	**2 678**	**8 048**
Settlement of cash based LTI	**–**	**–**	**–**	**–**	**216**	**–**	**–**	**–**	**216**
Total cash equivalent value of remuneration	**3 068**	**5 033**	**3 801**	**2 475**	**1 980**	**2 552**	**118**	**4 666**	**23 693**
Fair value of cash based LTI	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Financial Statement remuneration[(9)]	**3 068**	**5 033**	**3 801**	**2 475**	**1 980**	**2 552**	**118**	**4 666**	**23 693**

[(1)] Appointed as an executive director 1 June 2019
[(2)] Employment ended 18 March 2020
[(3)] Financial Director – Casino Gaming – Prescribed Officer from the unbundling of THL on 23 June 2019
[(4)] Chief Executive Officer – Vukani – Prescribed Officer from the unbundling of THL on 23 June 2019
[(5)] No longer a Prescribed Officer from the unbundling of THL on 23 June 2019
[(6)] Company Secretary and Legal Officer – Prescribed Officer from the unbundling of THL on 23 June 2019. Resigned effective 28 February 2020
[(7)] Appointed as Legal Manager and representative of the Company Secretary from 1 March 2020
[(8)] No longer a Prescribed Officer from the unbundling of THL on 23 June 2019
[(9)] As per 2020 consolidated financial statements page 71

Other key management and prescribed officers continued

	2019					
	C du Toit[1] R'000	G Joseph R'000	R Nadasen R'000	MN von Aulock[2] R'000	RF Weilers[3] R'000	Total R'000
Salary	2 411	3 048	2 450	5 191	2 045	15 145
Pension fund contributions	–	369	322	262	–	953
Other benefits	–	159	161	173	92	585
Current year STI accrued	2 270	1 255	986	2 678	868	8 057
Fair value of cash based LTI	–	622	622	–	–	1 244
Total single figure of remuneration	4 681	5 453	4 541	8 304	3 005	25 984
Current year STI accrued not yet settled	(2 270)	(1 255)	(986)	(2 678)	–	(7 189)
Prior year STI accrual settled	–	1 055	1 063	–	1 626	3 744
Settlement of cash based LTI	–	–	–	–	288	288
Total cash equivalent value of remuneration	2 411	5 253	4 618	5 626	4 919	22 827
Fair value of cash based LTI	–	(622)	(622)	–	–	(1 244)
Financial Statement remuneration[4]	2 411	4 631	3 996	5 626	4 919	21 583

[1] *Appointed as Chief Operating Officer – Alternative Gaming 1 June 2018*
[2] *Appointed as Chief Executive Officer – Hotels 1 June 2018*
[3] *Retired on 30 September 2018*
[4] *As per 2020 consolidated financial statements page 71*

Short-term incentive

Due to the financial impact of the Covid-19 pandemic no short-term incentives were paid for the 2020 financial year end and were placed on hold. The December 2019 bonuses for other staff of approximately R73 million was paid before the impact of Covid-19.

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

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

The total STI and December bonuses paid in 2019 equated to approximately R195 million.

Long-term incentive liability – cash settled

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

Grant date	Appreciation units granted and still outstanding 2020	Appreciation units granted and still outstanding 2019	Strike price R	Appreciation units vested and still outstanding 2020	Appreciation units vested and still outstanding 2019	Expiry date	**Liability 2020 Rm**	Liability 2019 Rm
1 April 2014	**1 875 968**	5 375 899	25.72	**1 875 968**	5 375 899	31 March 2020	**–**	20
1 April 2015	**725 332**	5 859 181	26.54	**725 332**	5 859 181	31 March 2021	**–**	11
1 April 2016	**996 940**	7 405 847	22.82	**996 940**	7 405 847	31 March 2022	**–**	35
1 April 2017	**848 233**	7 366 228	28.00	**–**	–	31 March 2023	**–**	–
1 April 2018	**1 048 584**	8 222 560	24.08	**–**	–	31 March 2024	**–**	4
1 October 2018	**3 788 314**	3 788 314	20.88	**–**	–	30 September 2024	**–**	2
Other	**349 678**	902 044	20.73	**16 041**	338 297	Various	**–**	5
13 December 2019	**18 646 026**[2]	–	10.82[1]	**–**	–	12 December 2025	**–**	–
Total	**28 279 075**	38 920 073		**3 614 281**	18 979 224		**–**	77
Share price utilised to value the liability at 31 March							**–**[3]	R23.50

[1] *Relates to Tsogo Sun Gaming Limited only. All other appreciation units were issued pre the THL unbundling and therefore includes both businesses and both the share prices of TSG and THL are taken into consideration when valuing those liabilities*
[2] *Post unbundling of THL, the scheme was simplified by cancelling some options, with fewer participants and allotments remaining*
[3] *As a result of the share price collapse due to Covid-19, the liability of all the appreciation units were reduced to Rnil*

Long-term incentive liability – cash settled continued

	Grant date	Appreciation units granted and still outstanding 2020	2019	Strike price R	Appreciation units vested and still outstanding 2020	2019	2020 settlement R'000	Expiry date	Liability 2020[12] R'000	Liability 2019 R'000
Executive directors										
C du Toit[1]	2019/12/13	**3 826 248**	–	10.82[11]	–	–	–	2025/12/11	–	–
J Booysen[2]	2014/04/01	–	291 602	25.72	–	–	–	2020/04/01	–	1 059
RB Huddy[3]	2014/04/01	**184 681**	184 681	25.72	–	–	–	2020/04/01	–	670
Total		**4 010 929**	476 283		–	–	–		–	1 729
Other key management and prescribed officers										
C duToit[4]	2018/10/01	–	550 766	20.88	–	–	–	2024/10/01	–	2 170
G Joseph[5]	2014/04/01	–	97 201	25.72	–	97 201	–	2020/04/01		353
	2015/04/01	–	94 198	26.54	–	94 198	–	2021/04/01	–	181
	2016/04/01	–	131 464	22.82	–	131 464	–	2022/04/01	–	622
	2017/04/01	–	125 000	28.00	–	–	–	2023/04/01	–	–
	2017/10/01	–	120 949	20.67	–	–	–	2023/10/01	–	625
	2018/04/01	–	186 877	24.08	–	–	–	2024/04/01	–	269
G Lunga[6]	2014/04/01	**97 201**	97 201	25.72	**97 201**	97 201	–	2020/04/01	–	353
	2019/12/13	**646 950**	–	10.82[11]	–	–	–	2025/12/11	–	–
B Mogiba[7]	2019/12/13	**924 214**	–	10.82[11]	–	–	–	2025/12/11	–	–
R Nadasen[8]	2013/04/13	–	81 433	24.56	–	81 433	–	2019/04/01	–	507
	2014/04/01	–	97 201	25.72	–	97 201	–	2020/04/01	–	353
	2015/04/01	–	94 198	26.54	–	94 198	–	2021/04/01	–	181
	2016/04/01	–	131 464	22.82	–	131 464	–	2022/04/01	–	622
	2017/04/01	–	125 000	28.00	–	–	–	2023/04/01	–	–
	2017/10/01	–	48 380	20.67	–	–	–	2023/10/01	–	250
	2018/04/01	–	166 113	24.08	–	–	–	2024/04/01	–	239
C Wannell[9]	2019/12/13	**277 264**	–	10.82[11]	–	–	–	2025/12/11	–	–
MN von Aulock[10]	2018/10/01	–	2 155 172	20.88	–	–	–	2024/10/01	–	8 491
Total		**1 945 629**	4 302 617		**97 201**	824 360	–		–	15 217

(1) *Appointed as an Executive Director on 1 June 2019 and as CEO 1 July 2019*
(2) *Retired on 30 June 2019*
(3) *Resigned with effect from 31 July 2020*
(4) *Appointed as Chief Operating Officer – Alternative – Gaming 1 June 2018 and as an Executive Director on 1 June 2019*
(5) *Employment ended 18 March 2020*
(6) *Financial Director – Casino Gaming – Prescribed Officer from the unbundling of THL on 23 June 2019*
(7) *Chief Executive Officer – Vukani – Prescribed Officer from the unbundling of THL on 23 June 2019*
(8) *No longer a Prescribed Officer from the unbundling of THL on 23 June 2019*
(9) *Appointed as Legal Manager and representative of the Company Secretary from 1 March 2020*
(10) *Appointed Chief Executive Officer – Hotels 1 June 2018 – no longer a Prescribed Officer from the unbundling of THL on 23 June 2019*
(11) *Relates to Tsogo Sun Gaming Limited only. All other appreciation units were issued pre the THL unbundling*
(12) *As a result of the share price collapse due to Covid-19, the liability of all the appreciation units were reduced to Rnil*

NOTICE OF ANNUAL GENERAL MEETING

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

Notice is hereby given to the shareholders of the company that the Annual General Meeting ('AGM') of the company will be held at the company's head office, main boardroom, Ground Floor, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa on Thursday, 3 December 2020 at 12:00, for the purpose of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary resolutions, special resolutions and non-binding advisory endorsements set out in this notice, and considering any other matters raised by shareholders, at the AGM. The proceedings will be held in English.

ATTENDANCE AND PARTICIPATION IN AGM AND IDENTIFICATION

In terms of section 63(1) of the Companies Act, 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, 27 November 2020 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, 27 November 2020, 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, 27 November 2020 are entitled to attend, participate in and vote at the AGM and, if unable to do so in person, may appoint a proxy or proxies (acting in the alternative) to attend, participate in, speak and vote at the AGM in such shareholders' stead. A proxy need not be a shareholder of the company. The completion and lodging of a form of proxy will not preclude a shareholder from attending, participating in, speaking and voting at the AGM to the exclusion of the proxy(ies) so appointed.

It is recommended that the attached form of proxy, duly completed, should be returned to the transfer secretaries of the company, Link Market Services South Africa Proprietary Limited, at their address below, in accordance with the instructions contained therein so as to be received by the transfer secretaries (for administrative purposes only) by 12:00 on Wednesday, 2 December 2020, 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% 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% of the voting rights exercised on such special resolution in order to be adopted.

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

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

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

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 register of shareholders in order to:

- Receive notice of the AGM is Friday, 25 September 2020; and
- Participate in and vote at the AGM is Friday, 27 November 2020.

The last date to trade in order to be registered in the company's register of shareholders to be able to participate and vote at the AGM will therefore be Tuesday, 24 November 2020.

ORDINARY RESOLUTIONS

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

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 2020 ('the AFS'), as required in terms of section 30(3)(d) of the Companies Act, have been published on the company's website at https://www.tsogosun.com/gaming/investors/financial-reports/2020, and are hereby presented to shareholders as required in terms of section 61(8)(a) of the Companies Act. The social and ethics committee and the remuneration committee report back are included as part of the company's integrated annual report which can be found at https://www.tsogosun.com/gaming/investors/integrated-reports/2020. Kindly refer to pages 28 and 29 of this notice.

Ordinary resolution 1

"Resolved as an ordinary resolution to receive and adopt 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 2020, tabled and presented at the meeting at which this resolution was proposed, and further to receive the reports of the social and ethics committee and the remuneration committee which are set out on pages 28 and 29 of this notice.

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 Listings Requirements of the JSE Limited ('JSE'), considered and satisfied itself that PwC is accredited by the JSE, and appears on the JSE's list of accredited auditors in compliance with section 22 of the JSE Listings Requirements, and is suitable for appointment.

As proposed by ordinary resolution number 2, the audit and risk committee has recommended PwC for appointment as the registered external auditor of the company until the next AGM, subject to shareholder approval as required in terms of section 90(1) of the Companies Act.

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

Ordinary resolution 2

"Resolved as an ordinary resolution, that PricewaterhouseCoopers Inc be and are hereby reappointed as independent auditor of the company until the conclusion of the next AGM."

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

Ms A Hoyer was appointed by the board to serve as an executive director and the Chief Financial Officer of the company with effect from 1 August 2020 to fill the vacancy on the board arising following the resignation of Mr RB Huddy with effect from 31 July 2020. It is proposed that the appointment of Ms A Hoyer as a director of the company be confirmed and approved by the shareholders of the company, and that Ms Hoyer be elected as a director of the company.

Ms F Mall was elected and appointed by the board to serve as an independent non-executive director of the company with effect from 18 September 2020 to fill the vacancy on the board arising following the resignation of Mr MSI Gani with effect from 18 September 2020.

In accordance with the company's MOI, one third of the company's non-executive directors are required to retire at each AGM and may offer themselves for election or re-election as the case may be. 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 elect or re-elect as the case may be, as directors of the company, Ms F Mall, Mr MJA Golding and Mr 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 Ms F Mall, Mr MJA Golding and Mr Y Shaik are eligible, and have offered themselves for election or re-election as the case may be, as a director of the company.

Summarised *curricula vitae* in respect of Ms A Hoyer, and each of Ms F Mall, Mr MJA Golding and Mr Y Shaik are set out on pages 26 and 27 of this notice.

3.1 Ordinary resolution 3.1

"Resolved as an ordinary resolution, that the appointment of Ms A Hoyer as a director of the company with effect from 1 August 2020, be and is hereby confirmed, and accordingly Ms A Hoyer be and is hereby elected as a director of the company."

3.2 Ordinary resolution 3.2

"Resolved as an ordinary resolution, that Ms F Mall, who was appointed to the board of the company on 18 September 2020, and who retires by rotation in accordance with the company's Memorandum of Incorporation, be and is hereby elected as a director of the company."

3.3 Ordinary resolution 3.3

"Resolved as an ordinary resolution, that Mr MJA Golding, who retires by rotation in accordance with the company's Memorandum of Incorporation, be and is hereby re-elected as a director of the company."

3.4 Ordinary resolution 3.4

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

In terms of section 94(2) of the Companies Act and South African King IV Report on Corporate Governance™* ('King IV'), the audit and risk committee of a company is a committee of the board elected by shareholders at each AGM of the company. In terms of the regulations to the Companies Act, 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.

Ms F Mall was appointed by the board to serve as a member and the chair of the audit and risk committee with effect from 18 September 2020 to fill the vacancy arising following the resignation of Mr MSI Gani with effect from 18 September 2020.

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

Summarised *curricula vitae*, in respect of Ms F Mall, Ms BA Mabuza and Ms RD Watson are set out on page 27 of this notice.

4.1 Ordinary resolution 4.1

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

4.2 Ordinary resolution 4.2

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

4.3 Ordinary resolution 4.3

"Resolved as an ordinary resolution that Ms 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, No 71 of 2008, as amended, until the conclusion of the next AGM."

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

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

Ordinary resolution 5

"Resolved as an ordinary resolution, that to the extent required, but subject to the memorandum of incorporation of the company, the Companies Act, No 71 of 2008, as amended, and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, 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 conclusion of the next AGM."

6 NON-BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

In terms of principle 14 of King IV, the company's remuneration policy and implementation report should be tabled to the shareholders of the company to pass the non-binding advisory vote in the same manner as an ordinary resolution at the AGM of the company, thus providing shareholders with an opportunity to express their views on the company's remuneration policy and remuneration implementation report.

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

The company's remuneration policy is set out on pages 31 to 36 of this notice and the company's remuneration implementation report is set out on pages 37 to 40 of this notice. These reports will be submitted for endorsement 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 advisory votes are cast against either the remuneration policy or the implementation report or both, the board commits to implementing the consultation process with shareholders set out in the remuneration policy read together with King IV.

6.1 Advisory endorsement 1

"Resolved on a non-binding advisory basis, to endorse the company's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and/or as members of the board sub-committees) set out on pages 31 to 36 of the notice convening the AGM at which this non-binding advisory endorsement was proposed."

6.2 Advisory endorsement 2

"Resolved on a non-binding advisory basis, to endorse the company's remuneration implementation report set out on pages 37 to 40 of the notice convening the AGM at which this non-binding advisory endorsement was proposed."

7 IMPLEMENTATION OF RESOLUTIONS

Ordinary resolution 6

"Resolved as an ordinary resolution to authorise any director of the company, or a representative of the Company Secretary, to give effect to and implement the ordinary resolutions and the special resolutions duly passed at the meeting 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 the ordinary resolutions and the special resolutions duly passed at the meeting at which this resolution was proposed."

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 sub-committees are set out in the remuneration implementation report on page 37 of this notice of AGM.

Special resolution 1

"Resolved as a special resolution in terms of the company's memorandum of incorporation and section 66(8) and 66(9) of the Companies Act, No 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 sub-committees, as reflected in the notice convening the AGM at which this special resolution was proposed, be and are hereby approved for the period from 1 October 2020 until the conclusion of the next AGM."

The reason for special resolution 1 is that in order to comply with the requirements of section 65(11)(b), read with sections 66(8) and (9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of a company's MOI.

The effect of special resolution 1, if passed and becoming effective, is that the non-executive directors of the company will be entitled to receive the proposed fees reflected in the remuneration implementation report on page 37 of this notice, for the period from 3 December 2020 until the conclusion of the next AGM.

9 GENERAL AUTHORITY TO ACQUIRE SHARES IN THE COMPANY

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

Special resolution 2

"Resolved as a special resolution that the company and/or any of its subsidiaries be and are hereby authorised, by way of a general authority and approval in terms of the Listings Requirements of the JSE Limited ('JSE'), to acquire ordinary shares issued by the company, from any person, upon such terms and conditions and in such number as the directors of the company or the subsidiary may from time to time determine, subject to the applicable requirements of memorandum of incorporation of the company, the Companies Act, No 71 of 2008, as amended, and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, on the following basis:

- this general authority to repurchase ordinary shares issued by the company shall be valid until the company's next AGM, or 15 months from the date of the passing of this special resolution, whichever period is the shorter;
- any such acquisition of ordinary shares issued by the company shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- acquisitions under this general authority to repurchase ordinary shares issued by the company may not, in aggregate in any one financial year, exceed 10% of the company's issued ordinary share capital as at the date of the passing of this special resolution;
- no acquisitions under this general authority to repurchase ordinary shares issued by the company may be made at a price which is more than 10% above the weighted average of the market price of the ordinary shares of the company for the five business days immediately preceding the date of such acquisition. The JSE should be consulted for a ruling if the company's ordinary shares have not traded in such five business day period;
- acquisitions under this general authority to repurchase ordinary shares issued by the company may not 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 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;

- the company shall release an announcement on SENS as soon as it or its subsidiary has, 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 the this general authority to acquire shares in the company 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 repurchase(s) on the company's behalf;
- a resolution shall have been passed by the board of the company confirming that it has authorised the general repurchase, and that the company and its subsidiaries will satisfy the solvency and liquidity test immediately after the general repurchase and that, since the test was performed, there have been no material changes to the financial position of the company and its subsidiaries; and
- the pre-approval by the JSE of any derivative transaction that may or will result in the repurchase of shares in terms of this general authority is obtained."

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

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

- the company and its subsidiaries are able to pay its debts in the ordinary course for a period of 12 months after the date of this notice;
- the assets of the company and its subsidiaries will be in excess of the liabilities of the company and the group for a period of 12 months after the date of this notice. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited consolidated annual financial statements of the group for the year ended 31 March 2020 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.

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

For the purposes of considering special resolution number 2 and in compliance with the Listings Requirements of the JSE, the major shareholders of the company are described on page 30 to this notice and the share capital of the company is as follows:

Authorised

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

Issued

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

Directors' responsibility statement

The directors of the company, whose names appear on pages 26 and 27 of this notice:

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

Material changes

As at Wednesday, 30 September 2020, being the last practicable date before the finalisation of this notice, there have been no material changes in the financial or trading position of the company and its subsidiaries that have occurred between 31 March 2020 and 30 September 2020 other than the facts and developments reported on in the integrated annual report of the company for the financial year ended 31 March 2020.

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

Special resolution 3

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

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

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

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

(i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in the Companies Act); and

(ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

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

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

Shareholders and interested and affected parties are advised to take note that the board of directors of the company has, as part of the normal conduct of the business of the group and consistent with standard practice, from time to time authorised the provision by the company of direct or indirect financial assistance to group members, as envisaged in section 45 of the Companies Act, including in relation to a refinancing of the group's borrowings undertaken in January 2020 and again in August 2020 (as disclosed in the Financial strength and durability section in the integrated annual report on page 30), daily cash sweep management practices that result in intragroup liabilities which provision of financial assistance had been authorised by a special resolution of the shareholders, adopted within the previous two years of the provision of such financial assistance.

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

Special resolution 4

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING continued

AVAILABILITY OF DOCUMENTS

Copies of 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 2020, as well as of the integrated annual report of the company, including the reports of the social and ethics committee and the remuneration committee, may be obtained from the registered office of the company, Palazzo Towers East, Montecasino Boulevard, Fourways, 2055, South Africa, during normal business hours from 30 September 2020 up to and including 3 December 2020, or from the company's website, https://www.tsogosun.com/gaming/investors from 30 September 2020.

ELECTRONIC COMMUNICATION

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the AGM by way of electronic participation, that shareholder should make an application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate, to the transfer secretaries, at their address below, to be received by the transfer secretaries at least seven business days prior to the AGM (i.e. by Tuesday, 24 November 2020) in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative or proxy) with details as to how to access the AGM by means of electronic participation. Shareholders participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. The company reserves the right not to provide for electronic participation at the AGM in the event that it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to so participate.

ENQUIRIES

Any shareholder having difficulties or queries in regard to the AGM is invited to contact the Company Secretary, Tsogo Sun Casino Management Company Proprietary Limited (Attn: C Wannell), on+27 11 510 7840 or at companysecretary@tsogosun.com.

RESULTS OF THE ANNUAL GENERAL MEETING

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

By order of the board

For: Tsogo Sun Casino Management Company Proprietary Limited
Company Secretary

30 September 2020

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

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

FORM OF PROXY

TSOGO SUN
GAMING

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

This form of proxy is for use by shareholders registered as such who hold certificated shares in the company and shareholders who hold 'own-name' dematerialised shares in the company, to appoint a proxy or proxies for the Annual General Meeting of the company to be held at 12:00 on Thursday, 3 December 2020 at the company's head office, main boardroom, Ground Floor, Palazzo Towers East, Montecasino Boulevard, Fourways, South Africa, or any adjournment or postponement thereof.

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

It is recommended that forms of proxy should be completed and delivered to the transfer secretaries, Link Market Services South Africa Proprietary Limited (for administrative purposes only) by no later than 12:00 (South African time) on Wednesday, 2 December 2020, but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the Annual General Meeting or at any adjourned or postponed Annual General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of the JSE Limited and in the press.

I/We (full names in BLOCK LETTERS please)

of (insert address)

Email address Telephone number Mobile number

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

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the Annual General Meeting,

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

I/We wish to vote as follows:

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

	Insert number of votes or an 'X' in the relevant column (see notes 2 and 3 overleaf)		
	For	Against	Abstain
Ordinary resolution 1 – Receipt and adoption of annual financial statements and reports			
Ordinary resolution 2 – Reappointment of auditors			
Ordinary resolution 3.1 – Election of Ms A Hoyer as a director			
Ordinary resolution 3.2 – Election of Ms F Mall as a director			
Ordinary resolution 3.3 – Re-election of Mr MJA Golding as a director			
Ordinary resolution 3.4 – Re-election of Mr Y Shaik as a director			
Ordinary resolution 4.1 – Election of Ms F Mall as member and chair of the audit and risk committee			
Ordinary resolution 4.2 – Re-election of Ms BA Mabuza as member of the audit and risk committee			
Ordinary resolution 4.3 – Re-election of Ms RD Watson as member of the audit and risk committee			
Ordinary resolution 5 – General authority for directors to allot and issue authorised but unissued shares			
Advisory endorsement 1 – Non-binding advisory endorsement approving the company's remuneration policy			
Advisory endorsement 2 – Non-binding advisory endorsement approving the company's remuneration implementation report			
Ordinary resolution 6 – Implementation of resolutions			
Special resolution 1 – Approval of the proposed fees for non-executive directors			
Special resolution 2 – General authority to repurchase shares			
Special resolution 3 – General approval of the provision of financial assistance in terms of section 45 of the Companies Act			
Special resolution 4 – Approval of the issue of shares or options and the grant of financial assistance in connection with the company's share-based incentive schemes (which may have a dilutionary effect)			

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

Signed at this day of 2020

Signature(s)

Assisted by (where applicable)

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

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

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

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:

3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;

3.2 a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and

3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy:

4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and

4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:

5.1 stated in the revocation instrument, if any; or

5.2 upon which the revocation instrument is delivered to the proxy and the relevant company.

6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to the:

6.1 shareholder; or

6.2 proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised and must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;

8.2 the company must not require that the proxy appointment be made irrevocable; and

8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act (see paragraph 5 above).

NOTES TO THE FORM OF PROXY

1. A registered shareholder may appoint and insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the Chairperson of the Annual General Meeting', but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the Chairperson of the Annual General Meeting. The proxy or proxies need not be shareholders of the company. The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of any proxy whose name follows.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an 'X' or the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or abstain from voting at the meeting as he/she thinks fit in respect of the shareholders' exercisable votes, and if the proxy is the Chairperson of the Annual General Meeting, he/she shall be entitled to vote in favour of the resolutions proposed at the Annual General Meeting in respect of all the shareholders' votes exercisable thereat. If an 'X' has been inserted in one of the blocks relating to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned in respect of such resolution.
3. A shareholder or his/her proxy is not obliged to cast all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
4. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries.
5. It is recommended that the completed forms of proxy should be lodged with the transfer secretaries, Link Market Services South Africa Proprietary Limited, PO Box 4844, Johannesburg, 2000 or 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (for administrative purposes only by no later than 12:00 on Wednesday, 2 December 2020), but in any event, prior to the proxy exercising such shareholder's rights as a shareholder at the Annual General Meeting or at any adjourned or postponed Annual General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of the JSE Limited and in the press.
6. The form of proxy must be dated and signed. The completion of any blank spaces overleaf need not be initialled, but any alterations or corrections to the form of proxy must be initialled by the signatory(ies).
7. Where there are joint holders of ordinary shares in the company:

7.1 any one holder may sign this form of proxy; and

7.2 the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of shareholders appear in the company's securities register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless this requirement is waived by the Chairperson of the Annual General Meeting.
9. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
10. The appointment by a shareholder of a proxy or proxies:

10.1 is suspended at any time and to the extent that such shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; and

10.2 is revocable in which case a shareholder may revoke the proxy appointment by:

10.2.1 cancelling it in writing or making a later inconsistent appointment of a proxy; and

10.2.2 delivering a copy of the revocation instrument to the proxy and to the company.

11. The appointment of a proxy or proxies remains valid only until the end of the Annual General Meeting subject to any revocation thereof.

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