



**JABU MABUZA**  
Chairman

# CORPORATE GOVERNANCE REPORT

Good corporate governance is of paramount importance to Sun International. We embrace the pillars of integrity, responsibility, fairness, transparency, honesty and accountability for all stakeholders. These pillars preserve the group's long-term sustainability so we can create and deliver value to all stakeholders. Good corporate governance ensures an ethical and cohesive culture, effective control, compliance and accountability, responsive and transparent stakeholder engagement, performing to strategic expectations, and legitimacy and trust.

## MESSAGE FROM THE CHAIRMAN

### Dear stakeholders

During the past year, there were several changes to the board of the group. Mr Leon Campher, lead independent non-executive director, and Dr Lulu Gwagwa both retired as non-executive directors on 12 May 2020. Mr Vusi Khanyile resigned as a non-executive director effective on 29 October 2020. Ms Sindi Mabaso-Koyana was appointed as a non-executive director effective 20 March 2020 and Mr Tapiwa Ngara was appointed as a full non-executive director effective 20 November 2020. Mr Graham Dempster was appointed as the lead independent non-executive director on 8 June 2020. I, Mr Jabulane (Jabu) Mabuza was reappointed as chairman with effect from 1 January 2021 at the nomination committee meeting held during November 2020. Encouragingly, the board has exceeded its black and female diversity targets. Following these board changes, board committee memberships were modified to ensure alignment with [King IV™](#) and to deliver on our strategic objectives.

Mr Zaine Miller, chief information officer of Sun International, resigned with effect from 23 February 2021 and hence as a member of the risk committee. Mr Graham Wood, chief operating officer of Sun International, was appointed a member of the risk committee with effect from 11 March 2021.

Collectively the board, in its exercise of effective and moral leadership, continues to drive and maintain an ethical culture from the top. The board achieves this by maintaining a zero-tolerance approach towards unethical conduct group-wide and by guiding the group based on the principles of integrity, competence, transparency, honesty, accountability, fairness and responsibility.

The coronavirus pandemic has had a significant impact on our tourism and hospitality industry. The board reacted quickly and the executive management team took proactive steps to mitigate the negative impacts, to ensure the group could navigate its way through this crisis and ensure that its businesses remain sustainable and a going concern.

Additional board meetings were convened to focus on the group's strategic direction taking into account the coronavirus pandemic's impact on its operations. Some tough but necessary decisions were taken. These included our disinvestment from Sun Dreams, a R1.2 billion rights issue, the significant downsizing of our workforce and other cost saving measures, replacing the group's current gaming system with a more cost-effective system over the next few years and the closure of certain loss-making properties (The Carousel and Naledi Sun). Unfortunately this resulted in the unavoidable retrenchment of a significant number of employees.

Sun Latam sold its remaining 64.94% stake in Sun Dreams SA for approximately US\$160 million, with future earnouts being provided for, and avoided a purported hostile takeover during the year. On 16 November 2020, Sun International Limited released a SENS announcement stating that the transaction had become unconditional and had been implemented by the parties. Sun International's chief executive, Mr Leeming, and chief financial officer, Mr Basthdaw, have resigned from the relevant Sun Latam boards and committees and Sun International's company secretary, Mr Johnston, is no longer acting as secretary for these committees.

The group's compliance with King IV™ is detailed in our [King IV™ application register](#). The board is satisfied with the extent of the group's application of the King IV™ principles, the group's regulatory universe, and compliance with the JSE Listings Requirements, as articulated later in this report.

The Tourist Company of Nigeria's (TCN's) governance structure includes a statutory audit committee, finance and risk committee, and a nomination and governance committee that monitors remuneration and governance policies in Nigeria. Sun International's director: corporate services is a director of TCN and chairs the nomination and governance committee. He is also a member of the finance and risk committee. Further alignments and disciplines have been made to bring Nigeria's governance framework in line with South Africa's regarding terms of reference, mandates and policies. All committees operate under approved mandates and terms of reference and all non-executive

directors have letters of appointment. The non-executive directors' fees are determined by the nomination and governance committee and shareholders.

Sun International's risk management committee is satisfied with the group's integrated risk methodology. The risk management process is embedded throughout the group and has identified, rated and ranked the risks facing the group in all territories. The chairman of the risk committee reports to the board at each board meeting to provide assurance that the identified risks are being addressed in accordance with principle 11 of King IV™. While the management of the identified risks is the responsibility of certain nominated executives within their areas of responsibility and expertise, the executive management team assumes collective responsibility through the executive committee for monitoring risk mitigation and providing the risk committee with regular progress reports.

The group's sustainability committee focuses on environmental, health, safety and wellness, socio-economic development (SED), enterprise and supplier development (E&SD) and the group's progress against broad-based black economic empowerment (B-BBEE targets). Further, the policy revitalisation management sub-committee continues to review, update and consolidate group policies. With the coronavirus pandemic, the health, safety and wellness of employees and guests were amplified.

The group's IT governance structures remain resilient and responsive in securing the information stored across the group's various systems. These structures continue to strengthen group-wide IT investment decision-making

practices and enhanced alignment with business needs. During 2020, we focused on supporting our business with working from home in an effective and secure environment. While cybersecurity remained our top IT risk, we are comfortable that our revised cyber strategy will position us well for facing new threats.

The stewardship of customer information and data protection is paramount. The group engaged with an external service provider to assist with an implementation action plan to ensure compliance with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR).

Sun International's remuneration policy, which was adopted at the 2020 annual general meeting (AGM), outlines performance incentives and ensures that executive salaries are aligned to shareholders' interests.

There were no material instances of non-compliance with relevant legislation and regulations during the year under review. The board is satisfied with the group's level of compliance in accordance with applicable governance and regulatory requirements and it will continue to review the group's governance against best practice.

### LOOKING AHEAD OUR KEY FOCUS AREAS INCLUDE:

- Continuing to embed an ethical culture through regular ethics awareness campaigns and regularly monitoring incidents and providing feedback on findings
- Continuing to provide guidance and direction as the group navigates its way through the pandemic
- Continuing to remain resilient to cyber threats through robust IT systems, policies and processes
- Continuing to improve corporate reporting practices and transparency around activities and performance in supporting the fight against corruption
- Continuing to ensure that the board composition reflects the needs of the group as well as our diversity.

We are satisfied that the group meets the requisite standards of governance and compliance, and that matters for our consideration have been robustly interrogated and canvassed. We will continue to apply our minds individually and collectively to guide the group's strategic direction and to facilitate the group's delivery of its strategic objectives.

I would like to thank the board and management for their ongoing support, particularly in this unprecedented year. The board is confident that the group's resilience, diversity, robust corporate governance and strong leadership will steer the group through these turbulent times and will emerge stronger than before.

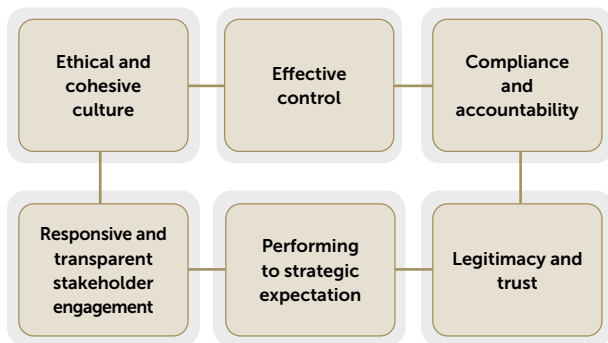
JABU MABUZA  
Chairman

31 March 2021

This governance report should be read with the separate sub-committee reports – audit, remuneration and social and ethics – in order to obtain a holistic view of the governance matters under consideration during the year under review. Certain fundamental principles are discussed in this report. These reflect the governance and workings of the board, given that the board's primary role is to exercise effective, ethical and responsible leadership in determining the group's strategy, overseeing the implementation of this strategy by the management team, and closely monitoring business performance.

## SUPPORTING VALUE CREATION THROUGH GOVERNANCE OUTCOMES, SUSTAINABILITY AS WELL AS EFFECTIVE AND ETHICAL LEADERSHIP

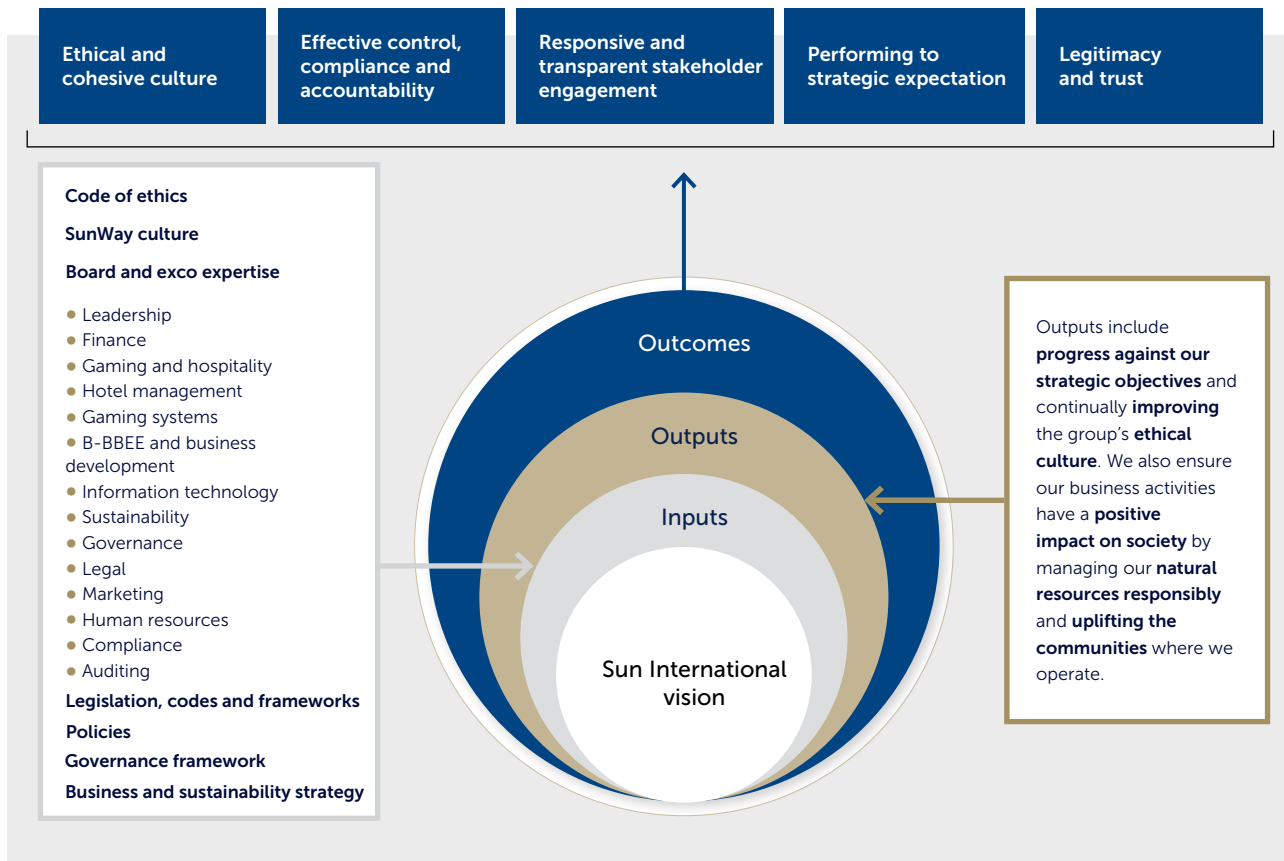
The governing body (the board) is the custodian of Sun International's corporate governance framework. It acknowledges its responsibility to lead the group in an ethical, effective and sustainable manner through the mindful application of King IV™, with substance prevailing over form. This entails the integration of the King IV™ recommended 16 principles and practices that culminate in specific outcomes mentioned below.



The group's corporate governance and sustainability approaches embrace ethical practices that are responsive to stakeholders and the environment in which we operate. Good corporate governance and sustainability are important enablers in managing the group's reputation, making strategic progress and creating stakeholder value.

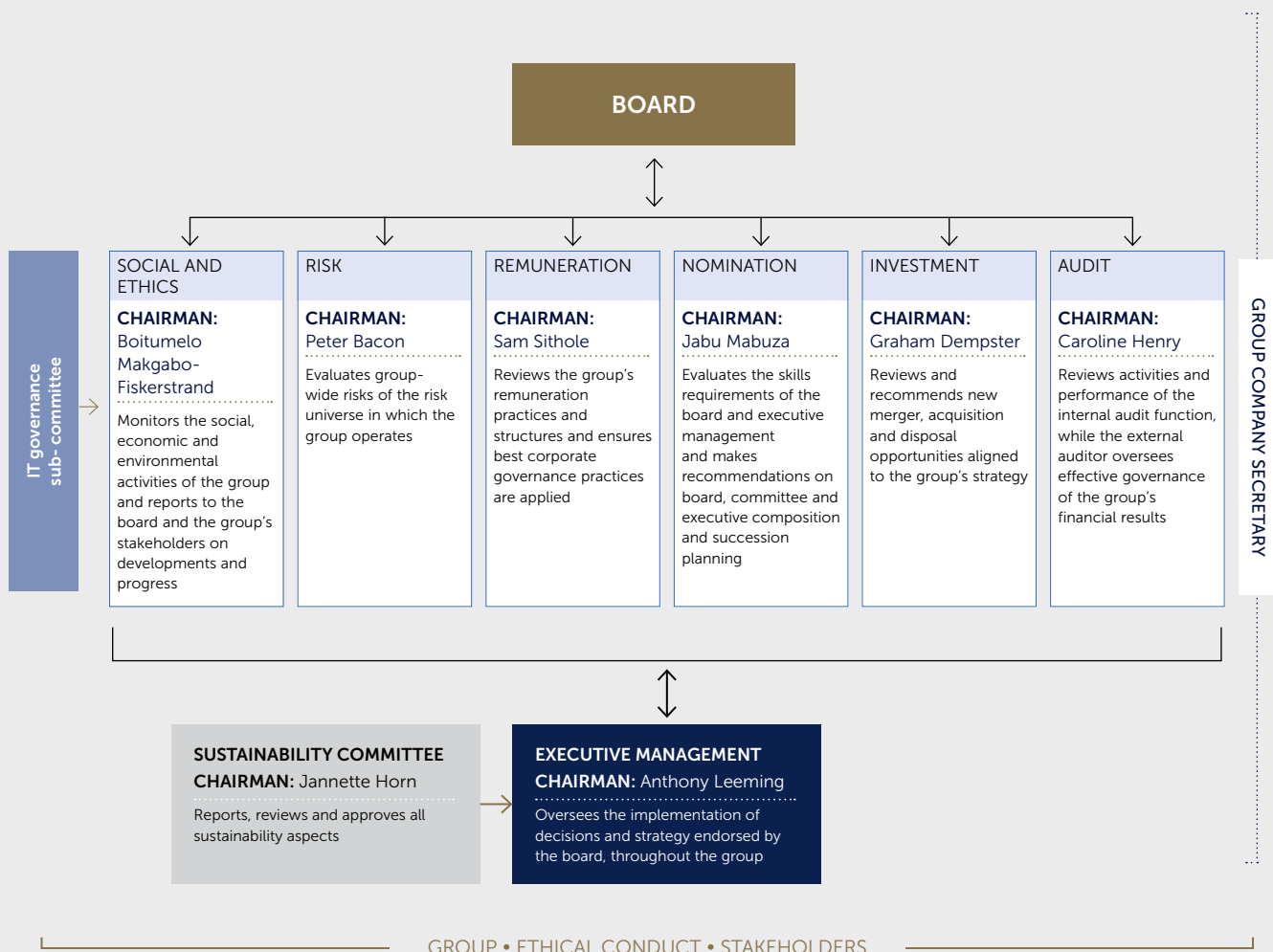
Collectively, the Sun International board and executive management have a wealth of knowledge that spans across South Africa and internationally to provide the necessary expertise to guide the group towards achieving its strategic objectives and ultimately create great memories for its guests, employees and stakeholders. The SunWay culture and code of ethics further reinforce positive behaviours to ensure a cohesive ethical culture group-wide.

Sun International's governance framework and policies are the foundation of responsible, accountable and transparent reporting. Through the various inputs and outputs, the board achieves specific outcomes that support the group's sustainable value creation. These outcomes include maintaining an ethical culture from the top down and demonstrating our commitment to responsible corporate citizenship. Through effective control of our risk universe, material matters and responsive stakeholder relations, the group maintains compliance with relevant legislation, codes and frameworks. These enable performance according to strategic expectations to enhance its legitimacy and trust among its stakeholders.



## GOVERNANCE FRAMEWORK

Sun International's governance framework provides clear direction for implementing robust governance practices in line with the Companies Act, the JSE Listings Requirements, King IV™ and Sun International's memorandum of incorporation (MoI). Our framework is underpinned by our corporate governance policies, ethics and human rights to promote an organisational culture that embraces the SunWay culture and ensures that we remain a good corporate citizen.



## KING IV™ APPLICATION AND GOVERNANCE OUTCOMES

The board is committed to best practice governance through the application of King IV™ principles. All 16 principles are applied and align with our governance outcomes as detailed in the King IV™ application register.

### BOARD OVERVIEW

The board's role is to exercise effective and ethical leadership, as well as sound judgement in directing Sun International, and thereby the group, to achieve sustainable growth in the best interests of all its stakeholders.

#### Board charter

The board operates under a formal and defined board charter that sets out specific responsibilities collectively discharged by board members and the roles and responsibilities

of individual directors. This board charter is reviewed periodically as and when necessary to ensure relevance. The board is satisfied that it has fulfilled its responsibilities in accordance with the charter for the reporting period.

To comply with best corporate governance practices, Sun International conducts board evaluations every other year. These reviews are anonymous and focus on evaluating the board individually and collectively, as well as governance issues and the group company secretary's performance of statutory and other administrative duties. The board's most recent review took place in 2020 and overall findings were pleasing, with no material deficiencies identified. The board, assisted by the nomination committee, reviews the board composition to take into account the future strategy of the group.

### Board and committee attendance: 1 January 2020 to 31 December 2020

	Board	Remuneration committee	Nomination committee	Audit committee	Social and ethics committee	Risk committee	Investment committee
<b>NON-EXECUTIVE DIRECTORS</b>							
Peter Bacon	7/7			3/3		3/3	
Leon Campher <sup>1</sup>	1/1	2/2	1/1	1/1	1/1		5/5
Enrique Cibie	7/7	5/5		3/3		3/3	
Graham Dempster <sup>2</sup>	7/7		2/2			3/3	10 /10
Dr Lulu Gwagwa <sup>3</sup>	1/1	2/2	1/1			1/1	
Caroline Henry	7/7			3/3	3/3	3/3	
Vusi Khanyile <sup>4</sup>	5/5				2/2		
Jabu Mabuza <sup>5</sup>	7/7	5/5	3/3				10/10
Boitumelo Makgabo-Fiskerstrand	7/7		2/2		3/3		
Sindi Mabaso-Koyana <sup>6</sup>	5/5	3/3					2/2
Tapiwa Ngara (alternate) <sup>7</sup>	7/7						
Sam Sithole	7/7	5/5					9/10
Zimkhitha Zatu	6/7			3/3	2/2		
<b>EXECUTIVE DIRECTORS</b>							
Norman Basthdaw	7/7			3/3	3/3	3/3	10/10
Anthony Leeming	7/7	5/5	3/3	3/3	2/3	3/3	10/10

1 Mr Leon Campher retired on 12 May 2020

2 Mr Graham Dempster appointed lead independent director on 8 June 2020

3 Dr Lulu Gwagwa retired on 12 May 2020

4 Mr Vusi Khanyile resigned as a non-executive director effective 29 October 2020

5 Mr Jabu Mabuza reappointed as chairman of the Sun International board effective 1 January 2021

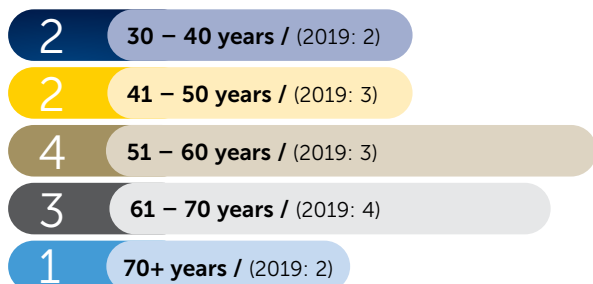
6 Ms Sindi Mabaso-Koyana appointed as a non-executive director effective 20 March 2020

7 Mr Tapiwa Ngara appointed as a full director at the end of the meeting held on 20 November 2020

## BOARD COMPOSITION

Sun International's unitary board structure comprises both executive and non-executive directors, with the latter being predominantly independent non-executive directors. The non-executive directors have the necessary skills, qualifications, industry experience and diversity to provide judgement independent of management on material board issues. In 2020, the nomination committee developed a board skills matrix to assess what the future composition of the board should look like from a skills, diversity, field of knowledge and experience perspective. The board skills matrix aligns with the group's strategy and complies with best international corporate governance practices.

### Age (at 31 March 2021)



Average age = (2020: 54 years) (2019: 56 years)

## INDEPENDENCE

The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King IV™ and the JSE Listings Requirements. During March 2020 and prior to the date of this report, the nomination committee agreed that 11 non-executive directors satisfied the independence criteria. These directors are/were: Messrs Bacon, Campher, Cibie, Dempster, Khanyile and Mabuza, and Mesdames Gwagwa, Henry, Makgabo-Fiskerstrand, Mabaso-Koyana and Zatu. Messrs Sithole and Ngara are not classified as independent non-executive directors as they represent a major shareholder of the group.

During 2020, the nomination committee conducted a rigorous independence assessment of the retiring directors, particularly those independent non-executive directors who had served on the board for nine years or longer (this being Ms Makgabo-Fiskerstrand) and concluded that she retained her independence in character and judgement, notwithstanding her length of service. There were also no relationships or circumstances that were likely to affect or be perceived to affect her independence. The board concurred with these findings and is of the view that this non-executive director continues to be effective and bring valuable experience and skills to the board, and that she will continue to exercise independent judgement.

### Independence at 31 December 2020

Independent  
8/12 **67%**

2019: 10/14 71%

Non-independent  
4/12 **33%**

2019: 4/14 29%

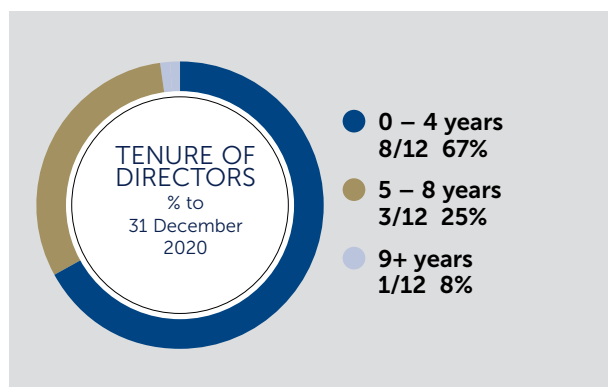
### Executive and non-executive directors at 31 December 2020

Executive directors  
2/12 **17%**

2019: 2/14 14%

Non-executive  
10/12 **83%**

2019: 12/14 86%



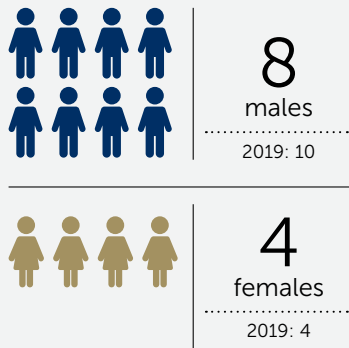
## Group diversity policy

Sun International's board-approved gender and race diversity policy, which is in line with the JSE Listings Requirements changes, includes diversity requirements broader than just gender and race and also includes culture, age, field of knowledge, skills and experience. These requirements help maintain the group's competitive advantage and optimal composition. The board's and committee's composition, collective skills (industry knowledge, experience, technical skills and governance competencies) and competency are documented and monitored in terms of a board skills matrix. Governance competencies are considered in terms of strategy and strategic planning, policy development, financial performance, risk and compliance oversight, gaming and hospitality strategy, commercial experience, stakeholder engagement and knowledge and experience in companies with operations internationally. Gaps identified on the main board included lack of sufficient youth, black female directors in terms of the B-BBEE codes of good practice, and alternate gaming and other IT skills. In respect of other diversity indicators, the group's board is satisfied that the composition of the board adequately reflects diversity and demographics.

Factors considered in ensuring appropriate gender and race targets included the current composition and expected changes in the board, the B-BBEE Codes of Good Practice, the sectoral charter for the tourism industry, the gaming board licences and their respective requirements, and the group's employment equity plan. The board achieved beyond its 30% target for female directors (33%) and exceeded its race target of 50% black directors with 58% black representation.



**Gender**  
at 31 December 2020



**Ethnicity**  
at 31 December 2020



## EFFECTIVE LEADERSHIP

The board provides effective leadership and directs the group within the group governance framework and delegation of authority.

### Chairman and lead independent director

The board is chaired by Mr Jabulane (Jabu) Mabuza, an independent non-executive director appointed as board chairman effective 14 May 2019. The chairman of the board is responsible for, among others, ensuring the integrity and effectiveness of the board's governance processes.

In terms of the company's MoI, the board chairman is subject to an annual appointment from its board members. Following the recommendation by the nomination committee, the board approved the reappointment of Jabu Mabuza as independent non-executive chairman of the group effective 1 January 2021.

The board charter, which is aligned with King IV™, requires the appointment of a lead independent director. This is particularly relevant where the board chairman is conflicted in relation to executive management, other directorships or stakeholders. Following the retirement of Mr Leon Campher on 12 May 2020, the nomination committee recommended and the board appointed Mr Graham Dempster as lead independent non-executive director, effective 8 June 2020, and he was reappointed effective 1 January 2021.

In terms of the board charter, the chairman, lead independent director and chief executive have separate responsibilities as tabled below.

#### CHAIRMAN'S RESPONSIBILITIES

Responsible for providing ethical and effective board leadership by encouraging candid board debates, overseeing the group's strategy, board succession and performance, managing any conflicts of interest, actively engaging with the chief executive, and ensuring positive stakeholder relations are maintained.

#### LEAD INDEPENDENT DIRECTOR'S RESPONSIBILITIES

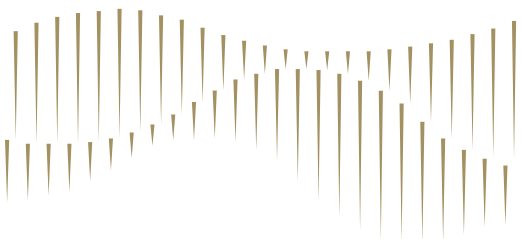
Responsible for providing support and advice to the chairman as a trusted confidant. If the chairman has a conflict of interest, the lead independent director maintains ethical and effective leadership without undermining the chairman.

The lead independent director is instrumental in leading and introducing discussion at board and committee meetings regarding the performance and evaluation of the board chairman and his remuneration.

#### CHIEF EXECUTIVE'S RESPONSIBILITIES

Responsible for effectively monitoring and managing the business and implementing the policies and strategies adopted by the board ensuring appropriate internal control mechanisms are in place to maintain compliance with all relevant laws and best practice as well as safeguarding assets and guiding and assessing executive management's performance against strategic objectives.

The chief executive delegates the appropriate authority to his management team in terms of defined levels of authority and retains accountability to the board.



## Chief executive and delegation of authority

Mr Anthony Leeming is the chief executive. The board's governance and management functions are linked through the chief executive. The chief executive's role and function is formalised, and the board, through the remuneration committee, annually evaluates his performance against specified key performance indicators. In addition, the chief executive's performance as a director is assessed by the chairman of the board in conjunction with the nomination committee. Following a performance assessment conducted in 2020, the chief executive was found to be adequately equipped and suitable to carry out the duties of his role.

## Group company secretary

Mr Andrew Johnston continued to serve as group company secretary during the year under review. Mr Johnston

holds the following qualifications: BA, LLB, FCIS PGDip in Environmental Law and a Certificate in Advanced Corporate and Securities Law. He was a member of the Accounting and Auditing Task Force of The King Committee responsible for implementing the King Report on Corporate Governance for South Africa 2016. He is a qualified and admitted attorney and served as a senior executive and group company secretary of several large publicly listed companies in South Africa over the past 28 years. The appointment and removal of the group company secretary is a matter for the board as a whole.

In line with the JSE Listings Requirements, the board is satisfied that, following an assessment by the nomination committee, the group company secretary has the requisite competence, qualifications and experience to carry out the duties of his role. The board believes that in each instance, the group company secretary has maintained an arm's-length relationship with the board and its directors.

### Group company secretary responsibilities include the following:

Guides	Provides	Ensures	Facilitates	Distributes	Certifies
The board and committees (collectively and individually) on how their responsibilities should be discharged in the company's best interests.	Ongoing legal, secretarial and corporate governance support and advice to the board.	Appropriate induction of board members on joining the board in terms of their responsibilities.	Ongoing board training to ensure directors are made aware of relevant legislation, codes or frameworks impacting the group.	Board packs and the minutes of all the board and committee meetings and ensures that copies of the group's annual financial statements are distributed to relevant persons.	That the group has filed the required returns and notices as per the Companies Act and complied with the JSE Listings Requirements.

## ETHICAL LEADERSHIP

### CODE OF ETHICS

The group subscribes to the highest standards of lawful, ethical and responsible business conduct. The group seeks to achieve sustainable growth by recognising the vested interests of all stakeholders and the group's commitment to sustainable business practices. The code of ethics is premised on the SunWay culture, aimed at identifying enabling and disabling behaviours across the group, our values (teamwork, passion, customer first and professionalism), and our CLEAR (connect, listen, engage, act and reconnect) principles and strategy. A copy of the group code of ethics can be accessed on Sun International's corporate website <https://corporate.suninternational.com/investors/investors-governance/code-of-ethics/>.

In Nigeria, the TCN has its own code of ethics and regularly reports any ethical issues to the TCN board.

### ETHICS ADVICE FACILITIES AND WHISTLEBLOWING HOTLINE

Stakeholders have several avenues to report and discuss ethical issues and concerns. These include the group's 24-hour anonymous tip-off hotline independently run by Deloitte, an in-house walk-in function at any of the ethics office representatives, and a dedicated, secure and confidential ethics office email address to which whistleblowing incidents and/or ethical concerns or dilemmas can be emailed. Anonymity is always maintained to curb perceptions of victimisation or fear of intimidation. All stakeholders are encouraged to report events or suspected events of bribery, corruption, improper inducement, or any other unlawful conduct, through these incident reporting channels.

The group has a confidential ethics whistleblowing hotline facility, in compliance with section 159(7) of the Companies Act and the Protected Disclosures Act, which is made available to all group stakeholders.

The Deloitte anonymous tip-off hotline has trained operators who respond to calls in all South Africa's official languages and guide stakeholders through standardised questions. Once a tip-off has been reported, the ethics office is notified and all tip-offs reported are confidentially investigated, monitored and actioned accordingly. The chief executive is advised of any matter involving senior management. Closed sessions are held between the social and ethics committee chairman and the ethics officer after each social and ethics committee meeting, to discuss any material ethical issues reported group-wide.





ETHICS MANAGEMENT

The ethics office acts on the mandate set out in the social and ethics committee's terms of reference. The ethics office is an active and dedicated department within the group, comprising Sun International's group ethics officer, chief financial officer, director: corporate services and director: internal audit. Its duties include creating awareness around ethical behaviour and discouraging unethical behaviour.

Sun International has several processes, policies, codes and controls in place and supports several initiatives to ensure a cohesive ethical culture is seamlessly applied group-wide. The code of ethics is supported by associated ethics-related policies which include, among others, the group supplier code of conduct, anti-fronting statement, the suite of group sustainability related policies, the anti-corruption and economic crime policy, the fraud policy, the code of conduct policy, and the conflict of interest policy.

The board and executive committee will be signing renewed declarations during 2021 reflecting their personal commitment to the Sun International code of ethics as part of their commitment to ethical leadership. The ethics office predominantly uses the mobile communication platform, SunTalk to enhance and promote an ethical culture, which allows real-time communication between the group, management and employees.

The code of ethics helps the group fulfil its responsibility to all stakeholders and proactively enforces all stakeholders to abide by, and operate within, the code of ethics. All suppliers and service providers are also required to abide by the group's supplier code of conduct, which is based on recognised international standards, principles and best practices relating to, among others, labour conditions, human rights, competitive conduct, occupational health and safety, environmental impacts and combating bribery and corruption.

GROUP VALUES

Our values represent an unwavering commitment to behaving in a consistent, positive manner every day, in everything we do.

- Team work
- Customer first
- Passion
- Professionalism

SUNWAY

Employees are committed to the group's SunWay culture, which is consistently driven through all employee and customer services initiatives. The SunWay culture confirms that employees recognise their responsibilities to uphold the principles that support the establishment of an ethical culture and that they abide by the principles enforced in the code of ethics.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Sun International embraces the United Nations SDGs, and we endeavour to contribute to achieving them through our operations and business strategies. The six SDGs depicted below are the most relevant to Sun International and remain a focus for 2021. Progress against Sun International's SDGs is detailed in the [governance and sustainability](#) section.



CONFLICTS OF INTEREST

Directors are required to inform the board of any conflicts or potential conflicts of interest that they may have in relation to any area of business. Directors are required to recuse themselves from discussions or decisions on any matters where they have conflicts, or potential conflicts of interest, in terms of the Companies Act, board charter and a separate policy.

INSIDER TRADING AND DEALING IN SECURITIES

The following policies are in place:

**Group disclosure policy**

This policy deals with the determination of price-sensitive information, the maintenance of confidentiality and the prompt dissemination of such information in accordance with JSE Limited guidelines. This policy is applicable to all group employees.

**Dealing in securities policy**

This policy regulates the dealings in securities of Sun International by directors, the group company secretary, directors of major subsidiaries, prescribed officers and other employees of the group in compliance with this policy, the JSE Listings Requirements and the Securities Services Act 36 of 2004.

This policy is applicable to all employees and directors who may be deemed to be insiders for the purposes of dealing in the company's securities. Furthermore, this policy is binding on the immediate family members of all persons deemed to be insiders and any persons who may have acquired insider information from an insider.



EQUAL PAY FOR WORK OF EQUAL VALUE

The work around equal pay for work of equal value (EPWEV) is an ongoing process. The EPWEV principles are applied when appointing new employees, promoting existing employees as well as reviewing all employees to ensure EPWEV.

TRANSPARENCY IN CORPORATE REPORTING SOUTH AFRICA

Sun International remains committed to improved reporting practices and transparency around activities and performance in combating corruption. During 2020, Sun International participated in the survey by Transparency in Corporate Reporting (TRAC) 2020 prepared by Corruption Watch and the Overseas Development Institute (ODI) in London, with support from the National Business Initiative (NBI). TRAC 2020 was a follow-up to TRAC 2016. TRAC 2020 included an expanded survey drawing on both Transparency International and on the Global Reporting Initiatives (GRI) Standards. Based on publicly available information, this benchmarking study ranked 100 corporations in South Africa, with Sun International being ranked number 24. Among industries, retail and tourism scored highest overall and on anti-corruption programmes (70.7% and 69.1% respectively), followed by finance, insurance and real estate (65.5% and 65.1%) and heavy industry and machinery (61.9% and 62.1%).

Sun International fared well in terms of anti-corruption reporting transparency and remains focused on continual improvement thereof. The table below reflects the scoring of the sample average as compared to Sun International's score awarded across the benchmarking criteria.

Theme	Sample average score	Sun International score
Across all three themes listed below (100%)	59.5%	73.5%
Anti-corruption programmes in terms of policy, management and activities (weighted at 80%)	58.7%	70.6%
Organisational transparency relating to information on subsidiary and associated companies (weighted at 10%)	89.9%	100%
Country-by-country reporting of key financial data for operations outside South Africa (weighted at 10%)	36.2%	70%

UNITED NATIONS GLOBAL COMPACT



Sun International remains committed to embedding the 10 United Nations Global Compact (UNGC) Principles as part of its business strategy, culture and day-to-day operations. These principles cover human rights, labour, environment and anti-corruption.

ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT



The group adheres to the guidelines for multinational enterprises regarding anti-corruption.

RESPONSIBLE GAMBLING



Being a responsible corporate citizen is part of the group's DNA and we fully support responsible gambling through the South African Responsible Gambling Foundation, the entity that supervises the National Responsible Gambling Programme (NRGP) in cooperation with the gambling industry operators and governmental regulators. The NRGP integrates education, research and treatment into one programme. In 2020, Sun contributed R4.5 million (2019: R8.5 million) towards the NRGP in respect of casinos, sports betting and limited payout machines (LPMs) collectively.



## BOARD PROCESSES

To operate effectively, the board and its committees conduct several processes and procedures that align to legislative requirements, King IV™ and best practice.

### Board appointments and rotation of directors

Procedures for appointment to the board are formal, transparent and concern the whole board. The board is assisted in this process by the nomination committee, which applies specific criteria for selecting board directors. In terms of the company's MoI, new non-executive directors appointed since the last AGM may only hold office as casual vacancies until the next AGM, at which time they will be required to retire and offer themselves for election.

In accordance with the company's MoI, one-third of the non-executive directors are required to retire at each AGM and, if eligible, may offer themselves for election or re-election, as the case may be. The directors who are to retire are firstly those who have been appointed to fill a casual vacancy and secondly those who have held their positions the longest period since their last election or re-election. In addition thereto, and if at the date of any AGM of the company any non-executive director will have reached the age of 70 years or older and/or held office for an aggregate period of nine years since his or her first election or appointment, he or she shall retire at such meeting, either as one of the non-executive directors to retire in pursuance of the foregoing. Additionally thereto, and being eligible, they may offer themselves for election or re-election. At the forthcoming AGM, Mr Peter Bacon, Mr Jabu Mabuza, Ms Boitumelo Makgabo-Fiskerstrand, Mr Sam Sithole and Ms Zimkhitha Zatu will retire from the board in accordance with articles 25.6.1 and 25.17 of the company's MoI while Mr Tapiwa Ngara retires from the board in accordance with articles 25.5 and 25.17 of the company's MoI.

The nomination committee reviewed the board composition against corporate governance and transformation requirements and recommended the election/re-election of these directors.

A brief CV of each director offering themselves for election/re-election is provided online as Annexure B to the annual statutory report.

### Nomination and selection process for board appointments

The nomination committee is mandated by the board and its terms of reference to regularly review the composition of the board and its committees. If deemed necessary, the nomination committee makes recommendations to the board on its composition, any new appointments and board committee membership. The nomination committee reviews the annual employment equity results of the group and the board skills matrix, and ensures succession planning for the board and committees.

### Board induction

The chairman, in consultation with the group company secretary, is responsible for ensuring each director receives an induction on joining the board, as well as training in terms of their board responsibilities. During the induction process, each new non-executive director meets with key executive management to better understand the group's operations. The company conducts specific JSE Listings Requirements training for each new director, so they are familiar with the regulations affecting listed companies. The directors also meet with the company's sponsor, Investec. The directors have access to a directors' handbook that includes a quick reference to their duties and responsibilities.

### Ongoing director training and development

Keeping up to date with key business developments within the group and industry is essential to enhancing the board's effectiveness. During 2020 the scheduling of face-to-face training sessions was impacted by the coronavirus pandemic. Where possible, keeping up to date with key business developments was however achieved by:

- presentations from executives on matters of significance to the group
- engagement with the major investors on their market views
- circulation of articles, briefings and updates on the regulatory environment, from external specialists and the group company secretary. A training session on money laundering risk mitigation took place during the first quarter of 2021.

Following the board's ongoing review of its effectiveness, the board is confident that all members have the requisite knowledge, skills and experience to perform the functions required of a director of a listed company.

### Succession planning

Succession planning, which involves identifying, developing and advancing future leaders and executives of the group, is an ongoing board responsibility and is facilitated by the nomination committee. Detailed succession and talent plans are presented annually to the nomination committee. The nomination committee reviews the composition of the board and all committees, and the committee members' readiness to succeed a committee chairman if the need arises. This also applies to the executive committee, prescribed officers and general managers of the units.

## Board, directors and committee evaluations

The board, board chairman, lead independent director, board committees and board members are evaluated every other year, or more frequently as required, on their performance in relation to their governance of economic, environmental and sustainability issues, and board and committee processes and procedures. Every other year, the board reviews the performance of each of the board committees and the statutory audit committee to ensure that their composition, mandate and authority enable them to provide effective assistance to the board in the key areas in which they function. In 2020, Sun International conducted board and committee evaluations, which revealed no material deficiencies. Overall, the findings were pleasing and committee members felt that the board and committees were run effectively.

An external board and committee evaluation is conducted every six years. Sun International remains cognisant that the performance of the board, and statutory and board committees is essential considering the increased focus on accountability, transparency and creating value.

## Board meetings

A minimum of four board meetings are scheduled for each financial year. However, due to the pandemic and in order to constantly monitor and mitigate the negative effects on the business, two additional meetings were held during 2020. Regular briefings took place between management and the board. An independent committee of the board met to deal with the purported takeover and to deal with the Takeover Regulations Panel and the rights offer in 2020. The board held a seventh meeting in the form of its annual strategy session with the broader executive management team, to deliberate on the group's strategic direction and agree on the group's annual budget as proposed by management. The group's key strategic objectives are set at the strategy meeting and progress is reported at each board meeting.

## BOARD COMMITTEES AND ATTENDANCE

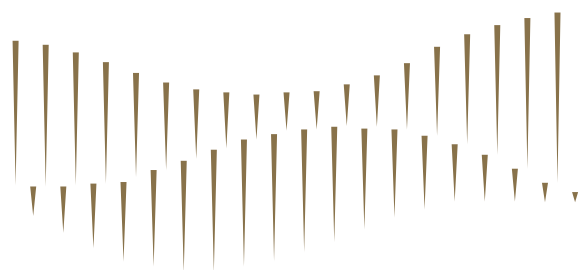
The board and its committees have a symbiotic relationship that ensures knowledge is shared, and not siloed, across the committees. The board is authorised to form committees to assist in executing its duties, powers and authorities, and has one statutory committee, and five board committees.

The board approved the strategy developed and presented by management and oversees that management implements the strategy. This is supported by committees that focus on specific areas within the business. The committees' composition and committee member attendance during the year are tabled in the sections to follow.

Each committee comprises three or more members, the majority of whom are independent. All committees operate in accordance with their terms of reference, which are reviewed and updated annually where applicable, to ensure alignment with the latest developments in legislation, King IV™, the JSE Listings Requirements and business requirements. Key senior management members are invited to attend certain meetings as invitees and to provide input on matters for discussion.

Sun International's audit committee performs the same function for all Sun International's subsidiary companies as well as Meropa, being an associate company. This is subject to annual confirmation. The Sun International social and ethics committee performs the same function for all Sun International subsidiaries. Meropa has however established its own social and ethics committee.

Each committee satisfied itself that it discharged its responsibilities in accordance with its terms of reference during the year under review.



AUDIT COMMITTEE

Committee member	Number of meetings	Attendance
Caroline Henry	3	3
Enrique Cibie	3	3
Leon Campher <sup>1</sup>	1	1
Zimkhitha Zatu	3	3
Peter Bacon	3	3
<b>Right of attendance</b>		
Anthony Leeming (CE) <sup>†</sup>	3	3
Catherine Nyathi <sup>2†</sup>	2	2
Muxe Mambana <sup>3†</sup>	1	1
Norman Basthdaw (CFO) <sup>†</sup>	3	3

1 Mr Leon Campher retired on 12 May 2020  
 2 Ms Catherine Nyathi resigned as director of internal audit on 30 September 2020  
 3 Mr Muxe Mambana was appointed as the director of internal audit on 1 October 2020  
 † Executive  
 In addition to the above, certain key members of senior management attend the audit committee meeting by invitation, as well as the external audit

**Committee purpose:**

- enhances the credibility of financial reporting
- ensures an effective control environment is maintained by supporting the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and controls, risk management and the integrity of financial statements and reporting
- reviews activities of the internal audit function and the external auditor
- oversees effective governance of the group's financial results.

FOCUS AREAS IN 2020

**Reviewed the:**

- group's financial position, capital and liquidity, going concern
- impact of relevant accounting standards
- internal controls within the business and satisfied itself that there were no material breakdowns in systems and controls and that the company has established appropriate financial procedures and that those procedures are working effectively
- group's integrated annual report
- reports from the company's legal, compliance, audit and tax departments
- feedback on the Sun Dreams financial review and risk committee deliberations
- embedding of combined assurance initiatives across the group
- ongoing integrated approach in relation to the risk and audit committees, with oversight on the material risks facing the group
- the audit committee self-evaluation exercise
- group's tax reports and noted the provisional tax deferrals granted by SARS in light of Covid-19.

**Approved the:**

- non-audit related services provided by the company's external auditor PricewaterhouseCoopers (PwC)
- auditor's terms of engagement and the audit fees to be paid to the auditor
- recommendation to shareholders of the reappointment of PwC as the external auditor FY 2021 at the AGM.

**Satisfied itself as to the:**

- fulfilment of the audit committee's duties pursuant to Section 94 of the Companies Act
- competence of the chief financial officer, who is an executive director, and was satisfied with his expertise and experience
- establishment of appropriate financial reporting procedures and that those procedures are operating, which included consideration of all entities included in the consolidated group IFRS financial statements to ensure that the audit committee has access to all the financial information of Sun International to allow Sun International to effectively prepare and report on the financial statements of Sun International
- audit committee having access to all financial information to allow the group to effectively prepare and report on the financial statements
- chief executive's and chief financial officer's signed responsibility statement which confirms that the company's annual financial statements are complete and an accurate reflection of the group's financial performance as well as confirming that adequate and effective internal controls are in place. See [audit committee report](#) for more detail
- information received from the external auditor in accordance with paragraph 22.15(h) of the JSE Listings Requirements (and following consultations with the external auditor in this regard) in the assessment of their suitability regarding the external auditor's reappointment, as well as the designated individual partner, and that the appointment and independence of the external auditor as per the requirements of the Companies Act, and that the individual audit partner was an accredited auditor (as per the JSE Listings Requirements)
- appointment and independence of the external auditor as per the requirements of the Companies Act and that the individual audit partner was an accredited auditor (as per the JSE Listings Requirements)
- group's ability to meet all obligations and operate as a going concern for the following 12-month period
- risk committee's overview of the top risks within the group
- absence of material concerns in terms of cyber attacks
- self-evaluation assessment of the committee and was satisfied overall that it was extremely positive
- performance of audit committee functions required under Section 94(7) of the Companies Act on behalf of the company's subsidiaries and associate companies
- Non-audit-related services performed by PwC not impairing the independence of PwC
- that the audit committee has executed its responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements

**Recommended the:**

- company's interim and audited annual financial statements to the board for consideration and approval
- reappointment of the external auditor PwC.

Looking ahead  
the committee  
will focus on:

- the rotation of auditors in compliance with IRBA's mandatory audit firm rotation requirement – in terms of Section 92(1) of the Companies Act, the same individual auditor may not serve as the designated individual auditor for more than five consecutive years and was replaced for FY2021.
- continuing to review reports presented by the JSE regarding its proactive monitoring process
- implementing recent changes to the JSE Listings Requirements.
- monitoring accounting reporting standards.
- monitoring POPIA action plans and appropriate compliance controls to be implemented.
- continuing with its obligations of an audit committee in terms of the Companies, JSE and King IV™.



NOMINATION COMMITTEE

Committee member	Number of meetings	Attendance
Jabu Mabuza	3	3
Leon Campher <sup>1</sup>	1	1
Lulu Gwagwa (Dr) <sup>2</sup>	1	1
Graham Dempster <sup>3</sup>	2	2
Boitumelo Makgabo-Fiskerstrand <sup>4</sup>	2	2
<b>Right of attendance</b>		
Anthony Leeming (CE) <sup>†</sup>	3	3

1 Mr Leon Campher retired on 12 May 2020  
 2 Dr Lulu Gwagwa retired on 12 May 2020  
 3 Mr Graham Dempster was appointed a committee member on 8 June 2020  
 4 Ms Boitumelo Makgabo-Fiskerstrand was appointed a committee member on 8 June 2020  
 † Executive

**Committee purpose:**

- evaluates the skills requirements of the board, committees and executive management
- continuously evaluates the performance of the chairman, lead independent director, board committees and its members, and the group company secretary for recommendation to the board
- makes recommendations on board, committee and executive composition, succession planning and diversity
- considers the independence of directors and their correlating classification and thereafter makes recommendations to the board
- ensures that employment equity and race diversity is considered in all appointments and that the board's employment equity status is either maintained or improved
- confirms the appointment of employer-appointed trustees to the provident fund.

FOCUS AREAS IN 2020

**Reviewed the:**

- performance of the non-executive directors and the audit committee members standing for re-election at the AGM held on 12 May 2020
- composition of the board committees with specific focus on succession planning and recommended changes to the membership to further strengthen the committees, in terms of the compiled board skill matrix
- gender and race targets and other diversity considerations, to ensure these were addressed
- self-evaluation feedback on the committee reviewed, which was positive
- development of black employees for top and executive management positions.

**Assessed the:**

- independence of the non-executive directors
- performance of the chairman, deputy chairman and the lead independent director
- competence of the group company secretary.

**Satisfied itself as to the:**

- competence, experience and qualifications of the group company secretary
- succession plan for Sun International's executive management, the group chairman, chief executive, chief financial officer and prescribed officers
- fact that a diversity policy is in place and is on the company's website
- fact that there is a board skills matrix in place
- achievement of voluntary targets of black directors and female directors on the main board.

**Recommended the:**

- appointment of Mr Tapiwa Ngara and Ms Sindisiwe Mabaso-Koyana as non-executive directors on the main board
- reappointment of Mr Jabu Mabuza as chairman of Sun International and the appointment and reappointment of Mr Graham Dempster as the group's lead independent director, as well as appointments to the board, board committees and the Sun International Employee Share Trust.

**Confirmed the:**

- various trustee appointments to the pension and provident funds and sub-committees.

Looking ahead the committee will focus on:

- monitoring the skills, experience and composition requirements of the main board and committees, with specific focus on increasing the black female, youth and alternate gaming skills complement considering the group's gender, race and diversity policy and diversity requirements per the JSE Listings Requirements
- ongoing monitoring of non-executive directors' independence and potential conflicts of interest
- succession and developmental planning throughout the group and on the main board to ensure talent is retained and/or sourced, especially black talent, particularly black females.



RISK COMMITTEE

Committee member	Number of meetings	Attendance
Peter Bacon	3	3
Norman Basthdaw (CFO) <sup>†</sup>	3	3
Dr Lulu Gwagwa <sup>1</sup>	1	1
Anthony Leeming (CE) <sup>†</sup>	3	3
Enrique Cibie	3	3
Caroline Henry	3	3
Graham Dempster	3	3
Thabo Mosololi (COO) <sup>2†</sup>	1	1
Verna Robson <sup>†</sup>	3	3
Zaine Miller <sup>3†</sup>	3	3

1 Dr Lulu Gwagwa retired on 12 May 2020  
 2 Mr Thabo Mosololi resigned on 30 April 2020  
 3 Mr Zaine Miller resigned on 23 February 2021  
 4 Mr Graham Wood was appointed on 11 March 2021  
 † Executive  
 In addition to the above, certain key members of senior management attend the risk committee meetings by invitation

**Committee purpose:**

- reviews the adequacy, effectiveness and integrity of the group's risk management and internal controls, and assists the board to discharge its functions in terms of the management, assurance and reporting of risks
- provides oversight of the IT governance risks
- monitors and reviews stakeholder engagement with regard to assessing and dealing with stakeholder issues and concerns
- assesses the compliance environment in which the group operates
- reviews and satisfies itself regarding the group's insurance portfolio.

FOCUS AREAS IN 2020

**Reviewed the:**

- material matters and top risks which had the potential of significantly impacting the group's ability to create and sustain value
- risk methodology and ranking of risks that were implemented to assess group-wide risks
- policies within the group to ensure they are updated and align with best practice
- group insurance and claims
- committee's self-evaluation results for FY2020, which were positive
- cyber risk, which was generally well covered; however, the committee required a deeper dive into cyber risks.

**Monitored the:**

- progress on the renewal of gaming licences in South Africa, as well as GrandWest licensing exclusivity
- progress of the National Gambling Amendment Bill and Companies Amendment Bill.

- group's key risks and ensured adequate mitigation actions are in place to manage them
- sustainability risks impacting the group across the environmental, health, safety and wellbeing and SED functions
- IT systems in place to address the increase in cybercrime
- all proposed legislation that will/could impact the group including POPIA, FICA, gaming tax, carbon tax and smoking legislation
- risk relating to further downgrading of South Africa's credit rating
- impact of Covid-19 and related lockdown restrictions
- interaction and continued improvement of relationships with minority stakeholders.

**Considered the:**

- insurance policies and practices for the group and reviewed the consolidated insurance cover for the group
- impact of Covid-19 on the business.

Looking ahead  
the committee  
will focus on:

- continuing to monitor the group's IT governance structure to ensure it addresses critical IT risk and IT investments, particularly retaining IT resources, and other critical skills
- ongoing monitoring of the Covid-19 impact on revenue generation and focus on domestic leisure industry
- ongoing monitoring of cybersecurity controls as cyber-attacks increase
- ongoing monitoring of legislation impacting the group, including the proposed Tobacco Bill, Protection of Personal Information Act, General Data Protection Regulation, Companies Amendment Bill, National Gambling Amendment Bill and increases in gaming taxes and levies
- ongoing focus on continued relationship building with minority shareholders
- employee wellness and retention as a risk to the group.



SOCIAL AND ETHICS COMMITTEE

The social and ethics committee is constituted as a statutory committee in respect of its statutory duties in terms of Section 72(4) of the Companies Act, read together with Regulation 43 of the Companies Act, and as a board committee in respect of its responsibilities prescribed by the board in its mandate and terms of reference.

Committee member	Number of meetings	Attendance
Boitumelo Makgabo-Fiskerstrand	3	3
Leon Campher <sup>1</sup>	1	1
Caroline Henry	3	3
Vusi Khanyile <sup>2</sup>	2	2
Anthony Leeming (CE) <sup>†</sup>	3	2
Zimkhitha Zatu <sup>3</sup>	2	2
<b>Right of attendance</b>		
Norman Basthdaw (CFO) <sup>†</sup>	3	3
Andrew Johnston <sup>†</sup>	3	3
Jannette Horn <sup>4</sup>	3	3
Verna Robson <sup>4†</sup>	3	3

1 Mr Leon Campher retired effective 12 May 2020  
 2 Mr Vusi Khanyile resigned effective 29 October 2020  
 3 Ms Zimkhitha Zatu was appointed a member of the committee on 8 June 2020  
 4 Mrs Jannette Horn is the head of sustainability and Ms Verna Robson is director: human resources  
 † Executive  
 In addition to the above, certain key members of senior management attend the audit committee meeting by invitation.

**Committee purpose:**

- monitors the group’s social, transformation, economic and environmental performance and the social impact of its reputational risk
- reports to the board and the group’s stakeholders on social, transformation, economic and environmental developments and progress
- oversees the group’s ethical conduct and confirms that it carries out its responsibilities in accordance with Section 72 and Regulation 43 of the Companies Act and Companies Regulations 2011, respectively as well as the JSE Listings Requirements and Sun International’s memorandum of incorporation (Moi).

FOCUS AREAS IN 2020

**Reviewed the:**

- cannabis and smoking policies and approved the same
- sustainability matters pertinent to the group, such as energy and water consumption, and zero-waste-to-landfill at certain operations
- reports issued in relation to consumer relations and adherence to consumer laws, and the group’s marketing practices
- policies and procedures implemented across the group in terms of Covid-19 protocols
- whistle-blowing report
- B-BBEE verification process
- implementation of practices and policies to ensure the group’s remuneration policies are fair and equitable
- committee’s self-evaluation assessment. No material concerns were highlighted by committee members.

**Monitored the:**

- material matters arising from the group’s ethics hotline and feedback received from the ethics office
- company’s employment equity progress in accordance with the group’s employment equity plan and the company’s B-BBEE results as issued by the verification agency
- group’s social, health, safety and wellness and environmental and transformation performance in line with relevant codes and legislation, and the principles set out in the UNGC, as well as the OECD recommendations regarding corruption
- projects undertaken in relation to SED and the CSI spend
- ongoing pressures being exerted on the group by various community forums
- group’s engagement with stakeholders on the group’s social, transformation, economic and environmental progress
- group’s employee wellness programme, especially in the light of the pandemic
- group’s communication with employees during the pandemic, especially through emails and the online platform (Sun Talk app).

**Satisfied itself that:**

- it has fulfilled its mandate in terms of Regulation 43 of the Companies Regulations, 2011. There were no known instances of material non-compliance with legislation or regulations, or non-adherence with codes of best practice in terms of the areas within the committee’s mandate during the year under review or repeated regulatory penalties, fines, censure or compliance orders
- the group has operated as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development
- Sun International was compliant in all material aspects with the requirements of the Companies Act, the Companies Regulations 2011, the JSE Listings Requirements and its MOI.

Looking ahead the committee will focus on:

- monitoring the group’s social, transformation, economic and environmental performance
- ongoing transparent and proactive engagement with communities where we operate
- monitoring the group’s progress against the six prioritised sustainable development goals
- implementing a diversity and inclusion strategy and focusing on equal pay for work of equal value to reduce the gender pay gap within the group
- increasing training and communication with employees through the Sun Talk platform, and engagement with employees in terms of their wellness through the employee wellness programme
- monitoring adherence to Covid-19 protocols, policies, and procedures group-wide
- provisions relating to a social and ethics committee in the proposed Companies Amendment Bill.





REMUNERATION COMMITTEE

Committee member	Number of meetings	Attendance
Leon Campher <sup>1</sup>	2	2
Dr Lulu Gwagwa <sup>2</sup>	2	2
Enrique Cibie	5	5
Sam Sithole <sup>3</sup>	5	5
Jabu Mabuza	5	5
Sindi Mabaso-Koyana <sup>4</sup>	3	3
<b>Right of attendance</b>		
Anthony Leeming (CE) <sup>†</sup>	5	5
Verna Robson <sup>†</sup>	5	4

1 Mr Leon Campher retired effective 12 May 2020  
 2 Dr Lulu Gwagwa retired effective 12 May 2020  
 3 Mr Sam Sithole appointed as the chairman of the committee on 8 June 2020  
 4 Ms Sindi Mabaso-Koyana appointed as a member of the committee on 8 June 2020  
 † Executive

**Committee purpose:**

- assists the board to discharge its responsibilities to ensure fair and responsible remuneration by the group
- reviews and recommends the group's remuneration policy and oversees its implementation
- oversees benefit schemes in the group such as pension, provident fund and medical aid
- reviews proposed changes to the short-term incentive scheme (STI) and the long-term share-based incentive plans.

FOCUS AREAS IN 2020

**Reviewed the:**

- group remuneration policy and practices, the annual STIs (executive bonus scheme) and the long-term share-based incentives following engagement with shareholders
- non-executive directors' fees with effect from 1 July 2020 and recommended approval of fees following a benchmark exercise conducted by 21st Century
- retirement funding matters and healthcare benefits
- succession planning
- equal pay for work of equal value evaluations
- improved disclosure practices relating to a gender pay gap analysis.

**Approved the:**

- KPIs for executive committee members and general managers for FY2020 and confirmed the performance rating for the chief executive for the 2019 financial year
- confirmation of the total cost of employment increases for exco members and general managers FY2020 and approved annual bonuses for the 2019 financial year
- new share incentive plan rules known as the Conditional Share Plan, which was approved by shareholders
- remuneration policy and implementation report submitted to shareholders at the AGM.



- continuing to improve annual remuneration practices disclosure
- improving engagement with shareholders in accordance with the principles enunciated by King IV™
- continued dialogue with shareholders around evolving remuneration practices and policies
- progressing the EPWEV analyses initiated by Human Resources and ensuring remuneration practices are aligned with the principles of fairness and responsibility, in terms of the gender pay particularly among female, lowest paid to highest paid
- assessing talent requirements in conjunction with succession plans.



INVESTMENT COMMITTEE

Committee member	Number of meetings	Attendance
Graham Dempster	10	10
Leon Campher <sup>1</sup>	5	5
Sam Sithole	10	9
Jabu Mabuza	10	10
Sindi Mabaso-Koyana <sup>2</sup>	2	2
<b>Right of attendance</b>		
Anthony Leeming (CE) <sup>†</sup>	10	10
Norman Basthdaw (CFO) <sup>†</sup>	10	10

1 Mr Leon Campher retired effective 12 May 2020  
2 Ms Sindi Mabaso-Koyana appointed as a member of the committee on 8 June 2020  
† Executive

**Committee purpose:**

- operates under a separate mandate of the board and is chaired by an independent non-executive director
- considers and evaluates, on an ad hoc basis, the viability of proposed investment opportunities (mergers and acquisitions), disposals and expansion projects for recommendation to the board for consideration and approval
- reviews the capex budget of the group
- regularly values the portfolio of group assets to see where returns on investment are being achieved.

FOCUS AREAS IN 2020

- disposal of Sun Dreams during the year
- reviewed and approved the committees mandate and terms of reference
- noted the capex budget for 2019 and capex budget for 2020
- reviewed a number of small acquisitions and disposals
- the combined valuation of the group.

Looking ahead the committee will focus on:

Due to the nature of the price-sensitive information discussed during the investment committee meeting, which may not already be in the public domain, no further details pertaining to the deliberation of this committee or focus areas are disclosed in this report.

IT GOVERNANCE

The board is responsible for overseeing IT governance within Sun International, which operates within its IT mandate, incorporating King IV™ IT governance requirements and is aligned with the group's strategic objectives. The board delegates the group's IT responsibilities to the IT governance sub-committee, which reports to the risk committee. This IT governance sub-committee provides oversight to ensure appropriate governance and management of enterprise IT, which includes updates on key IT strategic projects and investments, operational stability and cyber threats. In addition, it provides assurance on managing key risks and audit findings together with the status of mitigation plans. Sun International's director: information and technology reports directly to the chief executive and is responsible for IT operations and IT strategy within the group.

Sun International's IT governance framework continues to strengthen group-wide IT investment decision-making and has enhanced its alignment to business needs. This has positioned the group to better co-ordinate delivery of group-wide initiatives, identify internal efficiencies and standardise systems and processes. Further detail on IT governance developments are included in the [chief executive's overview](#), [improve our existing operations](#) and our [guest experience](#) as well as [protect and leverage our existing asset portfolio](#).

Driving the 2021 strategy requires us to build foundational and differentiating IT capabilities that enable data and information as a key differentiator; develop strong security and cyber resilience, enable digital opportunities and achieve operational simplicity.



## SUPPORTING SUSTAINABLE BUSINESS PRACTICES

The group is aware of its responsibility to be a good corporate citizen as it considers sustainability and the potential business impact on all stakeholders and the environment. Sustainability is interwoven into Sun International's business strategy and decision-making process, from board and management level to our employees at each unit.

Achieving the group's key strategic imperatives is underpinned by the group's sustainable business practices and is often an enabler by ensuring that a sound corporate reputation and the group's brand are synonymous. Two strategic objectives – our people and governance and sustainability – ensure that sustainability remains at the heart of our business operations. The group's sustainability agenda also influences three other strategic objectives: improving our existing operations and our guest experience, protecting and leveraging our existing asset portfolio, and growing our business into new areas and products.

The group's sustainability approach continues to evolve and includes, among others, measurable sustainability practices that engage all our stakeholders through relevant internal and external sustainability reporting, face-to-face community engagement; health, safety, wellbeing and environmental initiatives; and sustainability campaigns.

During 2020, the board engaged the services of an external assurance provider to provide an independent assurance statement on the group's sustainability reporting. This external review assessed the processes and data reported in the integrated annual report for the environment, occupational health and safety and SED, and also performed a readiness audit on the group's corporate social investment information. The external review gives our stakeholders the assurance that the sustainability information we report on is accurate, relevant and transparent. The review also helps identify areas for improvement. The group continues to use the GRI Standards as the basis for its integrated sustainability reporting.

## THE ACTS, REGULATIONS, FRAMEWORKS AND LISTINGS REQUIREMENTS THAT APPLY TO SUN INTERNATIONAL

Sun International conducts business in a highly regulated industry. We have identified our legal and regulatory universe, which we continuously monitor given the increased changes in law and the varied jurisdictions we operate in. Being a responsible corporate citizen is imperative for maintaining our casino licences and we provide a snapshot of our legal and regulatory universe below.

### WHAT WE COMPLY WITH

<b>JSE Listings Requirements</b>	Sun International is a public company listed on the Johannesburg Stock Exchange and accordingly complies with the JSE Listings Requirements.
<b>King IV Code on Corporate Governance™ for South Africa 2016 (King IV™)</b>	King IV™ and its recommended practices are applied throughout the group as shown in our <a href="#">King IV™ application register</a> . The board confirms that the group applied the 16 principles of King IV™ and that the spirit of King IV™ is preserved and embedded in the way the group operates.
<b>Local and international legislation</b>	Sun International is committed to complying with all relevant legislation and best practices in the jurisdictions it operates in. The group identified the main areas of legislation that materially affect its operations and regularly engages with key regulators to make public comments and submissions on proposed new industry and other relevant legislation.
<b>Licence conditions and directives issued by the various gambling boards</b>	The gaming industry is highly regulated and subject to significant probity and external regulatory monitoring both locally and internationally. In addition, the casino licence conditions contain their own requirements, which must be adhered to.

### WHAT WE CHOOSE TO COMPLY WITH

<b>Carbon Disclosure Project (CDP) – water and energy</b>	Sun International participates annually in the CDP.
<b>International Integrated Reporting Council's (IIRC) &lt;IR&gt; Framework</b>	Sun International applies the IIRC's <IR> Framework in compiling its integrated annual report.
<b>United Nations Global Compact (UNGC)</b>	Sun International embeds the 10 UNGC Principles as part of its business strategy, culture and day-to-day operations.

