Sun International

ANNUAL STATUTORY REPORT '18

LETTER FROM THE CHAIRMAN

Sun International
6 Sandown Valley Crescent
Sandton
2146

29 March 2019

Dear shareholder,

SUN INTERNATIONAL LIMITED [SUN INTERNATIONAL]: ANNUAL GENERAL MEETING: 14 MAY 2019

On behalf of the board of directors of Sun International, I have pleasure in extending an invitation to you to attend Sun International's annual general meeting, which will be held at 09h00 on Tuesday, 14 May 2019 at The Maslow Hotel, Corner Grayston Drive and Rivonia Road, Sandton. If you are unable to attend, please arrange to vote by proxy in accordance with the instructions on the form of proxy.

Again, Sun International will, subject to the requirements set out in the notice of the annual general meeting, make provision for its shareholders or their proxies to participate in the annual general meeting by way of electronic communication. For further details in this regard, please refer to the Sun International notice of the annual general meeting which accompanies this letter.

The board recognises the importance of its shareholders' presence at the annual general meeting. This is an opportunity for shareholders to participate in discussions relating to items included in the notice of the annual general meeting. In addition, the chairmen of board-appointed committees, senior members of management, as well as the external auditor and head of internal audit will be present to respond to any questions from shareholders.

The notice of the annual general meeting and explanatory notes, which accompany this letter, set out the effects of all proposed resolutions included in the notice. In addition to the aforegoing, Sun International's audited annual financial statements are available on the company's website at www.suninternational.com/investors or available on request from andrew.johnston@suninternational.com

I look forward to your presence at the meeting.

Yours faithfully,

Mr MV Moosa
Chairman

NOTICE OF THE ANNUAL GENERAL MEETING

Incorporated in the Republic of South Africa
(Registration number 1967/007528/06)
(Share code: SUI) ISIN: ZAE000097580
(Sun International or the company)

Notice is hereby given to shareholders recorded in the company's securities register on Friday, 22 March 2019, that the 35th annual general meeting of the shareholders of Sun International will be held at The Maslow Hotel, Corner Grayston Drive and Rivonia Road, Sandton, Johannesburg, at 09h00, on Tuesday, 14 May 2019 (South African time), to (i) deal with such business as may lawfully be dealt with at the meeting and (ii) consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, No 71 of 2008, as amended (the Act), as read with the JSE Limited Listings Requirements (JSE Listings Requirements) on which exchange the company's ordinary shares are listed, which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 3 May 2019. The last day to trade in order to be eligible to attend and vote at the annual general meeting is Monday, 29 April 2019.

Kindly note that in terms of section 63(1) of the Act, meeting participants (including shareholders and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licences and passports.

When reading the resolutions below, please refer to the explanatory notes for the ordinary and special resolutions which accompany this notice convening the annual general meeting.

1. **Presentation of annual financial statements for the year ended 31 December 2018**

   The consolidated audited annual financial statements of the company and its subsidiaries (as approved by the board of directors of the company), incorporating the external auditor, audit committee and directors' reports for the year ended 31 December 2018, are presented to shareholders.

   The audited summary group financial statements accompanying this notice of the annual general meeting are set out in Annexure "A" hereto. The complete audited consolidated annual financial statements for the year ended 31 December 2018 are set out on the company's website at www.suninternational.com/investors

ORDINARY RESOLUTIONS

2. **Ordinary resolutions numbers 1.1 to 1.4: Election of directors**

   "Resolved that the following directors of the company, who, being eligible, have offered themselves for election, are elected by separate resolutions, and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, in terms of articles 25.5 and 25.17 of the company's memorandum of incorporation:

   1.1 Mr VP Khanyile
   1.2 Mr JA Mabuza
   1.3 Mr S Sithole
   1.4 Ms ZP Zatu"

   Brief biographies in respect of each director offering himself/herself for election are set out in Annexure "B" hereto.

3. **Ordinary resolutions numbers 2.1 to 2.3: Re-election of directors**

"Resolved that the following directors of the company, who, being eligible, have offered themselves for re-election, are re-elected by separate resolutions, and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, in terms of articles 25.6.1 and 25.17 of the company's memorandum of incorporation:

2.1 Mr PDS Bacon

2.2 Mr PL Campher

2.3 Dr NN Gwagwa"

Brief biographies in respect of each director offering himself/herself for re-election are set out in Annexure "B" hereto.

4. **Ordinary resolution number 3: Reappointment of external auditor**

"Resolved that, upon the recommendation of the current Sun International audit committee, PricewaterhouseCoopers Incorporated (PwC) is reappointed as the independent registered auditor of the company (to report on the financial year ending 31 December 2019) until the conclusion of the next annual general meeting, with Mr J Potgieter as the designated individual auditor."

5. **Ordinary resolutions numbers 4.1 to 4.5: Election of audit committee members**

"Resolved that the following independent non-executive directors are elected as members of the Sun International audit committee, in terms of section 94(2) of the Act, by separate resolutions and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with effect from the end of this annual general meeting:

4.1 Mr PDS Bacon*

4.2 Mr PL Campher*

4.3 Mr EAMMG Cibie

4.4 Ms CM Henry

4.5 Ms ZP Zatu*"

* *Subject to their election/re-election, as the case may be, as directors pursuant to ordinary resolutions numbers 2.1, 2.2 and 1.4 respectively.*

Brief biographies in respect of those independent non-executive directors offering themselves for election as members of the Sun International audit committee are set out in Annexure "B" hereto and in the report of the Sun International audit committee contained on the company's website at www.suninternational.com/investors

6. **Ordinary resolution number 5: Endorsement of Sun International group remuneration policy**

"Resolved, by way of a non-binding advisory vote, that the Sun International group remuneration policy (excluding the remuneration of the non-executive directors and the members of statutory and board committees for their services as directors and members of committees), as set out in Part 2 of the company's remuneration report on pages 55 to 63 of Annexure "C" hereto, is endorsed."

7. **Ordinary resolution number 6: Endorsement of implementation of Sun International group remuneration policy**

"Resolved, by way of a non-binding advisory vote, that the implementation of the Sun International group remuneration policy, details of which are set out in the company's remuneration report for the year ended 31 December 2018 (excluding the remuneration of the non-executive directors and the members of statutory and board committees for their services as directors and members of committees), as set out in Part 3 of the company's remuneration report on pages 64 to 76 of Annexure "C" hereto, is endorsed."

8. **Ordinary resolution number 7: Ratification relating to personal financial interest arising from multiple offices in the Sun International group**

   "Resolved that any resolutions or agreements of executive directors and prescribed officers of the company in contravention of Section 75 of the Act are hereby ratified, but only to the extent that the relevant resolutions or agreements fell within the ambit of Section 75 of the Act as a result of the deeming of the relevant executive director and/or prescribed officer as a 'related person' to another company in the Sun International group, of which the relevant executive director and/or prescribed officer is also a director or prescribed officer."

   SPECIAL RESOLUTIONS

9. **Special resolution number 1: General authority to acquire (repurchase) ordinary shares**

   "Resolved that the company and/or any subsidiary of the company is hereby authorised, by way of a general authority, from time to time, to acquire ordinary shares in the share capital of the company from any person in accordance with the requirements of article 40 of Sun International's memorandum of incorporation, the Act and the JSE Listings Requirements, from time to time, provided that:

   - any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system, subject to the approval of the JSE, where necessary, and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited);
   - this general authority shall be valid until the earlier of the company's next annual general meeting or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution number 1;
   - an announcement containing full details of such acquisitions will be published as soon as the company or any of its subsidiaries shall have acquired ordinary shares constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in issue as at the date of this approval and for each subsequent acquisition constituting, on a cumulative basis, not less than 3% in aggregate of the number of ordinary shares in issue as at the date of this approval, in compliance with paragraph 11.27 of the JSE Listings Requirements;
   - acquisitions of ordinary shares in aggregate in any one financial year may not exceed 5% of the company's issued ordinary share capital as at 31 December 2018;
   - ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of acquisition of such ordinary shares;
   - the company has been given authority by its memorandum of incorporation;
   - a resolution is passed by the board of directors that it has authorised the acquisition, that the company and its subsidiaries will pass the solvency and liquidity test immediately after the acquisition and that from the time that the test is performed, there are no material changes to the financial position of the company or the group;
   - at any point in time, the company and/or its subsidiaries may only appoint one agent to effect any such acquisition;
   - the company and/or its subsidiaries may not acquire any ordinary shares during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of the shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE in writing, prior to the commencement of the prohibited period;
   - the company's subsidiaries shall not be entitled to acquire ordinary shares issued by the company if the acquisition of the shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the company; and
   - no voting rights attached to the ordinary shares acquired by the company's subsidiaries may be exercised while the shares are held by them and they remain subsidiaries of the company."

10. **Special resolution number 2: Remuneration of non-executive chairman**

"Resolved that, in terms of article 28.1 of the company's memorandum of incorporation, the remuneration payable, with effect from 1 July 2019, to Sun International's non-executive chairman for his services as a director and chairman of the company, be set as follows:

Remuneration payable to non-executive chairman*	Proposed annual composite fee± R
Sun International non-executive chairman	3 000 000

"

* *Directors' fees are exclusive of value added tax (VAT) which will be payable to those non-executive directors who are registered for VAT and who submit a valid VAT invoice to the company in accordance with prevailing legislation.*

± *The chairman's remuneration is based on an all inclusive fee. This includes his remuneration for serving on the board of Sun International, as well as his remuneration for acting as a member of the various board committees.*

11. **Special resolution number 3: Remuneration of lead independent director**

"Resolved that, in terms of article 28.1 of the company's memorandum of incorporation, the remuneration payable, with effect from 1 July 2019, to Sun International's lead independent director for his services as lead independent director of the company, be set as follows:

Remuneration payable to lead independent director[1]*	Proposed annual fee R
Sun International lead independent director	496 000

"

05

[1] *The remuneration payable to the lead independent director is in substitution for the board fee payable to other non-executive directors.*

* *Directors' fees are exclusive of VAT which will be payable to those non-executive directors who are registered for VAT and who submit a valid VAT invoice to the company in accordance with prevailing legislation. The proposed fee set out in this resolution represents a 0% increase on the lead independent director's fees, which were approved by shareholders at the annual general meeting held on 15 May 2018.*

12. **Special resolution number 4: Remuneration of non-executive directors**

"Resolved that, in terms of article 28.1 of the company's memorandum of incorporation, the remuneration payable, with effect from 1 July 2019, to Sun International's non-executive directors for their services as non-executive directors of the company, be set as follows:

Remuneration payable to non-executive directors their services as directors*	Proposed annual fee R
Sun International non-executive directors	322 000

"

* *Directors' fees are exclusive of VAT which will be payable to those non-executive directors who are registered for VAT and who submit a valid VAT invoice to the company in accordance with prevailing legislation. The proposed fee set out in this resolution represents a 15% increase on the non-executive directors' fees which were approved by shareholders at the annual general meeting held on 15 May 2018. This increase will align the non-executive directors' fees with the median of the market.*

NOTICE OF THE ANNUAL GENERAL MEETING CONTINUED

13. Special resolutions numbers 5.1 to 5.12: Remuneration payable to non-executive directors participating in statutory and board committees

"Resolved that, in terms of article 28.1 of the company's memorandum of incorporation, the remuneration payable, with effect from 1 July 2019, to the Sun International non-executive directors who participate in the company's statutory and board committees, be set in accordance with the separate special resolutions set out below numbered 5.1 to 5.12 (inclusive):

Special resolution numbers	Remuneration payable to non-executive directors for participating in statutory and board committees*#	Proposed annual fees R
5.1	Sun International audit committee chairman	**268 462**
5.2	Sun International audit committee member	**127 050**
5.3	Sun International remuneration committee chairman	**152 460**
5.4	Sun International remuneration committee member	**83 940**
5.5	Sun International risk committee chairman	**173 565**
5.6	Sun International risk committee member	**99 185**
5.7	Sun International nomination committee chairman	**112 140**
5.8	Sun International nomination committee member	**77 600**
5.9	Sun International social and ethics committee chairman	**134 925**
5.10	Sun International social and ethics committee member	**94 000**
5.11	Sun International investment committee chairman[1]	**134 925**
5.12	Sun International investment committee member[1]	**95 276** "

* *Committee fees are exclusive of VAT which will be payable to those non-executive directors who are registered for VAT and who submit a valid VAT invoice to the company in accordance with prevailing legislation. The proposed fees in respect of the remuneration committee chairman, risk committee chairman, social and ethics committee chairman and nomination committee chairman represent a 0% increase on the comparator fees which were approved by shareholders at the annual general meeting held on 15 May 2018. Each of these directors and chairmen are remunerated at or slightly above the median of the market. The following increases are proposed to the committee fees from 1 July 2019 in order to align them with the median of the market: audit committee chairman – 6%; remuneration committee member – 9.7%; risk committee member – 14%; nomination committee member – 38%; social and ethics committee member – 39%; and investment committee member – 41%.*

\# *Each of the board and statutory committees, other than the investment committee, meet at least three times per annum.*

1 *The investment committee meets at least four times per annum and thereafter on an ad hoc basis and as and when required.*

14. Special resolution number 6: Financial assistance to employee share scheme beneficiaries and related or inter-related companies and corporations

"Resolved that the board of directors of the company may, to the extent required by sections 44 and 45 of the Act and subject to compliance with the requirements (if applicable) of the:

i) company's memorandum of incorporation;

ii) the Act; and

iii) JSE Listings Requirements,

from time to time, authorise the company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to:

6.1 any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the company for any purpose or in connection with, any matter, including, but not limited to, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities in the company or any related or inter-related company; and

6.2 any of the present or future directors or prescribed officers (or any person related to any of them or to any company or entity related or inter-related to any of them), or to any other person who is or may be a participant in any of the Sun International group's current or future employee share plans or other employee incentive schemes, or any share scheme trust or other entity facilitating any such scheme, for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the company or a related or inter-related company or entity or for the purchase of any securities of the company or a related or inter-related company, where such financial assistance is provided in terms of any such plan or scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Act,

provided that this authority shall expire at the earlier of the second anniversary of the date of the adoption of this special resolution number 6 or the date of the annual general meeting of the company to be held in 2020."

VOTING AND PROXIES

In terms of, among others, the Act and the JSE Listings Requirements, no voting rights attaching to the treasury shares held by Sun International or shares held by a share plan, trust or scheme (save for those shares held in favour of employees to whom voting rights have already accrued) and unlisted securities may be exercised.

Ordinary shareholders holding dematerialised shares in their own name, or who hold shares that are not dematerialised, who are entitled to attend, speak and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy does not have to be a shareholder of the company. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the annual general meeting and participating and voting in person thereat to the exclusion of any such proxy. Forms of proxy for use by ordinary shareholders at the annual general meeting are enclosed with this annual statutory report.

Shareholders holding dematerialised shares but not in their own name must furnish their Central Securities Depository Participant (CSDP) or broker with their instructions for voting at the annual general meeting should they wish to vote. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in terms of your mandate furnished to it, or if the mandate is silent in this regard, to complete the relevant form of proxy enclosed. Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at the annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy. If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of representation to you.

Shareholders holding dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are unable to attend the annual general meeting and wish to be represented thereat, must complete the relevant form of proxy enclosed in accordance with the instructions therein and lodge it with, or mail it to, The Meeting Specialist (Pty) Ltd (the meeting specialist) at the address set out hereunder.

It is requested that for administrative purposes only, forms of proxy should be forwarded to reach the meeting specialist at the address given on the following page or by email, by not later than 09h00 on Monday, 13 May 2019.

Should your form of proxy not be returned to the meeting specialist by the aforesaid date and time, the form of proxy may be handed to the chairman of the annual general meeting before that meeting is due to commence.

NOTICE OF THE ANNUAL GENERAL MEETING CONTINUED

Please note that the company intends to make provision for shareholders of the company, or their proxies, who are entitled to attend thereat, to participate in the annual general meeting by way of a teleconference call, provided that the shareholders or their CSDP or broker (as the case may be) must give written notice to the company, per the secretariat, c/o Mr AG Johnston, either by email at andrew.johnston@suninternational.com or at the address given below (by way of physical delivery or post) and such notice must be received by the company by not later than 48 hours prior to the date of the annual general meeting. If no notice is received by the company at least 48 hours prior to the date of the annual general meeting, then the company shall not make provision for shareholders to participate in the annual general meeting by way of a teleconference call. However, if the company timeously receives the above notice, then the company will provide a teleconference facility and furnish the shareholders or their CSDP or broker (as the case may be) with the dialling code and pin number.

Shareholders participating in this manner will still need to appoint a proxy to vote on their behalf at the annual general meeting. Access to this means of electronic communication will be at the expense of Sun International. Sun International shareholders and their proxies will not be entitled to vote electronically at the annual general meeting.

The annual general meeting may not begin until at least three shareholders entitled to attend and vote at that meeting are present in person or represented by proxy and sufficient persons are present (in person or by proxy) at the annual general meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the annual general meeting. A matter to be decided at the annual general meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or by proxy) to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

By order of the board

Sun International Limited
Secretaries

per: Mr AG Johnston
6 Sandown Valley Crescent
Sandton
2196

29 March 2019

Meeting Specialist
The Meeting Specialist (Pty) Ltd
JSE Building
One Exchange Square
Gwen Lane
Sandown
2196
(PO Box 62043, Marshalltown, 2107)
proxy@tmsmeetings.co.za

AGM EXPLANATORY NOTES

Ordinary resolutions numbers 1.1 to 1.4 and 2.1 to 2.3 – Election and re-election of directors

In accordance with the company's memorandum of incorporation, one-third of the non-executive directors are required to retire at each annual general meeting and being 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 annual general meeting 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 aforegoing or additionally thereto and being eligible, may offer themselves for election or re-election, as the case may be. Mr PD Bacon, Mr PL Campher and Dr NN Gwagwa retire from the board in accordance with articles 25.6.1 and 25.17 of the company's memorandum of incorporation while Messrs VP Khanyile, JA Mabuza and S Sithole, as well as Ms ZP Zatu retire from the board in accordance with articles 25.5 and 25.17 of the company's memorandum of incorporation.

A brief biography in respect of each director offering himself/herself for election/re-election, as the case may be, is set out in Annexure "B" hereto.

Having served as non-executive director on the Sun International board for 14 years and in accordance with a SENS announcement released by the company on 6 February 2019, Mr MV Moosa has indicated that he will be retiring as a director and as the chairman of Sun International at the 2019 annual general meeting and will not be making himself eligible for re-election in terms of the company's memorandum of incorporation. Subject to being elected as a director by shareholders, Mr JA Mabuza has consented to being appointed as the following Chairman of Sun International.

The nomination committee of the board of directors of the company has reviewed the composition of the board against corporate governance and transformation requirements and has recommended the election or re-election, as the case may be, of the directors listed above. It is the view of the board that the election or re-election of the candidates referred to above would enable the company to:

- responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements in respect of matters like the balance of executive, non-executive and independent directors on the board.

At a board meeting, which took place on 16 March 2018, the members (excluding Mr MV Moosa and Dr NN Gwagwa who recused themselves from that portion of the meeting) considered the reclassification of Mr MV Moosa and Dr NN Gwagwa from non-executive to independent directors of Sun International. Key to making this determination was the fact that both Mr MV Moosa and Dr NN Gwagwa had previously been classified as non-independent directors solely by virtue of them both serving on the board of Dinokana Investments, a subsidiary company of Sun International which holds approximately 6% of Sun International's issued shares. Having resigned as directors from this board in 2015 and having served an appropriate cooling off period and considering that neither holds a material equity interest in Sun International, the board confirmed and endorsed the reclassification of both these directors as independent non-executive directors. As indicated previously, Mr MV Moosa has decided to retire from the board at the 2019 annual general meeting of Sun International, which will be taking place on 14 May 2019.

Neither Mr JA Mabuza nor Mr S Sithole are classified as independent non-executive directors due to the former having a special advisory agreement in place with Sun International Management Limited, a subsidiary of Sun International, and the latter being a representative of a material shareholder of Sun International.

In addition, the nomination committee of the company has conducted a rigorous assessment of the performance of each of the retiring directors and has reviewed the skills, knowledge, experience, diversity and demographics represented on the board. The nomination committee has satisfied itself that none of the independent non-executive directors' independence of character and judgement has in any way been affected or impaired by their length of service on the board. Having received the results of these assessments and reviews, the board is satisfied that each of the directors standing for election or re-election, as the case may be, performance continues to be effective and demonstrates commitment to their roles.

Accordingly, the board recommends to shareholders the election and re-election of each of the retiring directors referred to in ordinary resolutions numbers 1.1 to 1.4 and 2.1 to 2.3 by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act, No 71 of 2008, as amended (the Act).

Ordinary resolution number 3 – Reappointment of external auditor

PricewaterhouseCoopers Inc. (PwC) has indicated its willingness to continue in office and ordinary resolution number 3 proposes the reappointment of that firm (with the designated individual auditor being Johan Potgieter) as the company's external auditor until the conclusion of the next annual general meeting.

At a Sun International audit committee meeting held on 14 March 2019, the committee considered the independence of the external auditor PwC, in accordance with sections 90 and 94 of the Act. In assessing the independence of the external auditor, the audit committee satisfied itself that PwC:

- does not hold a financial interest (either directly or indirectly) in Sun International;
- does not hold a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of Sun International;
- is not economically dependent on Sun International, having specific regard to the quantum of the audit fees paid by Sun International and its sub-holding companies to PwC during the financial year under review in relation to its total fee base;
- does not provide consulting or non-audit-related services to Sun International or its sub-holding companies which fall outside of the permitted or qualified non-audit-related services as specified in the policy for the use of the external auditor for non-audit-related services and which could compromise or impair the external auditor's independence (see audit committee report as set out on the company's website at www.suninternational.com/investors); and
- including the individual registered auditor who undertakes the audit, does not have personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with Sun International or its sub-holding companies.

Accordingly, the Sun International audit committee has satisfied itself that PwC is independent as contemplated by the South African independence laws and the applicable rules of the International Federation of Accountants (IFAC) and nominated the reappointment of PwC as independent registered auditor to Sun International, to report on the financial year ending 31 December 2019 until the conclusion of the 2020 annual general meeting.

Furthermore, the Sun International audit committee has executed its responsibilities in assessing the suitability of the external auditor and designated individual auditor as required by paragraph 3.84(g)(iii) of the JSE Listings Requirements by considering the relevant information pursuant to paragraph 22.15(h) of the JSE Listings Requirements. The Sun International audit committee has satisfied itself that PwC and Johan Potgieter, as the designated individual auditor, are appropriate and that PwC is accredited to appear on the JSE List of Accredited Auditors, in compliance with section 22 of the JSE Listings Requirements.

Ordinary resolutions numbers 4.1 to 4.5 – Election of audit committee members

In terms of section 94(2) of the Act, the audit committee is a statutory committee elected by the shareholders at each annual general meeting. Part 5.3 of the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™) likewise requires the shareholders of a public company to elect the members of an audit committee at each annual general meeting. In accordance therewith the nomination committee should present shareholders with suitable candidates for election as audit committee members.

In terms of the regulations published pursuant to the Act, at least one-third of the members of the company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. As can be seen from the CVs of the proposed members set out in Annexure "B" hereto, they have experience in audit, accounting, economics, commerce and general industry, among others.

At a meeting of the nomination committee held on 13 March 2019, the committee satisfied itself that, among others, the independent non-executive directors offering themselves for election as members of the Sun International audit committee:

- are independent non-executive directors as contemplated in King IV™ and the JSE Listings Requirements;
- are suitably qualified and experienced for audit committee membership (see the report of the audit committee which is set out on the company's website at: www.suninternational.com/investors);
- have an understanding of integrated annual reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance processes (including information technology governance) within the company;
- collectively possess skills which are appropriate to the company's size and circumstances, as well as its industry;
- have an understanding of International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice and other financial and sustainability reporting standards, regulations and guidelines applicable to the company; and
- adequately keep up to date with key developments affecting their required skills set.

For further details regarding the performance of the audit committee during the period under review, please refer to the report of the audit committee, which is set out on the company's website at www.suninternational.com/investors

Ordinary resolution number 5 – Endorsement of Sun International group remuneration policy

Principle 14 (paragraphs 36 to 39) of King IV™, dealing with remuneration governance, read in conjunction with paragraph 3.84(k) of the JSE Listings Requirements, requires companies to every year table their remuneration policy or implementation report, or both, to shareholders for a non-binding advisory vote at the annual general meeting. This vote enables shareholders to express their views on the company's remuneration policies and on their adoption and implementation in respect of the remuneration of, among others, executive directors and prescribed officers.

Sun International's remuneration policy is included in Part 2 of the company's remuneration report, which can be found on pages 55 to 63 of Annexure "C" hereto. The remuneration policy deals with, *inter alia*, Sun International's approach towards remuneration governance, reward philosophy and strategy and guidelines on the various components making up the remuneration packages of Sun International group employees including the remuneration arrangements in place for the non-executive directors.

Please note that the remuneration to be paid to non-executive directors for their services as directors for the 12 months commencing 1 July 2019 will require the approval of the shareholders by special resolution (special resolutions numbers 2 to 5.12) in terms of the Act, such remuneration having been benchmarked in relation to other similar sized public listed companies in South Africa.

Ordinary resolution number 5 is non-binding and of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, Sun International undertakes to engage with its shareholders should 25% or more of the voting shares vote against this resolution as required in terms of King IV™ and the JSE Listings Requirements.

Ordinary resolution number 6 – Endorsement of implementation of Sun International group remuneration policy

Similar to the explanatory notes provided for ordinary resolution number 5 above, Principle 14 (paragraphs 36 to 39) of King IV™, dealing with remuneration governance, read in conjunction with paragraph 3.84(k) of the JSE Listings Requirements, requires companies to every year seek an advisory vote from their shareholders on the implementation of the company's remuneration policy during the period under review. This vote allows shareholders to express their views on the extent of implementation of the company's remuneration policy, but will not be binding on the company.

The implementation of Sun International's remuneration policy which is detailed in the company's remuneration report for the period ended 31 December 2018, is set out in Part 3 of the remuneration report, which can be found on pages 64 to 76 of Annexure "C" hereto.

Please note that the remuneration paid by Sun International to non-executive directors for their services as directors was approved by the shareholders by way of separate special resolutions at the annual general meeting which took place on 15 May 2018.

Ordinary resolution number 6 is non-binding and of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, Sun International undertakes to engage with its shareholders should 25% or more of the voting shares vote against this resolution as required in terms of King IV™ and the JSE Listings Requirements.

Ordinary resolution number 7 – Ratification relating to personal financial interest arising from multiple offices in the Sun International group

Section 75 of the Act prohibits a director or prescribed officer from participating in or voting on any board resolutions or entering into any agreements if such director or prescribed officer has a 'personal financial interest' in the matter. This prohibition also applies if that director is related to another person that has a 'personal financial interest' in that matter. Section 75 of the Act extends the definition of 'related person' to other companies for which the director or prescribed officer is a director or prescribed officer.

As the executive directors and prescribed officers of the company may serve on more than one company board in the Sun International group, ordinary resolution number 7 is intended to ensure that any resolutions or agreements by the board are valid, despite the fact that it may have involved multiple group companies, served by the same individuals as directors or prescribed officers. Ordinary resolution number 7 does not ratify any other actions of directors or prescribed officers that contravened section 75 of the Act for any other reason. In addition, ordinary resolution number 7 does not limit any other statutory or common-law duties that apply to directors or prescribed officers.

Special resolution number 1 – General authority to acquire (repurchase) ordinary shares

The reason for and effect of this special resolution is to grant the company and its subsidiaries a general authority to facilitate the acquisition by the company and/or its subsidiaries of the company's ordinary shares, which general authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, provided that this general authority shall not extend beyond 15 months from the date of the passing of this special resolution number 1.

Any decision by the directors, after considering the effect of an acquisition of up to 5% of the company's issued ordinary shares, to use the general authority to acquire shares of the company will be taken with regard to the prevailing market conditions and other factors and provided that, for the period of 12 months after such acquisition, the directors are of the opinion that:

- the company and the group will be able to pay their debts in the ordinary course of business;
- recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements which comply with the Act, the assets of the company and the group will exceed the liabilities of the company and the group;
- the share capital and reserves of the company and the group will be adequate for the purposes of the business of the company and the group; and
- the working capital of the company and the group will be adequate for the purposes of the business of the company and the group.

The JSE Listings Requirements require, in terms of paragraph 11.26, the following disclosures in relation to special resolution number 1, which appear on the company's website at www.suninternational.com/investors

- major shareholders – refer to the directors' report which appears on the company's website at www.suninternational.com/investors;
- directors' interests in securities – refer to the directors' report which appears on the company's website at www.suninternational.com/investors; and
- share capital of the company – refer to note 22 of the complete audited annual financial statements, which are set out on the company's website at www.suninternational.com/investors.

Directors' responsibility statement

The directors, whose names appear in Annexure "D" of this annual statutory report collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in terms hereof, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report and up to the date of the notice of the annual general meeting.

Statement of the board's intention

The directors have no specific intention, at present, for the company or its subsidiaries to acquire any of the company's ordinary shares, but consider that such a general authority in relation to the ordinary shares should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the company and its shareholders.

The directors are of the opinion that it would be in the best interests of the company to extend such general authority and thereby allow the company or any of its subsidiaries to be in a position to acquire the shares issued by the company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

Special resolutions numbers 2 to 5.12 – Remuneration of non-executive directors for their services as directors and for participating in statutory and board committees

In terms of section 66(8) – (9) of the Act, remuneration may only be paid to directors for their service as directors, in accordance with a special resolution approved by the shareholders and if not prohibited in terms of a company's memorandum of incorporation.

The reason for proposing special resolutions numbers 2, 3, 4, and 5.1 to 5.12, is, where applicable, to increase the remuneration paid to non-executive directors, so as to ensure that such remuneration remains generally market-related and accords with the increasing level of responsibility being placed on directors.

Sun International's remuneration committee is satisfied, having engaged external remuneration consultants to review the non-executive directors' remuneration, that overall the proposed remuneration is relative to the median remuneration paid to non-executive directors of other similar sized public listed companies in South Africa for their services as directors.

The proposed revised remuneration to be paid to the non-executive directors with effect from 1 July 2019 includes, where appropriate, an increase to the fees approved by shareholders at the 2018 annual general meeting, which are set out in the notes to special resolutions numbers 2 to 5.12 in the notice of the annual general meeting. In the case of the chairman designate of the board, a single annual composite fee is proposed to compensate him for his services both as chairman and as a director of Sun International and for serving on the investment, nomination and remuneration committees of the company. This fee also takes into consideration other strategic advisory and regulatory services, which Mr Mabuza provides to the group on a regular basis and which were previously included in a special advisory agreement, which will be terminated following his appointment as chairman of Sun International effective 14 May 2019. Other than the proposed composite fee, the chairman designate does not draw any other form of fixed or variable remuneration from the group.

The proposed remuneration in special resolutions numbers 2 to 5.12 has been recommended by the management of the company. Consequently, special resolutions numbers 2 to 5.12 are recommended for shareholder approval.

The proposed remuneration increases will take effect from 1 July 2019.

Full particulars of all remuneration of non-executive directors for their services as directors, paid during the past year, as well as the process followed by the remuneration committee in recommending the remuneration of non-executive directors for their service as directors, are contained in the remuneration report, forming part of the annual statutory report, as set out in Annexure "C" hereto.

Special resolution number 6 – Financial assistance to employee share scheme beneficiaries and related or inter-related companies and corporations

Notwithstanding the title of section 45 of the Act, being 'Loans or other financial assistance to directors', on an interpretation thereof, the body of the section may also apply to financial assistance provided by a company to related or inter-related companies and corporations, including, among others, its subsidiaries, to a member of such related or inter-related corporation, and to a person related to any such company, corporation or member, for any purpose.

Furthermore, section 44 of the Act may also apply to the financial assistance so provided by a company to related or inter-related companies, a member of a related or inter-related company or corporation, or a person related to any such company, corporation or member, in the event that the financial assistance is provided 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 a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company.

Both sections 44 and 45 of the Act provide, among others, 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 must be satisfied that:

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

The company would like the ability to provide financial assistance, if necessary, in accordance with section 45 of the Act (provided that financial assistance may only be provided to Sun International directors and prescribed officers as beneficiaries participating in a Sun International group share incentive plan or scheme as set out below). Furthermore, it may be necessary or desirous for the company to provide financial assistance to related or inter-related companies and corporations to subscribe for options or securities or purchase securities of the company or another company related or inter-related to it. Under the Act, the company will, however, require the special resolution referred to above to be adopted.

In the circumstances and in order to, among others, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 6.

Sections 44 and 45 contain exemptions in respect of employee share or other employee incentive schemes that satisfy the requirements of section 97 of the Act. To the extent that any Sun International group employee share plan or other employee incentive scheme do not constitute employee share schemes as defined in the Act, that satisfy such requirements, financial assistance (as contemplated in sections 44 and 45) to be provided under any such plans or schemes will, among others, also require approval by special resolution. Accordingly, special resolution number 6 authorises financial assistance to any of the company's directors or prescribed officers (or any person related to any of them or to any company or entity related or inter-related to them), or to any other person who is a participant in any of the Sun International group share plans or other employee incentive schemes or share scheme trust or other entity facilitating any such scheme, in order to facilitate their participation in any such plans or schemes that do not satisfy the requirements of section 97 of the Act.

Passing of resolutions

All ordinary resolutions will, in terms of the Act, require the support of more than 50% of the voting rights of shareholders exercised thereon, to be approved.

In order for special resolution number 1 to be approved, the support of at least 75% of the votes cast by all equity securities holders present or represented by proxy at the annual general meeting convened to approve such resolution, is required in terms of the JSE Listings Requirements. The remaining special resolutions will, in terms of the Act, require the support of at least 75% of the total voting rights exercised thereon at the meeting, to be approved.

ANNEXURE "A"

AUDITED SUMMARY GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. INDEPENDENT AUDIT

The summary group financial statements have been derived from the audited group financial statements. The directors of the company take full responsibility for the preparation of the summary group financial statements and that the financial information has been correctly derived and is consistent in all material respects with the underlying group financial statements. The summary group financial statements for the year ended 31 December 2018 have been audited by our auditor PricewaterhouseCoopers Inc., who has expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the group financial statements from which the summary group financial statements were derived. The individual auditor assigned to perform the audit is Johan Potgieter. The auditor's report does not necessarily cover all the information contained in the summarised financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report, together with the group financial statements from the registered office of the company. These documents will be available from the company's registered office from 18 March 2019. The group financial statements will be available on the company's website, suninternational.com on or about 29 March 2019.

The company's external auditor has not reviewed or reported on the forecasts included in these summary group financial statements.

2. ACCOUNTING POLICIES

The summary group financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for preliminary financial statements and the requirements of the South African Companies Act, No 71 of 2008, as amended, applicable to summary financial statements. The JSE Listings Requirements include preliminary reports which have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the Financial Pronouncements as issued by the Financial Reporting Standard Council (FRSC), and also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the group financial statements from which the summary group financial statements have been derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous group financial statements, unless otherwise stated. The summary group financial statements should be read in conjunction with the group financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS.

The operations in Panama and Colombia were disclosed in the current year as discontinued operations. The prior year comparative financial information was restated to reflect Panama and Colombia, as required by IFRS 5: Non Current Assets Held for Sale and Discontinued Operations.

3. STANDARDS IMPLEMENTED

IFRS 9: Financial Instruments

The adoption of IFRS 9: Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated.

The adoption of IFRS 9 had the following impact on the group:

- a change in the classification of the measurement categories for financial instruments; and
- a change from the IAS 39 incurred loss model to the expected credit loss (ECL) model to calculate impairments of financial instruments.

The group's management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate IFRS 9 categories as follows:

- loan receivables with a contractual period greater than 12 months, are mainly represented by preference shares issued within the group and enterprise development loans;
- trade receivables consisting mainly of large tour operators; and
- casino debtors consisting of a small group of VIP customers.

Trade receivables

Due to the intrinsic nature of trade receivables, where they should mature within a period of less than 12 months, the group has adopted the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables. This approach included the following:

- separating different categories of trade receivables with similar loss patterns;
- calculating default rates within specific time frames over a specific year using historical credit loss experience; and
- adjusting the default rates with forward looking macro-economic forecasts.

Applying the expected credit loss model resulted in a decrease of the loss allowance by R28 million on 1 January 2018 (loss allowance balance at 31 December 2017 was R263 million) for trade receivables at amortised cost and an increase in the allowance by R3 million to R238 million in the current reporting period.

R million	1 January 2018 Under IFRS 9	IFRS 9 Adjustment	31 December 2017 as previously reported
Statement of financial position extract			
Non-current assets			
Loans receivable	**60**	–	60
Trade and other receivables	**436**	28	408
Available-for-sale financial assets	**–**	–	–
Current assets			
Loans receivable	**3**	(3)	6
Other reserves extract			
Retained earnings	**25**	25	–

Financial asset carried at amortised cost arising from inter-company loans repayable on demand

Most of the debt instruments within the group represent inter-company loans that eliminate in these consolidated financial statements. However, the process described below has been consistently applied to all financial assets throughout the group.

Financial assets with fixed repayment terms

Includes those debt investments held at amortised cost with fixed maturity dates. The effect on 31 December 2017 has been adjusted against opening retained earnings as evidenced above.

Management has assessed the credit risk of these loans and based upon the factors listed below, considered them to be low risk, and that there has not been a significant increase in the credit risk relating to these loans in respect of the following:

- there have been no significant financial difficulties noted with the issuer or the borrower;
- there have been no breach of contracts or defaults by the borrower;
- it is not probable that any of the borrowers will enter bankruptcy or other financial reorganisation;
- there is still an active market for the borrowers; and
- no existence of deep discounts on the financial assets concerned.

ANNEXURE "A" CONTINUED

Therefore these loans are considered to be stage 1 loans in terms of IFRS 9 and the impairment provision is determined as 12 months expected credit losses through the application of the formula PD% x LGD% x EAD.

- the probability of default (PD) – that is, the likelihood that the borrower would not be able to repay in the very short payment period;
- the loss given default (LGD) – that is, the loss that occurs if the borrower is unable to repay in that very short payment period; and
- the exposure at default (EAD) – that is, the outstanding balance at the reporting date.

The PD percentage was supplied by external actuarial consultants after a review of the individual financial statements of the entity concerned. The process and model used in determining these percentages varied under 5%.

The LGD was calculated after considering the existence of collateral, guarantees and letters of support given by group companies. The EAD is simply the outstanding balance at the reporting date.

Equity instruments carried at fair value through other comprehensive income

The group historically accounted for available for sale investments in terms of IAS 39 at fair value. In terms of IFRS 9: Available-for-Sale investments are measured at fair value through other comprehensive income. The only available-for-sale investment the group held was impaired in the prior financial year, thus the IFRS 9 effect was assessed as immaterial.

Financial instruments carried at fair value through profit and loss (FVPL)

The group does not have any financial instruments that are carried at FVPL.

Financial liabilities

The group identified the following financial liabilities and assessed them against the following IFRS 9 criteria, with no change in the measurement or classification of these liabilities:

- borrowings;
- forward purchase liability (put liability);
- derivative liability; and
- contract and other liabilities.

No changes were made to the above liabilities.

IFRS 15: Revenue From Contracts With Customers

The group has adopted IFRS 15, fully retrospectively from 1 January 2018.

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management performed a detailed assessment of each revenue stream in terms of the following criteria:

- the unique contract with the customers was identified;
- the various performance obligations in the contract were separately identified;
- the transaction price for the contract was determined; and
- the transaction price was allocated to the various separately identifiable performance obligations.

We were satisfied that revenue is recognised once the relevant performance obligations are met.

The following 4 income streams were identified and assessed against the scope of IFRS 15 and IFRS 9:

1) Net gaming win, including limited pay out machines (LPMs) and online sports betting income

Gaming transactions represent an agreement between the customer and Sun International whereby, based on the outcome of an event (such as the results of accumulated cards in a hand of play for a table game or the outcome of the individual bet on a slot machine game) either the gaming entity retains the amount bet by the customer or the bet is returned to the customer along with an additional amount effectively representing the gaming entity's side of the bet in the agreement. Accordingly a single bet transaction either results in a net inflow of consideration to the gaming entity or a net outflow of amounts to the customer. Accordingly, the amount recognised and reported for gaming transactions is the difference between gaming wins and losses. This is referred to as net gaming win or loss.

Fixed-odds wagering contracts resulting in the generation of the net gaming win or loss, are typically outside the scope of the revenue standard for IFRS reporting entities. Under IFRS, when a gaming entity takes a position against its customer, the resulting unsettled position is likely to meet the definition of a derivative. Therefore, those contracts should be accounted for under the financial instruments standards rather than the revenue standard.

Bets placed by customers (cash in) and winnings paid to customers (cash out) are separately identifiable. However the VAT is levied on the net win by applying the tax fraction over the net gaming win and provincial gaming levies. These costs are included in net gaming wins and are disclosed separately on the face of the statement of comprehensive income as direct costs.

2) Hotel and conferencing

The revenue derived from hotel rooms is included in Rooms revenue. Revenue is recognised as the performance obligations are met over time as the services are rendered.

Payments for the above services rendered are either received in advance, upon check out or through the utilisation of customer loyalty programs.

Management is satisfied that IFRS 15 has no material impact on how hotel revenue is currently recognised.

3) Food and Beverage

Revenue from Food and Beverage is recognised at a point in time, when the goods are provided to the customer.

Payments for the above services rendered are either received in advance, upon check out, upon purchase of product or through the utilisation of customer loyalty programs. Management is satisfied that IFRS 15 has no material impact on how Food and Beverage revenue is recognised.

4) Other revenue

The revenue derived from the below revenue streams, are included in other revenue and are not considered to be part of the main revenue-generating activities of the entity. Revenue is recognised as performance obligations are met over time, and include the following:

- other conferencing and entertainment revenue;
- management fee income;
- membership revenue;
- merchandise revenue;
- entrance fee revenue; and
- time share revenue.

Management is satisfied that IFRS 15 has no material impact on the current manner in which revenue is recognised.

ANNEXURE “A” CONTINUED

The following income streams are excluded from the scope of IFRS 15:

- net gaming wins (included in total “income”);
- rental income (included in “other income”);
- dividend income (included in “other income”); and
- concessionaire income (included in “other income”).

Transition to IFRS 15

Due to the nature of the group’s revenue, management assessed the IFRS 15 impact as immaterial to revenue recognised in the current and prior years. Management’s assessment included an assessment of the impact of IFRS 15 on the group’s customer loyalty programme which it assessed as insignificant. Therefore, no adjustments were recorded besides the reclassification of net gaming wins as “income” on the face of the statement of comprehensive income for the current and prior financial year.

4. HYPERINFLATION

IAS 29: Financial Reporting in Hyperinflationary Economies, has been applied by Nuevo Plaza Hotel Mendoza S.A., a subsidiary of Sun International, whose functional currency is the Argentine peso. The economy of Argentina was assessed to be hyperinflationary, effective 1 July 2018, and hyperinflation accounting has been applied, as if the economy has always been hyperinflationary. The results of this entity have been adjusted in terms of the measuring unit currency at the end of the year. The monetary gains or losses were immaterial for the current year.

The financial statements of the group entity whose functional currency is that of a hyperinflationary economy is adjusted in terms of the measuring unit currency at the end of the reporting period. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income. The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred. At the beginning of the first period of the acquisition date, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. In the current year the restatement is reflected at acquisition date in the statement of financial position and equity. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Accordingly, the results, cash flows and financial position of the group’s subsidiary Nuevo Plaza Hotel Mendoza S.A. have been expressed in terms of the measuring unit currency at the reporting date.

A detailed table of indices is published monthly by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences and the extract below was used in our assessment.

Date	Base year	General price index	Inflation rate (%)
31 December 2018	11 July 2018	2 178,61	12,70%

5. STANDARDS ISSUED NOT YET IMPLEMENTED

The group has evaluated the effect of all new standards, amendments and interpretations that have been issued but which are not yet effective. Based on the evaluation, management does not expect these standards, amendments and interpretations to have a significant impact on the group's results and disclosures.

IFRS 16: Leases

IFRS 16 was issued in January 2016 and will be adopted by the group on 1 January 2019. It will result in almost all leases being recognised on the statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals is recognised. The only exceptions are short-term and low-value leases (such as leases of operating equipment etc.). The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. All right-of-use assets (including property leases) will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The group has set up a project team which is currently assessing the impact of this standard and the impact on the future annual financial statements. The group plans to elect the practical expedient to not reassess the definition of leases.

As at the reporting date, the group has non-cancellable operating lease commitments of R1.4 billion. Of these commitments, approximately R59 million relate to short-term, low value leases which will continue to be recognised on a straight-line basis as expense in profit or loss.

For the remaining lease commitments, the group will recognise a right of use asset which will initially be measured at the amount of the future lease liability plus any initial direct cost incurred. The group will also record the corresponding lease liability which will initially be measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. We expect this to result in an increase in current and long-term liabilities, and an increase in non-current assets.

The most significant operating leases that the group has pertain to the following properties:

- the Maslow Sandton (Maslow segment);
- the head office building (management companies segment);
- the Table Bay property (Table Bay segment);
- New York Casino in Peru (Peru excluding Thunderbird segment);
- Pachanga Independencia Casino in Peru (Peru excluding Thunderbird segment); and
- Luxor Casino in Peru (Thunderbird segment).

The adoption of the standard will result in a change in the presentation of lease payments in the statement of comprehensive income. The lease payments currently disclosed as operating expenses, will in future, under the right-of-use model, be disclosed as depreciation and interest expense will be recognised separately. Operating cash flows will increase and financing cash flows are expected to decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The group's activities as a lessor are not material, however some additional disclosures will be required in the following reporting period.

SUMMARY GROUP STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	Audited Year ended 31 December 2018	Audited Year ended 31 December 2017*
Continuing operations		
Net gaming wins	**13 199**	12 336
Revenue	**3 221**	3 015
Income	**16 420**	15 351
Consumables and services	**(1 633)**	(1 649)
Depreciation and amortisation	**(1 643)**	(1 593)
Employee costs	**(3 187)**	(2 923)
Impairment of assets	**(306)**	(93)
Levies and VAT on casino revenue	**(3 393)**	(3 089)
LPM site owners commission	**(327)**	(299)
Promotional and marketing costs	**(1 015)**	(998)
Property and equipment rentals	**(215)**	(187)
Property costs	**(806)**	(722)
Other operational costs	**(1 629)**	(1 638)
Operating profit	**2 266**	2 160
Foreign exchange gains/(losses)	**37**	(111)
Interest income	**77**	34
Fair value adjustment to put liability	**(27)**	(223)
Interest expense	**(1 253)**	(1 088)
Share of profit of investments accounted for using the equity method	**8**	2
Profit before tax	**1 108**	774
Tax	**(547)**	(495)
Profit for the year from continuing operations	**561**	279
Loss for the year from discontinued operations	**(210)**	(291)
Profit/(loss) for the year	**351**	(12)

* *The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, as well as for IFRS 15 net gaming wins, which was previously disclosed as revenue.*

SUMMARY GROUP STATEMENT OF **COMPREHENSIVE INCOME** continued

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	**Audited Year ended 31 December 2018**	Audited Year ended 31 December 2017*
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	**(20)**	51
Tax on remeasurements of post-employment benefit obligations	**6**	(14)
Net loss on Time Square hedge	**–**	66
Items that may be reclassified to profit or loss		
Net profit/(loss) on cash flow hedges	**26**	(27)
Currency translation reserve	**195**	(78)
Total comprehensive profit/(loss) for the year	**558**	(14)
Profit/(loss) for the year attributable to:	**351**	(12)
Minorities	**358**	231
Ordinary shareholders	**(7)**	(243)
Total comprehensive profit/(loss) for the year attributable to:	**558**	(14)
Minorities	**434**	210
Ordinary shareholders	**124**	(224)
Total comprehensive profit/(loss) attributable to ordinary shareholders arises from:	**124**	(224)
Continuing operations	**258**	(43)
Discontinued operations	**(134)**	(181)

* *The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations.*

HEADLINE EARNINGS AND ADJUSTED **HEADLINE EARNINGS RECONCILIATION**

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	**Audited Year ended 31 December 2018**	Audited Year ended 31 December 2017*
Loss attributable to ordinary shareholders	**(7)**	(243)
Net loss on disposal of property, plant and equipment	**29**	13
Profit on disposal of shares in joint ventures and associates	**–**	(27)
Net impairment of assets	**337**	92
Fair value adjustment on investment held for sale	**–**	43
Tax on the above items	**(89)**	(12)
Minorities' interests in the above items	**(24)**	(41)
Headline earnings	**246**	(175)
Straight-line adjustment for rentals	**13**	20
Pre-opening expenses	**3**	48
Transaction costs	**–**	43
Amortisation of Sun Dreams intangible assets raised as part of PPA	**102**	148
Fair value adjustment on put option liabilities	**27**	223
Interest on Time Square note	**–**	22
Additional Goldrush payment	**–**	6
Foreign exchange (profit)/losses on inter-company loan	**(44)**	27
Forward exchange contract losses	**75**	–
Onerous lease provision reversal	**(31)**	50
Provision for remaining licence conditions – Fish River	**–**	20
Restructuring and related costs	**–**	43
Fair value of debenture	**–**	6
Other**	**46**	17
Tax relief on above items	**(29)**	(89)
Minorities' interest in the above items	**(43)**	(105)
Adjusted headline earnings^^	**365**	304
Continuing adjusted headline earnings	**472**	485
Discontinued adjusted headline earnings	**(107)**	(181)

Basic and diluted (loss)/earnings per share	**Cents per share**	Cents per share^
(Loss)/earnings per share		
basic	**(6)**	(243)
diluted	**(6)**	(243)
Diluted adjusted headline earnings per share	**316**	304

** The result pertain to continuing and discontinued operations.*

*** Other includes various non-recurring exceptional items.*

^ The group has restated the prior year's weighted average number of shares to reflect the effect of Rights Offer as required by IAS 33: Earnings per Share.

^^ The measure of reporting profit for each segment, that also represents the basis on which the chief operating decision maker reviews segment results, is adjusted EBITDA. Adjusted EBITDA is defined as earnings before interest (which includes gains and losses on foreign exchange transactions), tax, depreciation and amortisation, and is also presented before recognising expenses which are of an unusual and infrequent nature as a result of unforeseen and atypical events.

SUMMARY GROUP STATEMENT OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2018

R million	Audited Year ended 31 December 2018	Audited Year ended 31 December 2017
ASSETS		
Non-current assets		
Property, plant and equipment	**17 099**	18 196
Intangible assets	**3 142**	2 695
Equity-accounted investments	**27**	18
Pension fund asset	**33**	32
Deferred tax*	**248**	912
Trade and other receivables	**278**	214
	20 827	22 067
Current assets		
Inventory	**170**	170
Accounts receivable and other^	**1 418**	1 333
Cash and cash equivalents	**938**	696
	2 526	2 199
Assets held for sale	**946**	170
Total assets	**24 299**	24 436
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' equity before put option reserve	**3 764**	2 058
Put option reserve	**(1 286)**	(4 651)
Ordinary shareholders' equity/(deficit)	**2 478**	(2 593)
Minorities' interests	**1 808**	2 899
	4 286	306
Non-current liabilities		
Deferred tax*	**444**	950
Borrowings	**10 551**	11 737
Other non-current liabilities**	**1 054**	1 007
Put option liability	**1 331**	4 838
	13 380	18 532
Current liabilities		
Accounts payable and other	**2 420**	2 206
Borrowings	**4 115**	3 259
	6 535	5 465
Liabilities held for sale	**98**	133
Total liabilities	**20 013**	24 130
Total equity and liabilities	**24 299**	24 436

^ *The opening balance for retained earnings and accounts receivables were restated due to the effect of IFRS 9. Refer to standards implemented.*

* *The movement in the net deferred tax position of the group relates to the capitalisation of the Time Square development cost that was previously included in work in progress. Acquisition of subsidiaries in Latam also had a further effect on the net deferred tax position.*

** *The accrual of the defined benefit liabilities ceased with effect from 1 October 2017 for all active members and 30 June 2018 for pensioners resulting in a gain of R29 million in the statement of comprehensive income after transferring the pensioner retirement benefit obligation of R415 million and its related plan assets. Therefore there is a Rnil fund obligation relating to the pension fund as at 31 December 2018. An unallocated fund surplus of R411 million remains in the fund at year-end.*

SUMMARY GROUP STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share-based payment reserve	Available-for-sale reserve
Audited					
FOR THE YEAR ENDED 31 DECEMBER 2018					
Balance at 31 December 2017	**295**	**(424)**	**126**	**89**	**–**
IFRS 9 adjustment	–	–	–	–	–
Restated balance at 1 January 2018^	**295**	**(424)**	**126**	**89**	**–**
Total comprehensive income for the year	–	–	119	–	–
Treasury shares purchased	–	(7)	–	–	–
Reclassification of share options	–	37	–	(38)	–
Employee share schemes	–	–	–	34	–
Rights issue	1 598	–	–	–	–
Acquisition of minorities' interests	–	–	(134)	–	–
Capitalisation of loan to minorities interest	–	–	–	–	–
Dividends paid to minorities	–	–	–	–	–
Balance at 31 December 2018	**1 893**	**(394)**	**111**	**85**	**–**
Audited					
FOR THE YEAR ENDED 31 DECEMBER 2017					
Balance at 31 December 2016	295	(604)	165	116	4
Correction of PPA misallocation	–	–	–	–	–
Dreams SA merger PPA finalisation adjustment	–	–	–	–	–
Balance at 31 December 2016 restated	295	(604)	165	116	4
Total comprehensive income for the year	–	–	(39)	–	–
Treasury shares purchased	–	(11)	–	–	–
Employee share schemes	–	27	–	(27)	–
Time Square SPV	–	–	–	–	–
Fair value adjustment on investment held for sale	–	–	–	–	(4)
Disposal of interest in Botswana, Namibia and Lesotho operations	–	–	–	–	–
Release of share options reserve	–	164	–	–	–
Dividends paid to minorities	–	–	–	–	–
Balance at 31 December 2017	295	(424)	126	89	–

^ *The opening balance for retained earnings was restated due to the effect of IFRS 9. Refer to standards implemented.*

Reserve for non-controlling interests	Hedging and other reserve	Retained earnings	Ordinary shareholders' equity before put option reserve	Put option reserves	Ordinary shareholders' equity	Minorities' interests	Total equity
(2 386)	**5**	**4 353**	**2 058**	**(4 651)**	**(2 593)**	**2 899**	**306**
–	**–**	**25**	**25**	**–**	**25**	**–**	**25**
(2 386)	**5**	**4 378**	**2 083**	**(4 651)**	**(2 568)**	**2 899**	**331**
–	**12**	**(7)**	**124**	**–**	**124**	**434**	**558**
–	**–**	**–**	**(7)**	**–**	**(7)**	**–**	**(7)**
–	**–**	**1**	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**34**	**–**	**34**	**–**	**34**
–	**–**	**–**	**1 598**	**–**	**1 598**	**–**	**1 598**
(117)	**–**	**183**	**(68)**	**3 365**	**3 297**	**(575)**	**2 722**
–	**–**	**–**	**–**	**–**	**–**	**(533)**	**(533)**
–	**–**	**–**	**–**	**–**	**–**	**(417)**	**(417)**
(2 503)	**17**	**4 555**	**3 764**	**(1 286)**	**2 478**	**1 808**	**4 286**
(2 411)	(54)	4 502	2 013	(4 651)	(2 638)	3 171	533
235	–	–	235	–	235	(235)	–
131	–	–	131	–	131	–	131
(2 045)	(54)	4 502	2 379	(4 651)	(2 272)	2 936	664
–	59	(243)	(223)	–	(223)	209	(14)
–	–	–	(11)	–	(11)	–	(11)
–	–	1	1	–	1	–	1
(84)	–	–	(84)	–	(84)	84	–
–	–	–	(4)	–	(4)	–	(4)
(257)	–	257	–	–	–	–	–
–	–	(164)	–	–	–	–	–
–	–	–	–	–	–	(330)	(330)
(2 386)	5	4 353	2 058	(4 651)	(2 593)	2 899	306

SUMMARY GROUP STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	Audited Year ended 31 December 2018	Audited Year ended 31 December 2017*
Cash generated by operations before:	**4 278**	3 602
Vacation Club timeshare sales	**145**	158
Cash generated by operations	**4 423**	3 760
Tax paid	**(711)**	(769)
Net cash generated by operating activities	**3 712**	2 991
Purchase of property, plant and equipment	**(880)**	(2 558)
Disposal of property, plant and equipment	**123**	32
Purchase of intangible assets	**(171)**	(43)
Acquisition of subsidiaries, net of cash acquired	**(586)**	–
Disposal of investment in joint venture	**–**	121
Investment income received	**77**	34
Net cash flows utilised in investing activities	**(1 437)**	(2 414)
Cash paid for the purchase of treasury shares	**(7)**	(11)
Purchase of additional non-controlling shareholding in subsidiaries	**(678)**	–
Dividends paid to minorities	**(417)**	(330)
Interest paid	**(1 258)**	(1 204)
Increase in other non-current liabilities	**47**	90
Increase in loan to non-controlling interest	**(673)**	–
Capital raised through Rights Offer	**1 598**	–
(Decrease)/increase in borrowings	**(600)**	487
Net cash flows utilised in financing activities	**(1 988)**	(968)
Effect of exchange rates upon cash and cash equivalents	**(14)**	(34)
Increase/(decrease) in cash and cash equivalents	**273**	(425)
Cash and cash equivalents at beginning of the year	**709**	1 134
Cash and cash equivalents at end of the year*	**982**	709
Assets held for sale	**(44)**	(40)
Cash and cash equivalents at end of the year excluding non-current assets held for sale	**938**	669
Cash flows from discontinued operations	**(11)**	5

* *The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations.*

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	**Audited Year ended 31 December 2018**	Audited Year ended 31 December 2017*
ADJUSTED EBITDA RECONCILIATION		
Continuing operating profit	**2 266**	2 160
Depreciation and amortisation	**1 643**	1 593
Net profit/(loss) on disposal of property, plant and equipment**	**(12)**	13
Straight-line adjustment for rentals***	**13**	20
Impairment of assets**	**306**	92
Pre-opening expenses***	**3**	48
Transaction costs	**–**	43
Profit on disposal of shares in associates and subsidiaries**	**–**	(27)
Onerous lease provision	**–**	50
Restructure and related costs	**–**	43
Provision for remaining licensing conditions – Fish River	**–**	20
Additional Goldrush payment	**–**	6
Fair value adjustment on investment held for sale	**–**	43
Forward exchange contract losses***	**75**	–
Other***	**63**	39
Adjusted EBITDA	**4 357**	4 143
Adjusted EBITDA margin (%)	**27**	27

* *The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations.*

** *Items identified above are included as headline adjustments.*

*** *Items identified above are included as adjusted headline earnings adjustments impacting operating profit in the segmental analysis. Other includes various non-recurring exceptional items. The measure of reporting profit for each segment, that also represents the basis on which the chief operating decision maker reviews segment results, is adjusted EBITDA. Adjusted EBITDA is defined as earnings before interest (which includes gains and losses on foreign exchange transactions), tax, depreciation and amortisation, and is also presented before recognising expenses which are of an unusual and infrequent nature as a result of unforeseen and atypical events.*

SUPPLEMENTARY INFORMATION continued

FOR THE YEAR ENDED 31 DECEMBER 2018

	Audited Year ended 31 December 2018	Audited Year ended 31 December 2017*
Number of shares ('000)		
– for basic EPS/HEPS/adjusted HEPS	**115 360**	100 079
– for diluted EPS/HEPS/adjusted HEPS	**115 377**	100 079
Earnings/(loss) per share (cents)^		
– basic	**(6)**	(243)
– headline	**213**	(175)
– adjusted headline	**316**	304
– diluted basic	**(6)**	(243)
– diluted headline	**213**	(175)
– diluted adjusted headline	**316**	304
Continuing – earnings/(loss) per share (cents)^		
– basic	**110**	(62)
– headline	**287**	7
– adjusted headline	**410**	486
– diluted basic	**110**	(62)
– diluted headline	**287**	7
– diluted adjusted headline	**409**	486
Discontinued – loss per share (cents)^		
– basic loss per share	**(116)**	(181)
– headline loss per share	**(74)**	(182)
– adjusted headline loss per share	**(94)**	(182)
– diluted basic loss per share	**(116)**	(181)
– diluted headline loss per share	**(74)**	(182)
– diluted adjusted headline loss per share	**(93)**	(182)

* *The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations.*

^ *The group has restated the prior year's weighted average number of shares to reflect the effect of Rights Offer as required by IAS 33: Earnings per Share.*

	Audited Year ended 31 December 2018	Audited Year ended 31 December 2017*
TAX RATE RECONCILIATION		
Profit before tax	**1 108**	774
Share of associates' losses	**(8)**	(2)
Adjusted profit before tax	**1 100**	772
	%	%
Effective tax rate	**61**	103
Preference share funding	**(3)**	(6)
Depreciation on non-qualifying buildings	**(2)**	(4)
Non-deductible expenditure – expenses incurred to produce exempt income	**–**	(1)
Other non-deductible expenditure	**(5)**	(20)
Movement in put options	**(1)**	(13)
Exempt income – dividend income	**–**	7
Exempt income – other (lessor contribution, associated income and disposal of income earning structure)	**–**	2
Tax incentives	**1**	1
Deductible foreign withholding taxes	**–**	(1)
Chilean capital indexed to inflation tax adjustment	**(8)**	–
Utilisation of tax losses not previously recognised	**2**	–
Tax losses not meeting recognition criteria	**(16)**	(44)
Discontinued operation – (tax losses not meeting recognition criteria)	**(7)**	–
Adjustment for current tax of prior periods	**7**	4
Rate change	**(1)**	–
South African corporate tax rate	**28**	28
OTHER METRICS		
Adjusted EBITDA to interest (times) – South Africa	**3,2**	3,3
Borrowings to adjusted EBITDA (times) – South Africa	**3,0**	3,7
Net asset value per share (Rand)	**31,3**	2,8
Capital expenditure (R million)	**1 050**	2 591
Capital commitments (R million)	**1 496**	1 771

* *The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations.*

SEGMENT REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2018

	Income			Adjusted EBITDA		
R million	**2018**	%	2017	**2018**	%	2017
GrandWest	**2 214**	3	2 155	**868**	2	850
Sun City	**1 672**	(3)	1 731	**205**	(14)	237
Sibaya	**1 289**	2	1 269	**430**	(2)	439
Carnival City	**961**	(2)	980	**231**	(9)	254
Boardwalk	**532**	(4)	552	**95**	–	95
Wild Coast Sun	**498**	4	481	**95**	2	93
Meropa	**308**	2	302	**94**	(2)	96
Windmill	**273**	7	255	**95**	20	79
Flamingo	**165**	(4)	172	**40**	(15)	47
Golden Valley	**170**	(3)	176	**32**	(18)	39
Table Bay	**341**	(4)	354	**78**	(12)	89
The Maslow	**142**	(4)	148	**(35)**	(59)	(22)
Naledi	**20**	(5)	21	**(1)**	86	(7)
South African casinos	**8 585**	–	8 596	**2 227**	(3)	2 289
Sun Slots	**1 162**	10	1 060	**287**	15	249
SunBet	**77**	57	49	**8**	>100	2
Comparable South African operations*	**9 824**	1	9 705	**2 522**	(1)	2 540
Time Square	**1 247**	51	827	**305**	66	184
South African operations including Time Square	**11 071**	5	10 532	**2 827**	4	2 724
Carousel	**163**	(34)	246	**(15)**	<(100)	28
Fish River	**–**	(100)	21	**(1)**	95	(21)
Morula	**–**	(100)	38	**(1)**	75	(4)
Management companies	**569**	(4)	593	**175**	(9)	193
Inter-company management fees	**(549)**	–	(548)	**–**	–	–
	11 254	3	10 882	**2 985**	2	2 920

* *Comparable South African operations exclude Time Square, Carousel, management companies, Morula and Fish River.*

Adjusted operating profit		
2018	%	2017
727	1	721
(8)	<(100)	26
360	(6)	385
163	1	162
23	(15)	27
47	2	46
74	(1)	75
75	32	57
26	(21)	33
17	(26)	23
59	(16)	70
(47)	(18)	(40)
(2)	75	(8)
1 514	(4)	1 577
222	34	166
6	>100	–
1 742	–	1 743
69	>100	26
1 811	2	1 769
(33)	<(100)	10
(1)	96	(23)
(1)	80	(5)
150	(11)	168
–	–	–
1 926	–	1 919

SEGMENT REVIEW continued
SEGMENTAL INCOME ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Net gaming wins							
	Total net gaming wins		Tables		Slots		Alternate Gaming income	
R million	2018	2017*	2018	2017*	2018	2017*	2018	2017*
South African operations	**8 878**	8 520	**1 457**	1 343	**6 182**	6 068	**1 239**	1 109
GrandWest	**2 121**	2 066	**347**	327	**1 774**	1 739	**–**	–
Sun City	**512**	577	**113**	127	**399**	450	**–**	–
Sibaya	**1 199**	1 183	**292**	289	**907**	894	**–**	–
Time Square	**1 096**	744	**314**	223	**782**	521	**–**	–
Carnival City	**891**	901	**163**	162	**728**	739	**–**	–
Boardwalk	**439**	452	**52**	48	**387**	404	**–**	–
Wild Coast Sun	**387**	373	**68**	52	**319**	321	**–**	–
Carousel	**144**	225	**11**	19	**133**	206	**–**	–
Meropa	**271**	275	**32**	29	**239**	246	**–**	–
Table Bay	**–**	–	**–**	–	**–**	–	**–**	–
Windmill	**260**	243	**45**	45	**215**	198	**–**	–
Sun Slots	**1 162**	1 060	**–**	–	**–**	–	**1 162**	1 060
Morula	**–**	36	**–**	4	**–**	32	**–**	–
Flamingo	**150**	158	**12**	10	**138**	148	**–**	–
Golden Valley	**152**	160	**8**	8	**144**	152	**–**	–
SunBet	**77**	49	**–**	–	**–**	–	**77**	49
Maslow	**–**	–	**–**	–	**–**	–	**–**	–
Other operating segments	**17**	18	**–**	–	**17**	18	**–**	–
Management and corporate office	**–**	–	**–**	–	**–**	–	**–**	–
Nigerian operations	**60**	57	**11**	10	**49**	47	**–**	–
Latam operations	**4 261**	3 759	**798**	720	**3 463**	3 039	**–**	–
Monticello	**1 692**	1 546	**489**	466	**1 203**	1 080	**–**	–
Dreams SCJ licences	**1 227**	1 180	**84**	86	**1 143**	1 094	**–**	–
Dreams Municipal licences	**739**	756	**74**	87	**665**	669	**–**	–
Chile total	**3 658**	3 482	**647**	639	**3 011**	2 843	**–**	–
Sun Chile office	**–**	–	**–**	–	**–**	–	**–**	–
Dreams Peru excluding Thunderbird	**287**	277	**85**	81	**202**	196	**–**	–
Thunderbird	**189**	–	**56**	–	**133**	–	**–**	–
Mendoza	**127**	–	**10**	–	**117**	–	**–**	–
Inter-company management fees	**–**	–	**–**	–	**–**	–	**–**	–
Total	**13 199**	12 336	**2 266**	2 073	**9 694**	9 154	**1 239**	1 109

** The prior year comparative financial information was restated to reflect the discontinued operations of Panama and Colombia as required by IFRS 5:Non-Current Assets Held for Sale and Discontinued Operations, as well as for IFRS 15 net gaming wins, which was previously disclosed as revenue.*

Income streams are reported on separately as below:

Income outside the scope of IFRS 15:

Tables and Slots: Income from casino gambling operations.

Alternate Gaming income: Income from Sun Slots (including LPM gaming wins) and SunBet

Revenue from contracts with customers									
Total revenue		Rooms		Food & Beverage		Other		Total income	
2018	2017*	**2018**	2017*	**2018**	2017*	**2018**	2017*	**2018**	2017*
2 925	2 910	**990**	976	**903**	921	**1 032**	1 013	**11 803**	11 430
93	89	**2**	2	**62**	61	**29**	26	**2 214**	2 155
1 160	1 154	**495**	498	**363**	388	**302**	268	**1 672**	1 731
90	86	**18**	14	**65**	62	**7**	10	**1 289**	1 269
151	83	**25**	–	**96**	66	**30**	17	**1 247**	827
70	79	**5**	6	**46**	50	**19**	23	**961**	980
93	100	**38**	36	**41**	50	**14**	14	**532**	552
111	108	**39**	39	**40**	37	**32**	32	**498**	481
19	21	**5**	6	**–**	–	**14**	15	**163**	246
37	27	**10**	4	**26**	21	**1**	2	**308**	302
341	354	**263**	270	**70**	76	**8**	8	**341**	354
13	12	**–**	–	**13**	12	**–**	–	**273**	255
–	–	**–**	–	**–**	–	**–**	–	**1 162**	1 060
–	2	**–**	–	**–**	2	**–**	–	**–**	38
15	14	**–**	–	**13**	14	**2**	–	**165**	172
18	16	**5**	3	**11**	12	**2**	1	**170**	176
–	–	**–**	–	**–**	–	**–**	–	**77**	49
142	148	**84**	88	**54**	57	**4**	3	**142**	148
4	24	**1**	10	**3**	13	**–**	1	**21**	42
568	593	**–**	–	**–**	–	**568**	593	**568**	593
88	86	**47**	41	**41**	41	**–**	4	**148**	143
757	567	**292**	224	**450**	334	**15**	9	**5 018**	4 326
212	127	**8**	16	**199**	111	**5**	–	**1 904**	1 673
354	352	**159**	178	**193**	174	**2**	–	**1 581**	2 367
84	79	**27**	30	**53**	49	**4**	–	**823**	–
650	558	**194**	224	**445**	334	**11**	–	**4 308**	4 040
–	9	**–**	–	**–**	–	**–**	9	**–**	9
1	–	**–**	–	**–**	–	**1**	–	**288**	277
5	–	**–**	–	**5**	–	**–**	–	**194**	–
101	–	**98**	–	**–**	–	**3**	–	**228**	–
(549)	(548)	**–**	–	**–**	–	**(549)**	(548)	**(549)**	(548)
3 221	3 015	**1 329**	1 241	**1 394**	1 296	**498**	478	**16 420**	15 351

IFRS 15: Revenue from Contracts with Customers:

Food and Beverage: Revenue from bars, restaurant and conferencing operations.

Rooms: Revenue from hotel rooms operations.

Other: Revenue from entertainment, conferencing, Vacation Club and other.

ANNEXURE "A" CONTINUED

GrandWest's income increased 3% to R2.2 billion and adjusted EBITDA increased 2% to R868 million. Slots income was up 2% while tables income was up 6%.

Sun City experienced difficult trading conditions, with income down 3%. Tables were impacted by a lower drop, while slots continued to come under pressure in the local market following the opening of a third Electronic Bingo Terminal (EBT) outlet in Rustenburg in October 2017. Rooms revenue was 1% lower than the prior year with occupancy down 5% at 67% and the average room rate up 3% at R1 823. Occupancy was partly impacted by the severe hailstorm on 15 December 2018 which resulted in the resort temporarily losing a number of rooms. Included in Sun City's results is a business interruption claim of R25 million as a result of the storm. As a result of the lower income and the high fixed cost base, adjusted EBITDA was down 14% compared to the prior year.

Sibaya income increased by 2% while adjusted EBITDA decreased by 2%, impacted by the VAT increase and legal fees for litigation relating to the award of the EBT licences in the province. We continue to challenge the award of these licences on the basis that the correct process has not been followed. The Sibaya Privé and Food and Beverage refurbishments were completed during the third quarter of the year.

Time Square achieved income of R1.3 billion and adjusted EBITDA of R305 million. Casino market share for the year was at 13.5% although for the second half of the year market share was 14.2% reflecting steady growth, which has continued in the early part of 2019 where revenue for January and February were up 9% and 32% respectively. The hotel achieved occupancy of 48% at a room rate of R1 197.

Carnival City income decreased 2% with adjusted EBITDA down 9%. Although the property experienced an increase in footfall, average spend continued to drop. The Carnival City Privé and a number of the hotel rooms will be refurbished during 2019.

Boardwalk's income decreased 4% with casino income down by 3% and adjusted EBITDA in line with the prior year following certain restructures and cost-cutting initiatives. The property is currently undergoing a comprehensive restructure which will result in further cost reductions.

The shopping mall development is progressing, albeit at a slower pace than we would have preferred. We currently have two experienced retail mall developers who have expressed interest in investing in and developing the mall. The development will likely commence in the second half of 2019.

Wild Coast Sun increased income by 4% and adjusted EBITDA by 2%. We submitted our bid for the casino licence renewal on 31 January. The current licence expiring in August 2019.

The Table Bay was impacted by the water crisis in Cape Town, which resulted in a number of cancellations and a slowdown in bookings, in the first half of the year. The situation has however improved and we have noticed a pickup in bookings towards the end of the year. Room occupancy decreased by 6% to 69% and the average room rate improved by 6% to R3 188.

The **small urban casinos**, which include Meropa (Limpopo), Windmill (Free State), Flamingo (Northern Cape) and Golden Valley (Western Cape) collectively grew their income by 1% while maintaining adjusted EBITDA in line with the prior year.

The **Carousel** has been severely impacted by Time Square, resulting in income declining by 34%. We have received approval from the North West Gambling Board to restructure operations. The restructure will result in the closure of the tables department, a reduction in slots to 400 and a reduction in headcount. Consultations with the union have commenced.

Sun Slots continues to trade well with income and adjusted EBITDA increasing by 10% and 15% respectively.

Management fees and related income of R569 million remained in line with the comparative period, due primarily to lower development fees. Management company costs of R402 million were R24 million higher than the prior year, largely due to the roll out of shared services and the insourcing of our own creative and design team.

SEGMENT REVIEW continued

FOR THE YEAR ENDED 31 DECEMBER 2018

The Latam segment review is set out below:

	Income		Adjusted EBITDA	
R million	**2018**	2017	**2018**	2017
Monticello	**1 904**	1 674	**573**	417
Sun Dreams SCJ licences	**1 581**	1 532	**612**	586
Sun Dreams municipal licences	**823**	834	**287**	303
Sun Chile office	**–**	9	**(8)**	8
Central office*	**–**	–	**(194)**	(132)
Chile operations	**4 308**	4 049	**1 271**	1 182
Peru excluding Thunderbird Resorts	**288**	277	**32**	33
Comparable operations**	**4 596**	4 326	**1 303**	1 215
Thunderbird	**194**	–	**25**	–
Mendoza	**228**	–	**36**	–
Total continuing operations	**5 018**	4 326	**1 363**	1 215

** PPA adjustment included in central office.*
*** Comparable operations excludes Thunderbird, Mendoza, and the two discontinued units: Ocean Sun and Sun Nao.*

Our Latam operations performed well with income growing 6% to R4.3 billion and adjusted EBITDA increasing 8% to R1.3 billion. Sun Dreams' growth was achieved on the back of a strong second half with revenue up 16% and adjusted EBITDA up 12%. Monticello revenue was up 8% and adjusted EBITDA 12% in the second half. The increase in income is partly due to Monticello being closed in July 2017 for 12 days following the unfortunate shooting incident. Monticello benefited from a new arena which opened in June 2017 and a refresh of its restaurant offering. Monticello's adjusted EBITDA also improved due to certain costs being moved from Monticello to the central office to align with other Sun Dreams' properties. Iquique, which is located in a copper mining region, was impacted by a stagnating local economy as well as a lack of investment in the property due to the imminent expiry of the current licence in 2020 when the casino will be relocated to new premises.

The Peruvian operations (excluding Thunderbird Resorts) increased income by 4% while adjusted EBITDA remained in line with the prior comparative period. Thunderbird Resorts, which acquisition was effective 11 April 2018, generated revenue of R194 million and adjusted EBITDA of R25 million. The acquisition of the Park Hyatt Hotel, Casino & Spa in Mendoza, Argentina became unconditional on 11 July 2018 and has performed ahead of expectations in US dollar terms with a strong performance from the hotel. Its US dollar based income was offset partly by the casino that was impacted by the weak currency.

	Depreciation and amortisation		Operating profit	
	2018	2017	**2018**	2017
	(168)	(152)	**405**	265
	(38)	(35)	**574**	551
	(37)	(47)	**250**	256
	–	–	**(8)**	8
	(154)	(145)	**(348)**	(276)
	(397)	(379)	**873**	804
	(39)	(35)	**(7)**	(3)
	(436)	(414)	**866**	801
	(11)	–	**14**	–
	(10)	–	**26**	–
	(457)	(414)	**906**	801

The closure of the International VIP Business and the 66th floor of the Ocean Sun Casino in Panama led to a decrease in income and a significant reduction in costs. We are pursuing opportunities to dispose of the business but until we do so we will continue to operate the casino. Following the closure of the Sun Nao Casino in Colombia, we opened a few small low-cost slot halls utilising the machines and tables from the Sun Nao Casino. The group will dispose of these operations to another Colombian operator and will take a minority stake in the business. We settled the outstanding rental for the Sun Nao Casino at US$1.5 million, US$2.3 million below what we had provided for. Both the Colombian and Panama operations are accounted for as discontinued operations.

GROUP BORROWINGS

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	Total debt	Minorities	Sun International
South Africa	**9 174**	1 310	7 864
SunWest	**728**	256	472
Afrisun Gauteng	**608**	32	576
Afrisun KZN	**276**	92	184
Emfuleni	**507**	76	431
Wild Coast	**234**	70	164
Meropa	**74**	21	53
Teemane	**73**	18	55
Windmill	**74**	20	54
Golden Valley	**(12)**	(4)	(8)
Sun Slots	**24**	7	17
Time Square	**5 070**	722	4 348
Management and corporate	**1 518**	–	1 518
Nigeria	**602**	305	297
Shareholder loans	**927**	470	457
Sun International inter-company debt	**(325)**	(165)	(160)
Latam	**4 890**	1 461	3 429
Sun Dreams	**4 103**	1 461	2 642
Sun Chile	**787**	–	787
31 December 2018	**14 666**	3 076	11 590
31 December 2017	**14 995**	2 654	12 341

DEBT COVENANTS

	South Africa		Sun Dreams	
	Actual	**Covenant**	**Actual**	**Covenant**
Debt to adjusted EBITDA	**3.0x**	3.5x	**3.0x**	4.5x
Interest cover	**3.2x**	3.0x	**–**	–

BORROWINGS

In June 2018, Sun International concluded an equity capital raise through a renounceable rights offer (Rights Offer) when it successfully raised an amount of R1.6 billion. The funds from the Rights Offer were utilised to settle debt.

Sun International's borrowings as at 31 December 2018 were R14.7 billion, decreasing from R15.0 billion in December 2017. South African debt reduced from R11.4 billion at 31 December 2017 to R9.2 billion due to strong cash flows and the Rights Offer. Latam debt, however, increased following the raising of a 10-year bond by Sun Dreams for the acquisition of a minority's 20% interest in Sun Dreams, which was funded by Sun Dreams.

The group's statement of financial position remains resilient and the operations continue to generate strong cash flows. The group continues to trade within its debt covenant levels. The group has unutilised borrowing facilities of R1.4 billion and available cash balances of R938 million.

CAPITAL EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2018

R million	December 12 months Actual
South African operations	
Expansionary	
Time Square	126
Refurbishment and ongoing	
Sun City	134
GrandWest	110
Sibaya	72
Sun Slots	105
Time Square	14
Other	187
	622
Total South African capital expenditure	748
Latam operations	
Expansionary	85
Refurbishment and ongoing	205
Total Latam capital expenditure	290
Nigerian operations	
Refurbishment and ongoing	12
Total group capital expenditure	1 050

ACQUISITION OF SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2018

Peru acquisition

Sun Dreams finalised the acquisition of Thunderbird Resorts in Peru on 11 April 2018, for a purchase consideration of R317 million (US$26 million). The acquisition included net assets of R192 million, intangible assets of R118 million and goodwill recognised of R7 million. Revenue and profit and loss from acquisition date of R194 million and R29 million respectively was accounted for by Sun Dreams. Had the acquisition date been effective from the beginning of the year, revenue of R258 million would have been accounted for and profit and loss would have been Rnil. Thunderbird Resorts consists of 857 slot machines and 50 tables. The acquisition has allowed Sun Dreams to strengthen its position in Peru and diversify its asset base in Latam.

Argentina acquisition

On 29 June 2018, Sun Dreams entered into an agreement to acquire 100% of the issued share capital of the Park Hyatt Hotel, Casino & Spa in Mendoza, Argentina, for a purchase price of R333 million (US$25 million) and a potential earn out payment of R35 million (US$2.6 million). The acquisition included net assets of R11 million, intangible assets of R273 million and goodwill recognised of R84 million. Revenue and profit and loss from acquisition date of R228 million and R25 million respectively were accounted for by Sun Dreams. Had the acquisition date been effective from the beginning of the year, revenue of R342 million and profit of R47 million would have been accounted for. The Park Hyatt Hotel, Casino & Spa comprises of 186 rooms, 695 slot machines and 19 tables and the transaction became unconditional on 11 July 2018.

The acquisition of this hotel and casino is aligned with the board's strategy of diversifying the group's assets across Latam and extending the average length of the licences of the group. The casino licence is valid for a 20-year period.

ANNEXURE "A" CONTINUED

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Sun International Limited

Opinion

The summary consolidated financial statements of Sun International Limited, contained in the accompanying Sun International Limited audited summary group financial statements, which comprise the summary group statement of comprehensive income, the summary group statement of financial position as at 31 December 2018, cash flows and changes in equity for the year then ended, and related notes, are derived from the audited consolidated financial statements of Sun International Limited for the year ended 31 December 2018.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in Note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 18 March 2019. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in Note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised): Engagements to Report on Summary Financial Statements.

Other matters

We have not audited future financial performance and expectations expressed by the directors included in the commentary in the accompanying summary consolidated financial statements and accordingly do not express an opinion thereon.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor

Johannesburg

18 March 2019

Please note that these numbers constitute only the audited summary group financial statements of the Sun International group. The complete audited consolidated financial statements of the Sun International group incorporating the external auditor, audit committee and directors' reports for the 12 months ended 31 December 2018 are on the company's website at http://www.suninternational.com/investors.

The complete audited consolidated financial statements are also available at our registered office for inspection at no charge during office hours. Copies of the complete financial statements may be requested by contacting Andrew Johnston at andrew.johnston@suninternational.com.

Shareholders are advised that there have been no changes between the audited summary group financial statements for the 12 months ended 31 December 2018 as published on SENS on 18 March 2019 and the complete audited consolidated financial statements which appear on the company's website.

ANNEXURE "B"

DIRECTORS STANDING FOR ELECTION

Name	**Mr VP (Vusi) KHANYILE (69)**
Joined Sun International board	2018
Positions	Independent non-executive director of Sun International Member of the social and ethics committee
Qualifications and experience	*BCom (Hons) Fellowship in Development Finance (Princeton University), Honorary Doctorate, University of Transkei.* Vusi was, up until 2018, the chairman of Thebe Investment Corporation having been its founding managing director in 1992. In addition to having headed up the finance department of the African National Congress between 1990 and 1992, Vusi also serves as the chairman of Santam Limited, chairman of the Steve Biko Academic Hospital and as director of the Worldwide Fund for Nature (WWF).

Name	**Mr JA (Jabu) MABUZA (61)**
Joined Sun International board	2018
Positions	Deputy chairman of Sun International Member of the nomination committee Member of the remuneration committee Member of the investment committee
Qualifications and experience	*DCom (Wits) (h.c.)* Jabu was appointed as deputy chairman to the board effective 5 September 2018. He was previously the group chief executive officer of Tsogo Sun Holdings Limited and recently retired as president of Business Unity South Africa. He currently serves as the chairman of various companies including Anheuser – Busch InBev/SAB Miller – Africa, Business Leadership South Africa, the Casino Association of South Africa, Eskom SOC and Telkom SA SOC. In 2016, Jabu was appointed by the Presidency as a co-convenor together with the Minister of Finance to assess the state of the South African economy. Outside South Africa, Jabu has served on several companies' boards covering various industries, and he has a wide array of organisational memberships in South Africa and abroad. In 2017, an Honorary Doctor of Commerce was awarded to Jabu by the University of Witwatersrand in recognition of his entrepreneurship achievements and his contribution to the South African economy. Jabu was also the recipient of a Lifetime Achievement Award from EY in its World Entrepreneur Awards, and he has presented several papers in southern Africa, the United Kingdom, United States of America and Europe on black economic empowerment investment in South Africa, small and medium enterprise development and the role of business in transition.

Name	**Mr S (Sam) SITHOLE (46)**
Joined Sun International board	2018
Positions	Non-executive director of Sun International Member of the remuneration committee Member of the investment committee
Qualifications and experience	*BAcc (Hons), CA(SA), ACA, CA(Z)* Sam was appointed to the board effective 20 June 2018. He is the chief executive officer and founder of Value Capital Partners (Pty) Ltd and has over 20 years of experience in the accounting and private equity industries in South Africa and internationally. Sam also serves as non-executive director on the boards of Allied Electronics Corporation Limited, Adcorp Holdings Limited and African Phoenix Investments Limited.

Name	**Ms ZP (Zimkhitha) ZATU (35)**
Joined Sun International board	2018
Positions	Independent non-executive director of Sun International Member of the audit committee
Qualifications and experience	*BCom, HDip Acc, CA(SA)* Zimkhitha was appointed as independent non-executive director to the board effective 23 November 2018. Zimkhitha is highly entrepreneurial while still committed to solid commercial and business practice and sound governance. She founded ZAAM Investments (Pty) Ltd, a 100% women-owned and managed company focusing on project development, consultancy services and strategic investments within key economic sectors in South Africa. Her current board roles include deputy chairperson of National Film and Video Foundation and director of Rail 2 Rail (Pty) Ltd and Sedibeng Iron Ore Mine (Pty) Ltd respectively. Previously she held directorships at African Women Chartered Accountants, Commuter Transport Engineering, SAICA Thuthuka Education Upliftment Fund and Siyazisiza Trust. Zimkhitha completed the GIBS Executive Leadership Programme and is currently completing her thesis for a master's in Corporate Finance through Liverpool University. Highly analytical, she has excellent strategic insights and strong operational experience as well as in-depth understanding of infrastructure projects. In 2015, Zimkhitha was selected as one of the Mail & Guardian's 200 Young South Africans.

ANNEXURE "B" CONTINUED

DIRECTORS STANDING FOR RE-ELECTION

Name	**Mr PDS (Peter) BACON (72)**
Joined Sun International board	2013
Positions	Independent non-executive director of Sun International Chairman of the risk committee Member of the audit committee
Qualifications and experience	*FIH* Peter is an independent non-executive director of the company. He is a Fellow of the institute of Hospitality with over 40 years' experience in the hotel, resort and gaming industry. He joined the group in 1973 and occupied a number of executive positions in South Africa and overseas before becoming managing director of Sun International in 1994 and then group chief executive in 2003. He retired in 2006 and rejoined the board in February 2013. Peter was also previously a director of Woolworths Holdings and is chairman of Atlantic Leaf Properties. He was chairman of the National Sea Rescue Institute up until August 2014 and also served as a director of South African Tourism and as Chairman of the Tourism Grading Council of South Africa. Peter is also a non-executive director of PSG Konsult (Mauritius) Limited and a non-executive director of DMH Limited (Mauritius).

Name	**Dr NN (Lulu) GWAGWA (59)**
Joined Sun International board	2005
Positions	Independent non-executive director of Sun International Member of the nomination committee Member of the remuneration committee Member of the risk committee
Qualifications and experience	*BA, MTRP, MSc, PhD (London)* Lulu was appointed to the board in 2005. She served as a deputy director general in the National Department of Public Works and served a five-year term as chief executive officer of the Independent Development Trust. Her other current directorships include, among others, FirstRand, Massmart, Aurecon and Lereko Investments, the latter of which she is presently chief executive officer. Lulu was previously on the board of ACSA.

Name	**Mr PL (Leon) CAMPHER (70)**
Joined Sun International board	2002
Positions	Lead independent director of Sun International Chairman of the remuneration committee Member of the audit committee Member of the investment committee Member of the nomination committee Member of the social and ethics committee
Qualifications and experience	*BEcon* Leon was appointed to the board in 2002 and as the lead independent director on 1 January 2018. Leon has extensive experience in investment management with Old Mutual, Syfrets Managed Assets, Coronation and African Harvest. He is the CEO of the Savings and Investment Association of South Africa, chairman of the International Investment Funds Association, lead independent director of Brimstone Investment Corp Limited and chairman of Equities Property Fund Limited.

AUDIT COMMITTEE MEMBERS STANDING FOR ELECTION

1. Mr PDS (Peter) BACON (See biography above)
2. Mr PL (Leon) CAMPHER (See biography above)
3. Mr EAMMG (Enrique) CIBIE (See biography below)
4. Ms CM (Caroline) HENRY (See biography below)
5. Ms ZM (Zimkhitha) ZATU (See biography above)

Name	**Mr EAMMG (Enrique) CIBIE (65)**
Joined Sun International board	2014
Positions	Independent non-executive director of Sun International Member of the audit committee Member of the remuneration committee Member of the risk committee
Qualifications and experience	*BA, CA (Pontificia Universidad Catolica de Chile), MBA (Stanford University)* Enrique was appointed to the board with effect from 22 August 2014. Enrique is a Chilean national and currently serves as a non-executive director on various boards in Chile, having previously served as the chief executive of various multinational and Chilean companies. Enrique is also a director of the Sun Dreams S.A. board in Chile.

ANNEXURE "B" CONTINUED

Name	Ms **CM (Caroline) HENRY (52)**
Joined Sun International board	2016
Positions	Independent non-executive director of Sun International Member of the audit committee Member of the risk committee Member of the social and ethics committee
Qualifications and experience	*BCom, BCompt (Hons), CA(SA)* Caroline was appointed as an independent non-executive director on the board with effect from 3 October 2016. Caroline has over 20 years of experience in the finance sector. Since 2005 she headed Eskom's treasury function gaining invaluable experience in debt capital markets and treasury. In 2013 she served as acting chief financial officer taking responsibility for financial reporting, treasury, shared services, insurance, and oversight of the Eskom Pension and Provident Fund (EPPF). Caroline contributed in various capacities (member and executive) to Eskom's investment and finance committee, the new build oversight committee, audit and risk committee, the executive committee, nuclear management committee and the EPPF investment committee.

ANNEXURE "C"

SUN INTERNATIONAL LIMITED (SUN INTERNATIONAL OR THE COMPANY) FY2018 REMUNERATION REPORT

PART 1: BACKGROUND STATEMENT WITH FEEDBACK FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Letter from the chairman of the remuneration committee

Dear shareholders

A core responsibility of the Sun International remuneration committee (the committee) is to ensure that the remuneration philosophy and policy supports the Sun International group's strategic targets to enable it to attract, motivate, reward and retain executive directors and prescribed officers (senior executives), as well as the general managers of the various South African business units (general managers) and other senior managers of the group (senior managers), in order to maximise shareholder value, while also complying with relevant legislation and the requirements of the King IV Report on Corporate Governance for South Africa™, 2016 (King IV™).

As members of the committee, our focus during 2018 was threefold, namely, to:

1. streamline and integrate the remuneration structures and processes across the entire group, having particular regard to the Sun Dreams remuneration governance structures, vis-a-vis Sun International;
2. address concerns and implement recommendations advocated by shareholders, particularly relating to the variable pay structures, as and where appropriate; and
3. assist and advise the board on matters relating to remuneration governance and the remuneration of top management.

Non-binding advisory vote on remuneration policy and implementation report

For the second consecutive year, this remuneration report is presented in three separate parts, namely this background statement and letter (Part 1), the overview of the main provision of the remuneration policy (Part 2) and the implementation report for the remuneration policy applied in the 2018 financial year (Part 3), in line with best practice and good governance principles for South African remuneration reporting. We trust that this structure continues to provide sufficient clarity and transparency around how the remuneration policy (remuneration policy) is linked to the actual pay received by senior executives, displaying the strong link between pay and performance, which is the backbone of Sun International's remuneration policies and practices.

Following the significant no vote, which was cast by shareholders against the company's remuneration policy at the 2016 annual general meeting, the committee actively engaged with several of its major shareholders during the 2017 financial year in order to better understand their concerns and reasons for voting down the remuneration policy resolution. This culminated in Sun International tabling a revised remuneration policy and remuneration report incorporating many of these shareholders' recommendations at the 2018 annual general meeting, when shareholders voted in favour of both the remuneration policy and remuneration report resolutions by more than 81% of the total number of votes cast at the meeting.

The dissenting votes for the last remuneration report were 17.57% and 18.73%.

Notwithstanding that both remuneration resolutions were passed by in excess of 80% of the total votes cast at the 2018 annual general meeting, the committee continued to engage with those shareholders which voted against the remuneration resolutions at the 2018 annual general meeting and to this extent has adopted several of their recommendations going forward. A summary of the feedback received and the responses and action taken by Sun International is set out in the table on the following page. Further details regarding the changes can be found in Part 2 of this remuneration report.

ANNEXURE "C" CONTINUED

Shareholder feedback	Sun International responses and action taken
There is a lack of return metric as a performance criteria for the long-term incentives (LTIs)	We have revisited the performance metrics for both the STI and LTI and have taken the views of the investor community into account. We intend to include a returns measure for the new LTI, which will be introduced in the current year.
The use of adjusted HEPS as a sole performance metrics for the equity growth plan (EGP) rights	We have taken the views of the investor community into account in this regard and intend to discontinue future grants of EGP rights, subject to the approval of the new LTI.
The number of shares available for the share plans and the maximum number per participant	The current number of shares available for the share plans were previously approved by shareholders in general meeting. The maximum aggregate number equates to approximately 7.88% of the issued share capital, while the individual limit is less than 1% of the issued share capital. This number of shares will be reviewed and where appropriate amended when Sun International tables its proposed new LTI to shareholders in 2019.
Concerns regarding the short-term incentive (STI) and disclosure of key performance areas (KPAs) be expanded upon to show clearly how performance on the specific metrics translated into the vesting achieved for senior executives	We have expanded on our disclosure in Part 2 and Part 3 in order to demonstrate how the STI works and how the senior executive's performance correlates to the outcomes achieved and remuneration paid out in terms of the STI.

Remuneration consultants

During the course of the 2018 financial year, the committee engaged remuneration consultants namely 21st Century, Khokhela Remuneration and Performance, PwC, Investec and Korn Ferry/The Hay Group to, among others, benchmark the senior executives and senior managers' TCOE and total reward packages during the year, as well as advise on recent market trends regarding long-term share-based incentives. The committee is satisfied that these remuneration consultants acted independently and were objective in their advices and recommendations provided during the year under review.

Based on the input provided by the aforesaid consultants, as well as management, and taking into consideration the views expressed by shareholders, the committee recommended to the Sun International board certain changes to both the STI and the LTI which, except for those changes to the LTIs which still require shareholder approval, were approved by the board during 2018 or prior to the date of this remuneration report.

Key focus areas and decisions taken during the reporting period

Building on the changes introduced to both the STI and LTI after the feedback on the 2016 remuneration report, aspects of remuneration focused on by the committee during the year under review included:

- the group-wide integrated governance framework has been bedded down by significantly bolstering the remuneration structures and governance processes in Latin America (Latam), by aligning the remuneration practices and policies of Sun Dreams with those of Sun International;

- reviewed and agreed on a revised peer group of companies against which to benchmark the senior executives' remuneration packages and the non-executive directors' fees in future. Details of these are recorded on page 63 of this remuneration report;
- strengthened the composition of the committee in South Africa and the remuneration committees in Latam and Nigeria;
- obtained shareholder approval on amendments to the EGP rights and bonus matching share plans to align with the Companies Act, revised JSE Listings Requirements and corporate governance recommendations as set out in King IV™. These changes were highlighted in the circular delivered to shareholders dated 16 February 2018 and are referenced in Part 2 of this remuneration report;
- continued to engage with its shareholders regarding changes to its STI and LTI plans, including the proposed new LTI plan, which will be the primary plan for LTI awards going forward for the senior executives, if approved by shareholders at a special general meeting in 2019. Until this approval, the existing LTIs will be used. The details of these proposed changes are highlighted in Part 2 of this remuneration report;
- finalised an extensive analysis pertaining to equal pay for work of equal value across the South African business units and satisfied itself that Sun International pays a living wage to its employees, taking into account the current minimum wage in South Africa and the additional benefits which the group provides to its wage employees;
- conducted a self-evaluation exercise during 2018 to assess its strengths and weaknesses;
- analysis regarding employee well-being which is discussed in more detail below;
- adopted the concept of a 'single figure remuneration' in respect of the remuneration disclosures of its senior executives; and
- satisfied itself that it achieved its stated objectives.

Focus areas for 2019

- A proposed new LTI plan will be tabled for shareholder approval which will encourage senior executives to build up a shareholding in Sun International, thereby further aligning their interests with shareholders
- Further work will be done on the equal pay for work of equal value analysis, to further strengthen Sun International's commitment to fair and responsible remuneration

Fair and responsible remuneration

King IV™ requires executive management remuneration to be fair and responsible in the context of overall employee remuneration. During 2018, Sun International concluded its first comprehensive 'equal pay for work of equal value' analysis, which was conducted across all of the South African business units in order to identify disparity in the remuneration packages for employees in same/similar positions.

Approximately 120 positions had been identified as requiring adjustments to their remuneration packages at a cost of around R2.2 million extra per annum. Equal pay for work of equal value is not a concern in Latam, however, we will be focusing on pay disparity between genders in our Latam operations during the coming year. Sun International expects to have fully addressed and achieved equal pay for work of equal value in 2021.

A key focus area for the committee during 2018 involved employee well-being in the work place. To this end and while remaining sensitive to the wage gap, the committee conducted an in-depth analysis around the payment of a living wage to its employees. In this regard, the committee was satisfied that the cash portion of all wages earned by the Sun International employees exceeded the minimum wage determined by law in South Africa. When adding the cash portion of all wage employees to the additional benefits offered by the group such as, *inter alia*, the various housing and school fee subsidies, free meals while on duty, maternity leave benefits, retirement funding plus the primary healthcare plan for all bargaining unit employees which is paid for by Sun International, the analysis indicated that all wage employees are remunerated higher than the median of the market benchmark. The aspects around the payment of a living wage to employees was also considered and endorsed by Sun International's social and ethics committee and board.

Notwithstanding the aforegoing, Sun International recognises the sensitivity surrounding income disparities and understands that managing and minimising such disparities in South Africa is of extreme socio-economic importance. We acknowledge that taking active steps to address wage inequality is an important aspect of corporate social responsibility and we remain committed to working towards a solution, which is both ethically and economically sustainable for all stakeholders. As we communicated to shareholders in 2018, while we remain committed to ensuring that our employees receive a living wage, we also acknowledge the need to manage remuneration levels at the top. In this regard, although Sun International benchmarks all staff against the 50th percentile of the market, annual increases are not solely inflationary based, and individual performance and each individual's value to the organisation are considered, allowing for flexibility within a band of between 10% and 15% either way.

Pleasingly and following a self-evaluation exercise, which was conducted by the committee members in 2018, no material deficiencies or areas of concern or improvement were identified by the committee, which require remedial action. As per the committee's mandate and terms of reference, these evaluations are conducted every other year.

Key changes to the membership of the committee during the year under review included the appointment of Messrs Sithole and Mabuza and Dr Gwagwa as additional members to the committee. Each of these new members are classified as non-executive directors of Sun International while Dr Gwagwa is an independent director. Mr Cibie, a further independent director of Sun International and a member of the committee also chairs the Sun Dreams remuneration and nomination committee. In addition to the foregoing, Mr Johnston, the Sun International group director: corporate services and a director of the Tourist Company of Nigeria Plc. (TCN) was appointed as the chairman of TCN's nomination and governance committee during the year under review, which oversees remuneration governance at the Federal Palace Hotel in Lagos. Mr Johnston has also been appointed as the secretary of the Sun Dreams remuneration and nomination committee in Chile.

As required by the Companies Act, the JSE Listings Requirements and King IV™, the following resolutions will be tabled for non-binding advisory votes by shareholders at the annual general meeting, which is taking place on Tuesday, 14 May 2019, further details of which can be found in the notice of the annual general meeting:

1. binding vote on non-executive directors' fees;
2. advisory vote on the remuneration policy; and
3. advisory vote on the implementation of the remuneration policy (remuneration report).

We have included provisions in our remuneration policy to ensure that, in instances where either the remuneration policy or the remuneration report are voted against by 25% or more of the voting rights exercised, the committee will take proactive steps to constructively engage with dissenting shareholders in order to address legitimate and reasonable concerns pertaining to our remuneration practices, procedures and governance and provide detailed feedback on the nature and outcomes of the engagements in the following year's remuneration report.

Included at the back of the 2018 annual statutory report is a perforated and detachable form, which has been included for the benefit of shareholders to allow them to proffer any recommended changes or suggestions in respect of Sun International's remuneration policy, remuneration report and/or remuneration practices. I encourage those shareholders who wish to avail themselves thereof to complete the form and return it to myself, care of the group company secretary.

Finally, I would like to take this opportunity to thank my colleagues for their ongoing support during my inaugural year as the chairman of the committee and welcome the new members to the committee.

Mr PL Campher
Chairman: remuneration committee

PART 2: OVERVIEW OF THE MAIN PROVISIONS OF THE REMUNERATION POLICY

Below we set out an overview of the main provisions of the remuneration policy, as applicable to the senior executives (as defined previously), the general managers and senior managers and on a high level, other employees. The remuneration policy, as it appears in this Part 2 of the remuneration report and which is referenced in the notice of the annual general meeting (AGM) will be put forward for the non-binding vote.

Remuneration governance and the committee

Remuneration policy within the Sun International group is reviewed annually by the committee, which is constituted as explained in the governance report posted on the company's website, which is available at www.suninternational.com/investors. The responsibilities and the composition of the committee, as well as attendances at committee meetings are set out in that report. The mandate of the committee covers, among others, the formulation of remuneration policy as it affects employees at all levels throughout the Sun International group. The committee's terms of reference and this remuneration report, incorporating the remuneration policy, are both available on Sun International's website and can be accessed from www.suninternational.com/investors.

The committee oversees compliance in this respect by the company and its major subsidiary companies with the requirements set out in the JSE Listings Requirements, the principles set out in King IV™ and with the terms of the Companies Act (2008) in relation to the remuneration of senior executives and non-executive directors. Following the publication of King IV™ on 1 November 2016 and its implementation with effect from 1 October 2017, the committee has afforded much attention to the implications and application of the same for Sun International. The committee is satisfied that the remuneration policy of the Sun International group has achieved its stated objectives and except for those changes documented in this report, there have been no material deviations to the said remuneration policy during the year under review. As indicated in Part 1 of this report, Sun International, acting through its major subsidiary, Sun Dreams S.A. in Chile has established a remuneration and nomination committee for its Latam operations. Sun International is also adequately represented on the TCN nomination and governance committee, which oversees remuneration governance and the remuneration of the group's employees in Nigeria.

The members of the Sun Dreams remuneration and nomination committee include, among others, the Sun International chief executive, chief financial officer and Mr Cibie, all of whom attend meetings of the committee. Each of Messrs, Basthdaw, Leeming and Cibie are directors of Sun International. Mr Cibie is also the chairman of the Sun Dreams remuneration and nomination committee. In addition, the Sun International group company secretary also attends meetings of the Sun Dreams remuneration and nomination committee by invitation and is responsible for ensuring that similar principles of remuneration and an equivalent standard of remuneration governance to that adopted in South Africa, is applied in Latam. To avoid conflicts of interest, neither the chief executive of Sun International, nor the chief executive officer of Sun Dreams are members of their respective remuneration committees and both excuse themselves from meetings when their remuneration is discussed.

The company is also guided by international best practice and, to this end, is an active participating member of the International Corporate Governance Network (ICGN) and has substantially aligned its remuneration policy with the best practice standards expounded by the ICGN.

Activities undertaken by the committee during the year

During the year under review, the committee performed those activities, which have been elaborated on by the committee chairman in Part 1 of this remuneration report.

In addition, the committee:

- satisfied itself, following the recommendations received from the trustees of the Sun International Provident Fund, that it would be in the best interests of the relevant group employees to transfer from the Sun International Provident Fund to the Sanlam Umbrella Fund with effect from 1 July 2019;
- applied certain changes agreed by the committee and the board to the annual STI (particularly around the financial performance metrics to be applied to annual STI, the methodology and basis for paying enhanced annual STI where there has been outperformance and implemented amendments to the various long-term share-based incentives, which were approved by shareholders in 2018 and which included the introduction of malus on unvested EGP rights, bonus matching shares and restricted shares, the repayment of dividends received on bonus

matching shares and restricted shares under certain circumstances, the reduction in the number of bonus matching shares awarded to the senior executives and the grant of an increased number of EGP rights to senior executives to compensate them therefore, linked to financial performance conditions; and

- adopted the single figure remuneration concept for the senior executives as disclosed in Part 3 of this remuneration report and as advocated in King IV™.

Remuneration policy in overview

The remuneration policy places an emphasis on rewarding consistent and sustainable individual and corporate performance in the short, medium and long term. It also seeks to ensure that the remuneration of the senior executives is fair and responsible in the context of overall employee remuneration throughout the organisation. Some of the methods in which the remuneration policy seeks to align remuneration practices with the strategic objectives of the business are summarised below.

Strategic objective	Policy highlights
Improving relationships with all external stakeholders	• The interests of senior executives are aligned with the interests of shareholders and with the business strategy as formulated by the board, through the linking of remuneration to sustainable individual performance through the utilisation of performance-based rewards to drive corporate performance. • The company is committed to communication and ensuring that all stakeholders are aware of the remuneration policy.
Emphasising financial sustainability, focusing on profitable growth and capital and cost management	• Remuneration practices seek to reinforce, encourage and promote superior performance through STIs and LTIs. • The company adopts remuneration practices, which reward consistent and sustainable individual and corporate performance. • High-performing employees are rewarded for the contribution they make to the company and/or Sun International group. • To achieve effective cost management, the company manages guaranteed pay levels using total cost of employment (TCOE). Performance management is directly linked to both TCOE and annual STI bonuses. • There is no contractual right to the payment of any STI bonus in any circumstances.
Establishing a unified, group-wide culture	• Remuneration practices are designed to ensure that Sun International and each subsidiary company have a top management team at their helm and top-level expertise available to management at all times. • Sun International group standards are adopted and uniformly applied, while recognising that the different nature of the major underlying units and operating subsidiaries may require a differential approach between them.

Strategic objective	Policy highlights
Develop, retain and attract core skills	• The remuneration policy guidelines have been developed to attract, motivate, reward and retain senior executives and other key personnel by providing attractive, appropriate and market-related remuneration packages. • Our total reward levels are appropriately set to encourage and reward superior performance, while ensuring that market competitive levels are maintained where target performance is met. The company identifies and positions itself against the organisations or companies from which skills are acquired, or to which skills are lost. It also considers and benchmarks itself against similar sized companies in other sectors and in the case of the chief executive (CE), considers international benchmarks of chief executive officer's TCOE in the gaming and hospitality sectors.
Drive sustainable growth and financial sustainability	• Ensure that 'pay mix' is designed to focus on achievable organisational goals and personal objectives. • Total remuneration for senior executives, senior managers, key talent and scarce skills, includes a guaranteed package, an STI and an LTI. • The performance conditions of the STI bonus include both financial performance indicators as well as key performance indicators (KPIs) relevant to each participant, which ensure that pay out is dependent on performance resulting in sustainable growth and financial sustainability. • Similarly, the vesting of awards in terms of the EGP rights scheme is based on performance conditions, which drive sustainable growth and financial sustainability.

Elements of pay

We have set out below the various elements of pay applicable to senior executives, senior managers, as well as other staff (as may be applicable). The following table displays the elements of pay as applicable to senior executives, senior managers, as well as other staff (as may be applicable).

Guaranteed pay

Remuneration is defined in terms of a TCOE package approach; the guaranteed package including base salary, travel allowance (as may be applicable), retirement savings, death, disability and healthcare contributions.

The company positions senior executives, general managers and senior managers' guaranteed pay and total reward to the 50th percentile, while allowing for total reward to reach the 75th percentile, where stretch performance is achieved. This allows STI and LTI to be utilised to reward superior performance, while ensuring that the reward offering remains competitive in the market, allowing us to retain our senior executives, general managers and key talent.

The Sun International group's annual TCOE increase process is performed between October and February each year. Increases are determined by the committee in conjunction with Sun International's executive committee. Consideration for increases takes into account, among others, the following factors: market-related TCOE increases, changes in individual responsibility, individual performance, the performance of the Sun International group as a whole and other relevant economic indicators such as, *inter alia*, affordability and inflation. Overall increases will typically reflect the market benchmark increases, with individual increases varying according to an assessment of individual performance/worth. A job-sizing audit is conducted periodically in order to ensure that the guaranteed pay base remains competitive and relevant to the remainder of the market.

ANNEXURE “C” CONTINUED

STI

The STI is calculated on a formulaic basis, taking each employee’s TCOE into account, as well as a specific percentage determined with reference to their job grade. The combination of these two factors is adjusted by a modifier, which is informed by:

(i) financial performance on company-wide KPIs, agreed annually in advance by the committee; and

(ii) a score derived from their personal performance rating, which is based on their achievement of personal KPIs (incorporating a combination of financial and non-financial key strategic objectives/performance indicators).

The personal performance score is stringently set, and an ‘exceeding expectations’ rating of 4 is required to unlock 100% for this component. This can be enhanced beyond 100% (up to a maximum of 200%) in the event that above target performance was achieved for the financial measures component. This ensures that the maximum STI can only be unlocked where truly exceptional performance has been achieved on both a personal and organisational level.

The modifier can be a maximum of 200%, meaning that the maximum any employee is eligible to receive is 200% of the on-target STI (being their TCOE multiplied by their individual on-target STI percentage).

The diagram below sets out how individual STIs are calculated:

TCOE X **On-target** X **Modifier (0 to 200%)**

On-target

Job grade	OT%
CE	85%
CFO, COO, CSOO	60%
Other senior executives including large unit general managers	50%
Remaining unit general managers/ group senior managers	40%
Group managers	30%

Modifier (0 to 200%)

	70%	30%
	Financial measures	**Personal measures**
CE, CFO, director of corporate services	Group EBITDA – (50% weighting) Group ADHEPS – (20% weighting)	Measured against individual KPIs and awarded a performance rating as follows: • Performance rating of 2.5 or less – 0% score • Performance rating between 2.5 and 3 –linear vesting from 0% at 2.5 rating to 70% at 3 rating • Performance rating between 3 and 4 – linear vesting from 70% at 3 rating to 100% at 4 rating • Performance rating of 4 and above – 100% score In circumstances where financial performance has exceeded on-target levels, senior executives, general managers and other senior managers will be entitled to an enhancement of the KPI portion of their STI, calculated as follows: • On-target or budget achievement of financial measures = no enhancement factor of KPI portion of STI • Achievement of 105% of on target achievement of financial measures = 50% enhancement factor • Achievement of Stretch, target (110% of on target) of on-target achievement of financial measures = 100% enhancement factor
Other senior executives	SA EBITDA (50% weighting) Group ADHEPS – (20% weighting)	
Senior managers, general managers and other qualifying managers	SA EBITDA (14% weighting) Group ADHEPS – (6% weighting) Unit’s EBITDA (45% weighting) Unit’s operating free cash flow (5% weighting)	

Targets for the financial measures:

- Financial performance indicators making up 70% of the STI (incorporating a minimum, on-target and stretch targets) are based on actual targets set by the committee with reference to board-approved budgets.
- For the financial performance component to be unlocked (i.e. any value to accrue) a minimum threshold performance level of 90% of the on-target needs to be achieved. Threshold performance for any financial measure will thus unlock 0% score for that measure. On-target performance is generally aligned with budget, and will unlock 100% score for that financial measure, and stretch performance is set at 110% of budget, and will unlock 200% score for that financial measure.
- Linear vesting takes place between the minimum (threshold) and on-target, as well as between the on-target and stretch targets.

Example

- Personal performance rating of 3
- Stretch performance achieved for financial measures
- TCOE of R1 000 000
- On-target STI % of 50%

Step 1: Calculation of the on-target STI

= TCOE x on-target %

= R1 000 000 x 50%

= R500 000

Step 2: Calculation of the modifier

Financial measures

Stretch achievement, results in 200% modifier

= 70% (weighting) x 200%

= 140%

Personal measures

3 rating results in 70% score

Enhancement of personal performance score due to stretch achievement of financial measures

= 30% (weighting) x 70% x 200%

= 42%

Modifier = 140% + 42%

Step 3: Calculation of the STI payment

= On-target STI x modifier

= R500 000 x (140% + 42%)

= R500 000 x (182%)

= R910 000

The long-term share-based incentive plans

The existing LTI plans for senior managers and above are described below. However, we intend to put a new LTI share plan to vote at a special general meeting during 2019, which, if approved will form the main share plan used for senior executives, general managers and certain senior managers (depending on Hay grade) going forward. Until the new LTI is approved, the existing plans will continue to be used.

ANNEXURE "C" CONTINUED

Subject to shareholder approval of the new LTI, existing awards in terms of the EGP will be run their course until there are no further EGP rights to be exercised, and no further grants of EGP rights will be made;

The current plans include:

- an EGP rights element; and
- a bonus share matching plan (BSMP) element (which includes bonus matching shares (BMS) and restricted shares).

	EGP	**BSMP**	
	EGP rights	BMS	Restricted shares
Nature of instrument	EGP rights operate on a similar principle to share appreciation rights. EGP rights are conditional rights that provide participants with the right to receive shares to the value of the appreciation of the share price from the grant date to the vesting date subject to certain performance conditions being met.	BMS are forfeitable shares, which are awarded based on performance during the previous financial year, quantified as a specified percentage of the preceding financial year's pre-tax STI bonus.	Restricted shares are forfeitable shares made to key employees or prospective employees for a retention award or buy-out/sign-on wards, in exceptional circumstances and limited to senior executives.
On-target award levels	The number of annual EGP rights are determined based on the seniority of the employee concerned. • CE: 257% of TCOE • CFO, COO and CSOO: 168% of TCOE • Excom members (excluding the above but including large unit general managers): 158% • Operational smaller unit general managers/senior group managers: 64% • Group managers: 24% These percentages represent the maximum face value of the EGPs and not the value of the EGP.	The number of annual BMS awarded is determined based on the seniority of the employee concerned. **BMS %** The following percentages are applied to the pre-tax STI to determine the number of BMS granted: • CE: 25% • CFO, COO and CSOO: 25% • Executive committee members (excluding the above and general managers): 25% • Operational unit general managers/senior group managers: 25% to 35% • Group managers: 50% to 75%	

	EGP	BSMP	
	EGP rights	BMS	Restricted shares
Frequency of awards and vesting period	• Annual awards • Three-year vesting period (performance condition tested after three years) • Exercise period of four years after vesting date after which the right lapses	• Annual awards • Three-year vesting period	• No annual awards of restricted shares • From time to time and on an ad hoc basis • Three to five-year vesting period
Applicable conditions	• As mentioned, if the new LTI is adopted during the FY2019 year, no future grants of EGP rights will be made	The shares are forfeited if the participant terminates employment during the vesting period, with the exception of certain 'no fault' terminations as provided for by the rules of the BSMP.	
Malus and clawback	Malus applies to unvested EGP rights in the event of certain 'trigger events' occurring.	Malus applies to unvested awards in the event of certain 'trigger events' occurring. In the event of fault terminations prior to the vesting date, participants are required to repay dividends received in terms of these awards.	
Limits	The maximum aggregate number of Sun International ordinary shares which have been reserved for the LTI plans and which were previously approved by shareholders is limited to 10 780 000 shares, equating to approximately 7.88% of the total issued ordinary shares of Sun International. The maximum aggregate number of Sun International ordinary shares which may be held by an individual participant under the LTI plans is limited to 1 078 026 shares, equating to approximately 0.79% of the total issued ordinary shares of Sun International. Historically, as and when Sun International has awarded and/or delivered shares to participants under the LTI plans, it has purchased these shares in the open market at the ruling share price to avoid having to issue new shares and thereby dilute shareholders' interests. In line with comments raised with shareholders during 2018, Sun International will be reviewing the number of shares reserved for the share plans and individual participants respectively, when it tables the proposed new LTI to shareholders during 2019.		

Proposed new LTI

Below we set out the high-level principles of the proposed new LTI intended to be introduced for senior executives, general managers and certain selected senior managers. However, we intend to embark upon a shareholder engagement process preceding the calling of a special general meeting in which we will request the approval of the proposed new LTI, to engage with shareholders in more detail regarding the proposed plan.

The principles which will govern the proposed new LTI will be as follows:

- LTI awards will be limited to market-appropriate annual LTI award levels.

- performance awards, subject to an employment condition of three years, and performance conditions.
- a portion of the new LTI will be through the company matching what a participant chooses to invest in Sun International shares utilising the proceed of their STI, subject to a maximum amount. This will be considered in light of tax efficiencies and reward strategy.
- the balance of the new LTI will be through the company awarding shares with performance conditions which will include returns measures. The performance measures currently being considered are:
  - 50% on investor capital (adopting economic value added principles);
  - 50% on ADHEPS (targets to be agreed at date of each award);
- malus provisions and clawback of dividends will apply, should certain trigger events occur.
- termination of employment provisions will be aligned with best market practice and good governance.

The remuneration of senior executives

Contractual provisions of senior executives

No special contractual arrangements apply to the appointments of and termination of employment of the senior executives and no fixed-term contracts of employment remain to be fulfilled.

For senior executives, notices of termination vary between one month and a maximum of six months. For other group employees, notices of termination range from one to three months. Severance packages are not less than the minimum prescribed by law at the relevant time, but may in special circumstances be negotiated on more preferential terms.

Although, in line with prevailing practice in South Africa, the committee has the discretion to negotiate separation payments with executives, none of the senior executives of Sun International have special termination benefits or balloon payment provisions in their employment contracts.

The Sun International CE is subject to a restraint of trade condition prohibiting him from taking up employment with competing organisations for a period of 12 months after the termination of his employment. No additional consideration is paid to the CE in terms of his restraint.

External appointments and board meeting attendance of executive directors

Executive directors do not draw any additional remuneration for attending the main board or the subsidiary company board meetings. Sun International executive directors who sit on internal boards of companies forming part of the Sun International group do not personally receive fees for serving on the boards of those companies.

Policies affecting non-executive directors

The remuneration of the Sun International non-executive directors

Non-executive directors conclude service contracts, with the company upon appointment, which are distinct from employment contracts. While the appointment of non-executive directors is considered and resolved based on proposals received from the Sun International nomination committee, the remuneration of non-executive directors is based on proposals submitted by executive management (in conjunction with independent remuneration consultants) to shareholders for approval.

The percentage increases, if any, to the non-executive directors' fees, which are tabled annually by Sun International at its AGM for shareholder approval, are disclosed in the notes to each of the special resolutions pertaining to the non-executive directors' remuneration, in the notice of the AGM.

During 2018 the committee reviewed the peer group of similar sized companies to Sun International against which executive remuneration and non-executive director fees will be benchmarked in future. Certain changes were made to the peer group agreed upon in 2017 namely, Illovo Sugar, which delisted, was removed from the list and replaced by the City Lodge Hotels Group. Life Health Care Group, the Foschini Group and Truworths International were also removed and replaced by Phumelela Limited (Gaming) and Famous Brands Limited (Food and Beverage).

These companies include the following:

- City Lodge Hotels Limited;
- Tsogo Sun Holdings Limited;
- RCL Foods Limited;
- AVI Limited;
- Famous Brands Limited;
- Phumelela Limited;
- Astral Foods Limited;
- Lewis Group Limited;
- Clover Industries Limited; and
- Distell Group Limited.

It is considered good market practice to include at least 12 companies in a comparator group to ensure that a statistically accurate quartile analysis is derived for benchmarking purposes.

These additional companies have been identified and chosen based on a closeness metric, which considers turnover, number of employees, total assets and EBITDA. Seven of the companies listed above have been included in Sun International's comparator group used since 2014.

Non-executive director remuneration is determined and paid in the form of an annual fee (or 'retainer'). Previously Sun International paid a retainer and an attendance fee to its non-executive directors during the year, but since 2018 and in line with best market practice, has moved to paying only a retainer. This annual retainer is paid by way of four equal instalments, quarterly in arrears. Non-executive directors do not receive STIs, and do not participate in Sun International's long-term share-based incentive plans.

The remuneration of non-executive directors is reviewed annually by the committee, and is compared to the median of the selected peer companies. The term of office of non-executive directors is governed by the Sun International memorandum of incorporation, which provides that:

- non-executive directors who have served for three years will retire by rotation, but may, if eligible, offer themselves for re-election for a further three-year term;
- non-executive directors who have served for more than nine years will retire at the end of each year thereafter, but may, if eligible, be re-elected annually for further periods of one year at a time; and
- non-executive directors who have attained the age of 70 years will likewise retire at the end of each year thereafter, but may, if eligible, be re-elected annually for further periods of one year at a time.

Non-executive directors' expenses

The travel and accommodation expenses of non-executive directors and premiums for directors' and officers' insurance cover are paid by Sun International in terms of a formal approved policy.

Non-executive directors' duties and responsibilities

Non-executive directors' fees resolutions and non-binding advisory vote

The resolutions relating to Sun International non-executive director fees for the 12-month period commencing on 1 July 2019 can be found in Sun International's notice of AGM at www.suninternational.com/investors

Shareholders are requested to cast a non-binding advisory vote on Part 2 of this report at the company's AGM to be held on Tuesday, 14 May 2019.

PART 3: IMPLEMENTATION OF REMUNERATION POLICY FOR THE 2018 FINANCIAL YEAR

Guaranteed package increases

The overall TCOE increase for the Sun International group during 2018 was approved at 5.0% (compared to 4.4% in 2017, as a result of the pro-rata eight-month period 1 July 2016 to 28 February 2017 following the change to the company year-end) in respect on non-bargaining unit employees, with the actual lift at 4.8% (compared to actual lift of 4.2% in 2017). In terms of the wage agreement concluded with SACCAWU the lift in wages was 6.9%.

The committee conducts an annual benchmark of the guaranteed pay of the Sun International senior executives, which is considered when TCOE increases are awarded. From time to time, the committee uses the services of, 21st Century and Korn Ferry/The Hay Group to benchmark the remuneration of its senior executives and senior managers as follows:

- senior executives and senior managers against the 50th percentile of those peer companies agreed by the committee, which are listed on the JSE Limited;
- employees with scarce or technical skills against the 50th to 75th percentile of the relevant benchmarks prepared by PwC, 21st Century and Korn Ferry/The Hay Group from time to time (which includes appropriate comparator companies within the gaming and hospitality sectors);
- other employees against the 50th percentile of the hospitality survey prepared by 21st Century and the gaming survey prepared by Korn Ferry/The Hay Group; and
- due to the Sun International group operating in a globally attractive sector, it recognises that its employees are highly mobile. Accordingly, the committee deems it appropriate to obtain benchmarks for the remuneration of the senior executives using both JSE listed company data and other relevant international benchmarks, as appropriate. Benchmarks against comparative sized JSE listed companies take into account financial data including revenue, profit before tax, profit after tax, assets, employee costs and market capitalisation. When benchmarking against the various other surveys, the committee takes into consideration revenue, profit before tax, assets and payroll or the number of employees.

Guaranteed packages of the Sun International executive directors and prescribed officers were increased at an average level of 5% whilst Mr J Wilhelm, the chief executive officer in Chile, received an inflationary increase of 2.7% which was payable in Chilean Pesos.

Achievement of variable pay targets for annual STI bonus

The table below reflects the performance-based financial achievements of Sun International for the 2018 financial year. The STI bonuses earned by each South African senior executive is calculated in accordance with the achievements of both the group and the relevant underlying operating unit's performance.

As detailed in Part 2, for senior executives, the financial performance component of the STI has a weighting of 70%, with the personal KPI component weighted at 30%. The resulting financial performance and personal KPI percentages are added to achieve the final STI bonus, which is earned.

The financial component (70% weighting) for the senior executives was measured against the following indicators:

Company	Adjusted HEPS growth (Cents) (Group)* Weighting: 35%		Operating free cash flow (Rm) (Group) Weighting: 35%	
	Target	Actual	Target	Actual
Sun International senior executives	470	316	2 878	2 823

** There was zero achievement of the AHEPS targets at unit level.*

The remaining 30% of the senior executives' STI bonus is based on the achievement of personal KPIs. The personal KPIs for the senior executives take into account the strategic direction of the Sun International group at the time.

For the 2018 financial year, the following were of strategic importance, and informed the senior executives' KPIs:

- the bedding down of the multiple acquisitions made in recent years and the extraction of value therefrom;
- improving our guests experience and creating efficiency and optimisation around our processes;
- the closing of certain loss making operations in South Africa and Latam and the opening of the Time Square Hotel, casino and arena;
- the progression of certain land development opportunities within South Africa;
- the conclusion of certain key acquisitions in Latam, namely Thunderbird Resorts in Peru and The Park Hyatt in Argentina;
- BEE and in particular employment equity – all senior executives have employment equity targets as part of their KPIs; and
- monitoring and where appropriate ensuring that we implement and comply with King IV™.

The below tables set out more detail relating to the CE and CFO bonus outcomes, including detail surrounding their personal performance during the year.

CE STI outcomes

	Weighting	**Achievement**
Financial performance	70%	**Adjusted HEPS growth – threshold was not met,** resulting in a 0% score for this component of 35%, translating to a weighted score of 0% **Operating free cash flow – target was almost met,** resulting in a 98.1% score for this component of 35%, translating to a weighted score of 34.3%
Personal performance	30%	Anthony's personal performance rating translated to a weighted score of **33%**
Total modifying percentage		34.3% + 33% = **67.3%**

Highlights of Anthony's performance during the year included managing the cash flow well, successfully implementing the rights offer, and achieving significant cost savings through a heightened efficiency optimisation and cost focus exercise.

In addition to these highlights, other aspects regarding Anthony's performance included:

- *good progress was made with the revisiting of business processes, structures and system utilisation, and this focus will continue into 2019 to ensure that the changes result in value creation;*
- *only partial approval was obtained for the Boardwalk restructure, with the restructure still to be implemented in 2019 and beyond;*
- *major challenges were resolved around the shareholding and management structure in the Wild Coast in anticipation of the licence renewal;*
- *while there was slow progress regarding the land development opportunities, it is noted that this is the nature of such developments, with some withdrawals by developers resulting in a setback, and the need to secure new developers and investors; and*
- *good progress was made in the Latam region, with Monticello and Mendoza trading ahead of expectation while Thunderbird is trading slightly behind.*

ANNEXURE "C" CONTINUED

CFO STI outcomes

	Weighting	Achievement
Financial performance	70%	**Adjusted HEPS growth – threshold was not met,** resulting in a 0% score for this component of 35%, translating to a weighted score of 0% **Operating free cash flow – target was almost met,** resulting in a 98.1% score for this component of 35%, translating to a weighted score of 34.3%
Financial performance	30%	Norman's performance rating translated to a weighted score of **37.5%**
Total modifying percentage		34.3% + 37.5% = **71.8%**

Highlights of Norman's performance during the year included the integration and implementation of the roll-out of Cognos, a financial reporting system to streamline and improve management and statutory reporting across the group and the conclusion of a successful capital raise/rights offer for Sun International.

In addition to these highlights, other aspects regarding Norman's performance included:

- *rationalisation of the group structure by cleaning up several legacy structures from the past;*
- *rolling out of a shared services centre; and*
- *restructuring of the Sun International's balance sheet.*

The below table represents all senior executives' bonuses represented as both a ZAR value and as a percentage of TCOE.

Name of executive director/prescribed officer	Bonus R	% of TCOE
Anthony Leeming	4 507 237	57
Norman Basthdaw	1 719 730	43
Thabo Mosololi	1 545 642	37
Zaine Miller	1 042 580	31
Khati Mokhobo	945 105	29
Verna Robson	924 481	31
Catherine Nyathi	1 102 437	36
Andrew Johnston	1 131 401	36
Jaime Wilhelm[1]	4 371 597	74*
Rob Collins[2]	Nil	N/A

[1] *Jaime Wilhelm received an STI in Pesos, which has been converted to ZAR.*
[2] *Rob Collins did not receive an STI in respect of FY2018.*
* *Jaime Wilhelm's STI has been expressed as a percentage of his base pay.*

General managers, senior managers and other managers

The financial component (66.67% weighting) for the general managers, senior managers and other managers was measured against the following indicators:

Company	EBITDA (Rm) (SA group)		EBITDA (Rm) (SA unit)*	
	Target	Actual	Target	Actual
Sun International general managers, senior managers and other managers	3 178	3 140	3 178	3 074

* *Unit EBITDA is capped between 80% and 120% of budget. Certain adjustments beyond the control of management were made and approved by the committee, including, inter alia, the increase in VAT and certain legal fees.*

The remaining 33.33% of the general managers, senior managers and other managers' STI bonus was based on the achievement of personal KPIs.

The LTI share-based plans

LTIs granted and awarded

During June 2018, Sun International granted EGP rights and awarded BMS to qualifying participants, in terms of the rules of the LTI plans. During 2018, senior executives were granted a greater number of EGP rights (with financial performance conditions) and a fewer number of BMS (with no prospective financial performance conditions).

For the 2018 grants of EGP rights, revised performance targets were applied. The vesting of the EGP rights will be based on the growth in audited adjusted headline earnings per ordinary share (ADHEPS). The growth in the Consumer Price Index (CPI) for metropolitan and other urban areas as supplied by Statistics SA will be used to calculate performance as follows:

- the threshold performance target CPI growth + 6% over the three-year vesting period; and
- the on-target performance target is CPI growth + 20% over the three-year vesting period.

Linear vesting will occur between threshold and on-target performance (threshold = 0% vesting, on-target = 100% vesting.

These targets were significantly more stretching than the targets relating to EGP rights granted in previous years.

Subject to the achievement of the conditions attaching to these EGP rights and BMS, the first tranche of EGP rights, as well as the BMS, will vest in June 2021.

LTI vesting outcomes

The vesting of EGP rights granted is based on the achievement of performance conditions measured over a three-year period. The 2015 grants did not vest as the vesting criteria were not met.

BMS and restricted shares

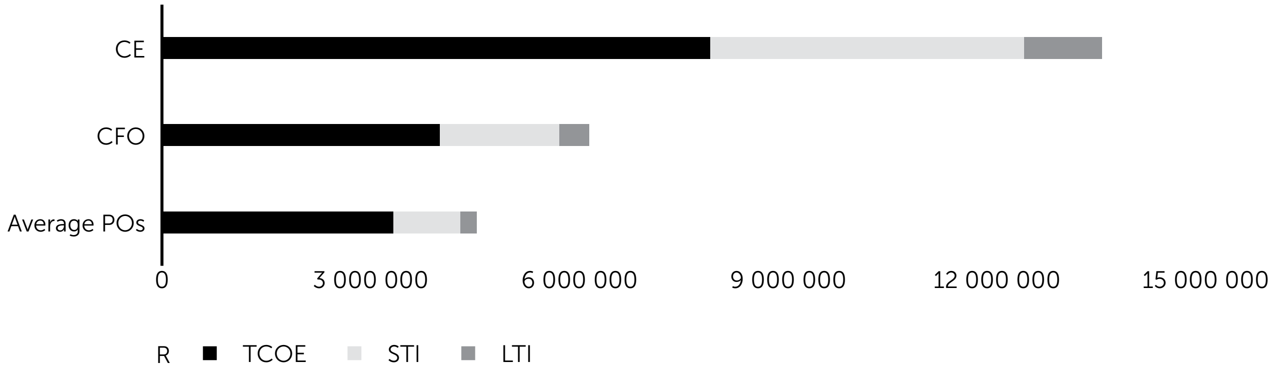
Certain BMS and restricted shares awarded to participants in 2015, vested during 2018 in respect of those participants who remained employed by the Sun International group at the vesting date.

Total remuneration outcomes of the executive directors

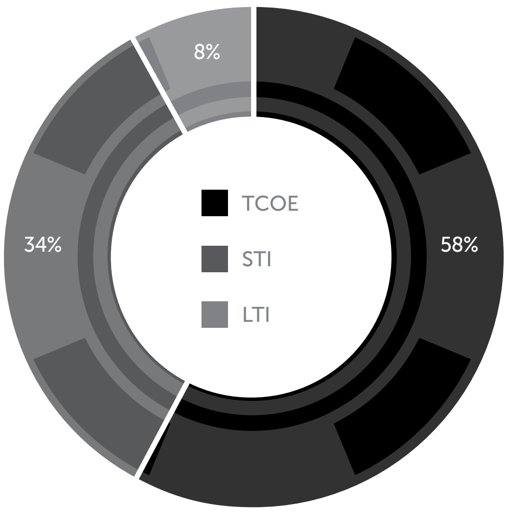
The composition of remuneration outcomes during the 2018 financial year for the executive directors are represented graphically on the following page.

ANNEXURE "C" CONTINUED

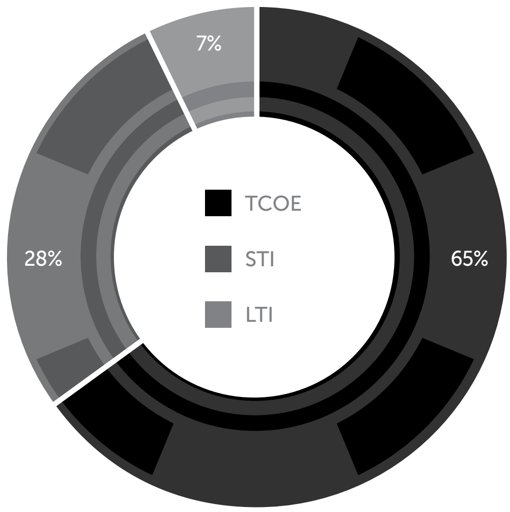
Total remuneration outcomes of the executive directors and prescribed officers (POs)



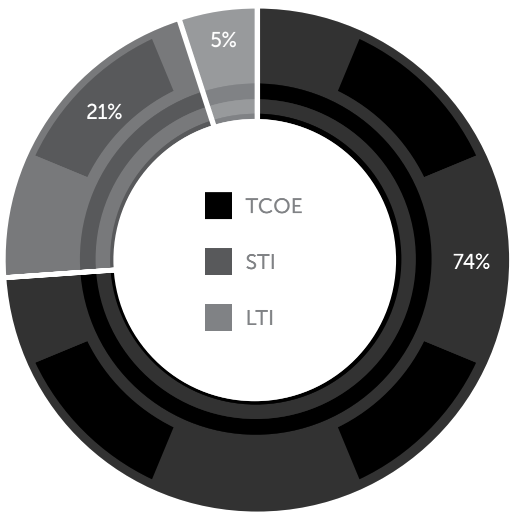
CE



CFO



Average POs



Details of remuneration paid

As indicated in the 2017 remuneration report, Sun International committed to report on the executive directors' and other prescribed officers' emoluments in a single figure format in the 2018 remuneration report, as recommended in Principle 14 of King IV™.

Accordingly, the remuneration of executive directors and prescribed officers of Sun International for the past two financial years, in a single figure format, is shown in the table below.

Total single figure of remuneration (income statement)

Executive directors and prescribed officers	Financial year	Base salary[1] R	Retirement[2] R	Bonus Performance-related payment[3] R	Other[4,8] R	LTI reflected[5,6] R	Total single figure of remuneration R
Executive directors							
AM Leeming	2017	6 212 632	851 019	2 832 370	210 016	708 092	10 814 129
	2018	**6 676 750**	**914 062**	**4 507 237**	**221 688**	**1 126 809**	**13 446 546**
N Basthdaw	2017	2 893 740	496 259	1 254 000	21 924	313 500	4 979 423
	2018	**3 365 089**	**570 000**	**1 719 730**	**23 244**	**429 933**	**6 107 996**
DR Mokhobo[9]	2017	2 313 114	523 994	685 537	227 184	171 384	3 921 213
	2018	**2 423 758**	**549 688**	**945 105**	**241 104**	**236 276**	**4 395 931**
Prescribed officers							
R Collins	2017	3 936 319	889 537	1 250 713	116 016	312 678	6 505 263
	2018	**3 587 351**	**818 257**	**–**	**140 264**	**–**	**4 545 872**
AG Johnston	2017	2 404 340	350 025	767 425	237 302	191 856	3 950 948
	2018	**2 533 127**	**365 625**	**1 131 401**	**226 248**	**282 850**	**4 539 251**
MZ Miller	2017	2 469 111	578 699	762 847	167 184	190 712	4 168 553
	2018	**2 584 463**	**607 076**	**1 042 580**	**181 104**	**260 645**	**4 675 868**
TF Mosololi	2017	3 438 574	461 520	1 320 000	44 520	330 000	5 594 614
	2018	**3 631 239**	**487 500**	**1 545 642**	**47 928**	**386 411**	**6 098 719**
C Nyathi	2017	2 563 055	339 612	649 379	–	162 345	3 714 391
	2018	**2 688 735**	**356 265**	**1 102 437**	**–**	**275 609**	**4 423 046**
VL Robson	2017	2 378 393	410 517	734 420	61 903	183 605	3 768 838
	2018	**2 498 054**	**430 647**	**924 481**	**61 903**	**231 120**	**4 146 205**
J Wilhelm	2017	5 738 655	–	3 369 057	1 648 951	–	10 756 663
	2018	**5 876 194**	**–**	**4 371 597**	**3 132 518**	**–**	**13 380 309**
Former							
GE Stephens[7]	2017	2 053 266	281 054	–	580 540	–	2 914 860
	2018	**–**	**–**	**–**	**–**	**–**	**–**

1 *Base rate salary reporting on the 2017 and 2018 financial year.*
2 *Benefits are reported as the sum of retirement contributions for the 2017 and 2018 financial years.*
3 *The short-term incentive bonus known as the executive bonus scheme (EBS) is payable on the basis of achieving the budgeted results at the Sun International group and operational level, as well as KPI or personal performance objectives for the 2017 and 2018 financial years.*
4 *Other benefits include the medical aid contributions and car allowance for the 2017 and 2018 financial years.*
5 *The 2015 and 2014 EGP grants are underwater and are therefore included at a zero estimated fair value.*
6 *The 2018 and 2019 BMS share award is based on a 25% match of the participants 2017 and 2018 EBS bonus.*
7 *Mr GE Stephens resigned on 30 April 2017.*
8 *Mr J Wilhelm's other benefits include housing allowance, transport allowance, independence day bonus, Christmas bonus, legal bonus, and annual bonus.*
9 *Mr DR Mokhobo resigned as an executive director on 5 September 2018.*

ANNEXURE "C" CONTINUED

The follow table reflects the status of unexercised EGP rights, BMS and restricted shares held by executive directors and prescribed officers and the gains made by them as a result of past awards during the year

REMUNERATION OF KEY MANAGEMENT

Unvested LTIs awards and cash value of settled award

Incentives scheme	Award date	Award price	Vesting date	Opening number on 1 Jan 2017	Awarded during 2017	Shares forfeited/ lapsed 2017	Share settled/ vested 2017	Closing number as at 31 Dec 2017	Value of receipts 2017 [6] R	Estimated closing fair value as at 31 Dec 2017 [1, 2, 3, 4, 5] R
AM Leeming	**Executive director**									
EGP	27/06/2014	109.65	26/06/2017	42 058.00		(42 058)		–		–
EGP	26/06/2015	111.21	26/06/2018	44 673.00				44 673		–
EGP	27/06/2016	87.52	30/06/2019	59 033.00				59 033		809 047
EGP	20/06/2017	59.66	20/06/2020		108 109			108 109		3 033 539
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014	112.33	11/09/2017	14 255.00			(14 255)	–	683 507	
BSMP	14/09/2015	104.82	14/09/2018	16 754.00				16 754		1 033 615
BSMP	09/09/2016	90.86	09/09/2019	18 139.00				18 139		1 119 060
BSMP	20/06/2017	54.85	20/06/2020		6 983			6 983		430 806
BSMP	15/06/2018	60.07	15/06/2021					–		
Total									683 507	6 426 068
N Basthdaw	**Executive director**									
EGP	27/06/2014	109.65	26/06/2017	19 699.00		(19 699)		–		
EGP	26/06/2015	111.21	26/06/2018	20 685.00				20 685		–
EGP	27/06/2016	87.52	30/06/2019	27 335.00				27 335		374 626
EGP	20/06/2017	59.66	20/06/2020		34 394			34 394		965 096
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014	112.33	11/09/2017	7 828.00			(7 828)	–	375 342	
BSMP	14/09/2015	104.82	14/09/2018	6 539.00				6 539		403 415
BSMP	09/09/2016	90.86	09/09/2019	5 999.00				5 999		370 100
BSMP	20/06/2017	54.85	20/06/2020		2 463			2 463		151 951
BSMP	15/06/2018	60.07	15/06/2021					–		
RSP	08/04/2016	70.63	08/04/2019	15 079.00				15 079		930 278
Total									375 342	3 195 466
RD Mokhobo	**Executive director**									
EGP	27/06/2014	109.65	26/06/2017	26 286.00		(26 286)		–		
EGP	26/06/2015	111.21	26/06/2018	27 602.00				27 602		–
EGP	27/06/2016	87.52	30/06/2019	36 475.00				36 475		499 890
EGP	20/06/2017	59.66	20/06/2020		27 931			27 931		783 744
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014	112.33	11/09/2017	6 497.00			(6 497)	–	311 522	
BSMP	14/09/2015	104.82	14/09/2018	8 196.00				8 196		505 641
BSMP	09/09/2016	90.86	09/09/2019	6 702.00				6 702		413 471
BSMP	20/06/2017	54.85	20/06/2020		3 286			3 286		202 725
BSMP	15/06/2018	60.07	15/06/2021					–		
Total									311 522	2 405 470

Awarded during 2018	Shares forfeited/ lapsed 2018	Share settled/ vested 2018	Closing number as at 31 Dec 2018	Value of receipts[13] 2018 R	Estimated closing fair value as at[8, 9, 10, 11, 12] 31 Dec 2018 R
			–		–
	(44 673)		–		–
			59 033		–
			108 109		–
686 919			686 919		12 178 647
			–		
		(16 754)	–	989 117	–
			18 139	23 923	1 137 800
			6 983	9 210	438 021
11 788			11 788	15 547	739 423
				1 037 796	14 493 891
			–		
	(20 685)		–		
			27 335		–
			34 394		–
311 590			311 590		5 524 297
			–		
		(6 539)	–	386 841	–
			5 999	8 640	376 298
			2 463	3 547	154 496
5 219			5 219	7 517	327 371
			15 079	21 717	945 856
				428 262	7 328 318
			–		
	(27 602)		–		
			36 475		–
–			27 931		–
85 228			85 228		1 511 040
			–		
		(8 196)	–	492 349	–
			6 702	15 770	420 394
			3 286	7 732	206 120
2 853			2 853	6 713	178 959
				522 564	2 316 513

ANNEXURE "C" CONTINUED

Incentives scheme	Award date	Award price	Vesting date	Opening number on 1 Jan 2017	Awarded during 2017	Shares forfeited/ lapsed 2017	Share settled/ vested 2017	Closing number as at 31 Dec 2017	Value of receipts 2017[6] R	Estimated closing fair value as at 31 Dec 2017[1, 2, 3, 4, 5] R
R Collins	**Prescribed officer**									
EGP	27/06/2014	109.65	26/06/2017	39 430.00		(39 430)		–		
EGP	26/06/2015	111.21	26/06/2018	44 673.00				44 673		–
EGP	27/06/2016	87.52	30/06/2019	59 033.00				59 033		809 047
EGP	20/06/2017	59.66	20/06/2020		45 205			45 205		1 268 452
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014	112.33	11/09/2017	5 013.00			(5 013)	–	263 746	
BSMP	14/09/2015	104.82	14/09/2018	14 752.00				14 752		910 104
BSMP	09/09/2016	90.86	09/09/2019	15 186.00				15 186		936 879
BSMP	20/06/2017	54.85	20/06/2020		7 446			7 446		459 371
BSMP	15/06/2018	60.07	15/06/2021					–		
RSP	01/01/2014	94.42	01/01/2017	21 069.00		(21 069)		–		
RSP	24/08/2015	100.01	24/05/2018	45 994.00				45 994		2 837 536
Total									263 746	7 221 390
AG Johnston	**Prescribed officer**									
EGP	20/06/2017	59.66	20/06/2020		27 153			27 153		761 913
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	20/06/2017	54.85	20/06/2020		3 280			3 280		202 355
BSMP	15/06/2018	60.07	15/06/2021					–		
RSP	16/11/2016	79.06	16/11/2019	18 656.00				18 656		1 150 956
Total									–	2 115 224
MZ Miller	**Prescribed officer**									
EGP	27/06/2014	109.65	26/06/2017	27 579.00		(27 579)		–		
EGP	26/06/2015	111.21	26/06/2018	28 960.00				28 960		–
EGP	27/06/2016	87.52	30/06/2019	38 269.00				38 269		524 477
EGP	20/06/2017	59.66	20/06/2020		29 305			29 305		822 298
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014	112.33	11/09/2017	3 603.00			(3 603)	–	189 563	
BSMP	14/09/2015	104.82	14/09/2018	8 599.00				8 599		530 503
BSMP	09/09/2016	90.86	09/09/2019	7 032.00				7 032		433 829
BSMP	20/06/2017	54.85	20/06/2020		3 448			3 448		212 720
BSMP	15/06/2018	60.07	15/06/2021					–		
RSP	08/04/2016	70.63	08/04/2019	21 110.00				21 110		1 302 352
Total				135 152.00					189 563	3 826 180
TF Mosololi	**Prescribed officer**									
EGP	27/06/2016	87.52	30/06/2019	46 200.00				46 200		633 171
EGP	20/06/2017	59.66	20/06/2020		36 204			36 204		1 015 884
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014		11/09/2017	–				–		
BSMP	14/09/2015		14/09/2018	–				–		
BSMP	09/09/2016	87.52	09/09/2019	3 220.00				3 220		198 653
BSMP	20/06/2017	59.66	20/06/2020		4 078			4 078		251 587
BSMP	15/06/2018	60.08	15/06/2021					–		
RSP	22/02/2016	70.09	22/02/2019	76 164.00				76 164		4 698 832
Total									–	6 798 128

Awarded during 2018	Shares forfeited/ lapsed 2018	Share settled/ vested 2018	Closing number as at 31 Dec 2018	Value of receipts 2018 [13] R	Estimated closing fair value as at 31 Dec 2018 [8, 9, 10, 11, 12] R
			–		
	(44 673)		–		
			59 033		–
–			45 205		–
139 683			139 683		2 476 493
			–		
		(14 752)	–	894 195	–
			15 186	43 984	952 568
			7 446	21 566	467 063
5 205			5 205	15 076	326 493
			–	61 023	–
		(45 994)	–	2 787 936	–
				3 823 781	4 222 617
–			27 153		–
96 092			96 092		1 703 651
			3 280	7 795	205 744
3 194			3 194	7 590	200 349
			18 656	44 334	1 170 230
				59 719	3 279 974
			–		
	(28 960)		–		
			38 269		–
–			29 305		–
104 779			104 779		1 857 667
			–		
		(8 599)	–	520 386	
			7 032	19 677	441 094
			3 448	9 648	216 282
3 175			3 175	8 884	199 157
			21 110	59 069	1 324 161
				617 663	4 038 361
			46 200		–
–			36 204		–
217 463			217 463		3 855 484
			–		
			–		
			3 220	8 675	201 980
			4 078	10 986	255 800
5 494			5 494	14 801	344 621
			76 164	205 190	4 777 519
				239 652	9 435 403

ANNEXURE "C" CONTINUED

Incentives scheme	Award date	Award price	Vesting date	Opening number on 1 Jan 2017	Awarded during 2017	Shares forfeited/ lapsed 2017	Share settled/ vested 2017	Closing number as at 31 Dec 2017	Value of receipts[6] 2017 R	Estimated closing fair value as at 31 Dec 2017[1, 2, 3, 4, 5] R
C Nyathi	**Prescribed officer**									
EGP	27/06/2016	87.52	30/06/2019	34 551.00				34 551		473 521
EGP	20/06/2017	59.66	20/06/2020		26 458			26 458		742 411
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	20/06/2017	59.66	20/06/2020		3 113			3 113		192 052
BSMP	15/06/2018	60.08	15/06/2021					–		
RSP	01/06/2016	74.71	01/06/2019	20 224.00				20 224		1 247 692
Total									–	2 655 677
VL Robson	**Prescribed officer**									
EGP	27/06/2014	109.65	26/06/2017	–				–		
EGP	26/06/2015	111.21	26/06/2018	22 754.00				22 754		–
EGP	27/06/2016	87.52	30/06/2019	33 934.00				33 934		465 065
EGP	20/06/2017	59.66	20/06/2020		25 985			25 985		729 139
EGP	15/06/2018	60.08	15/06/2021					–		
BSMP	11/09/2014	112.33	11/09/2017	3 475.00			(3 475)	–	182 828	
BSMP	14/09/2015	104.82	14/09/2018	4 845.00				4 845		298 906
BSMP	09/09/2016	90.86	09/09/2019	4 988.00				4 988		307 728
BSMP	20/06/2017	54.85	20/06/2020		3 057			3 057		188 597
BSMP	15/06/2018	60.07	15/06/2021					–		
RSP	01/02/2015	115.46	01/02/2018	6 496.00				6 496		400 762
RSP	24/08/2015	100.01	24/08/2018	23 427.00				23 427		1 445 296
Total									182 828	3 835 493
GE Stephens[7]										
EGP	27/06/2014	109.65	26/06/2017	102 063		(102 063)		–		
EGP	26/06/2015	111.21	26/06/2018	107 172		(107 172)		–		
EGP	27/06/2016	87.52	30/06/2019	141 623		(141 623)		–		
BSMP	11/09/2014	112.33	11/09/2017	30 771		(30 771)		–		
BSMP	14/09/2015	104.82	14/09/2018	38 365		(38 365)		–		–
BSMP	09/09/2016	90.86	09/09/2019	27 777		(27 777)		–		–
Total									–	–

Notes: 2017 financial year

1 *The 2015 EGP awards are included at the intrinsic value of Rnil in the 2017 financial year due to the awards being underwater.*

2 *The 2016 EGP awards are included at an estimated fair value based on an indicative valuation of R10.94 for awards subject to share price growth and R16.47 for awards subject to AHEPS.*

3 *The 2017 EGP awards are included at an estimated fair value based on an indicative valuation of R28.06 and an estimate of 100% of the performance conditions being met.*

4 *The 2015, 2016 and 2017 BSMP awards are included at the five-day VWAP of R61.69.*

5 *The 2015 and 2016 RSP awards are included at the five-day VWAP of R61.69.*

6 *Includes the taxable gain amount from the settlement of the 2014 BSMP awards that vested in the 2017 financial year.*

7 *Mr GE Stephens resigned on 30/04/2017 therefore all of his awards were forfeited in the 2017 financial year.*

	Awarded during 2018	Shares forfeited/ lapsed 2018	Share settled/ vested 2018	Closing number as at 31 Dec 2018	Value of receipts[13] 2018 R	Estimated closing fair value as at 31 Dec 2018[8, 9, 10, 11, 12] R
				34 551		–
	–			26 458		–
	80 732			80 732		1 431 328
				3 113	7 422	195 268
	2 703			2 703	6 445	169 550
				20 224	48 220	1 268 585
					62 087	3 064 732
				–		
		(22 754)		–		
				33 934		–
				25 985		–
	91 960			91 960		1 630 394
				–		
			(4 845)	–	295 666	–
				4 988	16 491	312 881
				3 057	10 107	191 756
	3 057			3 057	10 107	191 756
			(6 496)	–	376 250	–
			(23 427)	–	1 429 632	–
					2 138 254	2 326 786
				–		–
		–		–		–
				–		–
				–		
			–	–		–
				–		–
					–	–

Notes: 2018 financial year

8 The 2016 EGP awards are included at the intrinsic value of Rnil in the 2018 financial year due to the awards being underwater.

9 The 2017 EGP awards are included at an estimated fair value based on an indicative valuation of R28.50 and an estimate of 0% of the performance conditions being met.

10 The 2018 EGP awards are included at an estimated fair value based on an indicative valuation of R30.99 and an estimate of 57.21% of performance conditions being met.

11 The 2016, 2017 and 2018 BSMP awards are included at the five-day VWAP of R62.72.

12 The 2016 RSP awards are included at the five-day VWAP of R62.72.

13 Includes the proceeds from the rights sold by participants, the estimated proceeds from rights followed in at a theoretical ex-rights price of R64.49 less the rights offer price of R57.82 as well as the taxable gain amount from the settlement of the 2015 BSMP and 2015 RSP awards that vested in the 2018 financial year.

ANNEXURE "C" CONTINUED

Non-executive directors' expenses

The total of the non-executive directors' expenses for travel and accommodation for the past financial year was R637 951 (2017 – R619 685).

Fees paid to non-executive directors by the company and its subsidiaries during 2018 financial year

Fees for services as directors and consulting fees	2018 Subsidiaries	2018 Sun International	2018 Total	2017 Subsidiaries	2017 Sun International	2017 Total
MV Moosa		**1 384 588**	**1 384 588**		1 476 000	1 476 000
PD Bacon		**554 833**	**554 833**		547 900	547 900
ZBM Bassa*		**44 229**	**44 229**		531 000	531 000
PL Campher		**1 001 990**	**1 001 990**		790 700	790 700
EAMMG Cibie**	**653 293**	**545 745**	**1 199 038**	589 749	411 206	1 000 956
GW Dempster		**416 738**	**416 738**		65 619	65 619
NN Gwagwa		**420 438**	**420 438**		404 413	404 413
CM Henry		**554 340**	**554 340**		407 539	407 539
VP Khanyile		**127 275**	**127 275**	–	–	–
JA Mabuza^	**1 858 288**	**141 712**	**2 000 000**	–	–	–
BLM Makgabo-Fiskerstrand		**412 638**	**412 638**		406 100	406 100
IN Matthews±		**–**	**–**		882 600	882 600
GR Rosenthal#		**204 808**	**204 808**		634 700	634 700
S Sithole		**221 822**	**221 822**	–	–	–
ZP Zatu		**29 674**	**29 674**	–	–	–

* *Retired on 12 February 2018.*
** *Mr Cibie's fee for serving on the Sun Dreams board is paid in Chilean Pesos, which we have converted to ZAR for comparative purposes.*
± *Retired on 31 December 2017.*
Retired on 15 May 2018.
^ *In terms of an advisory agreement between Sun International Management Limited and Mr JA Mabuza, Mr Mabuza was paid a consultancy fee by Sun International Management Limited in respect of strategic and regulatory advisory services, which he provided to the group.*

Compliance with remuneration policy

During the period under review the committee satisfied itself that Sun International substantially complied with the remuneration policy approved by shareholders and that there were no material deviations therefrom.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on Part 3 of this report at the company's AGM to be held on Tuesday, 14 May 2019.

ANNEXURE "D"

SUN INTERNATIONAL BOARD OF DIRECTORS

Mr MV Moosa	Independent chairman
Mr JA Mabuza	Deputy chairman
Mr PL Campher	Lead independent director
Mr AM Leeming	Chief executive
Mr PDS Bacon	Independent non-executive director
Mr N Basthdaw	Chief financial officer
Mr EAMMG Cibie	Independent non-executive director
Mr GW Dempster	Independent non-executive director
Dr NN Gwagwa	Independent non-executive director
Ms CM Henry	Independent non-executive director
Mr VP Khanyile	Independent non-executive director
Ms BLM Makgabo-Fiskerstrand	Independent non-executive director
Mr S Sithole	Non-executive director
Ms ZP Zatu	Independent non-executive director

SUN INTERNATIONAL PRESCRIBED OFFICERS

Mr RA Collins	Chief strategy and operations officer
Mr ZM Miller	Chief information officer
Mr DR Mokhobo	Director: special projects
Mr TF Mosololi	Chief operating officer (SA)
Ms C Nyathi	Director: group internal audit
Mr AG Johnston	Director: corporate services and group company secretary
Ms VL Robson	Director: group human resources
Mr J Wilhelm	Chief executive officer (Latam)

CORPORATE DATA AND ADMINISTRATION

SHAREHOLDERS' DIARY

Financial year-end	Tuesday, 31 December 2019
Annual general meeting	Tuesday, 14 May 2019

REPORTS AND FINANCIAL STATEMENTS

Audited summary group financial statements (published on SENS and website)	Monday, 18 March 2019
Short form announcement (published in business press only)	Tuesday, 19 March 2019
Audited summary group financial statements delivered to shareholders	Friday, 29 March 2019
Complete audited consolidated annual financial statements (posted on website only)	Friday, 29 March 2019
Interim results announcement	Monday, 2 September 2019

ADMINISTRATION

Business, secretaries and registered address

6 Sandown Valley Crescent
Sandton
2196
(PO Box 782121, Sandton, 2146)
South Africa

Telephone: 011 780 7762
Telefax: 011 780 7716

Transfer Secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
2196

Telephone: 011 370 5000
Telefax: 011 370 5271

Meeting Specialist

The Meeting Specialist (Pty) Ltd
JSE Building
One Exchange Square
Gwen Lane
Sandown
2196

Telephone: 011 520 7951
email: proxy@tmsmeetings.co.za

Auditors

PricewaterhouseCoopers Inc.

Bankers

ABSA Bank Limited
First National Bank Limited
Investec Bank Limited
Nedbank Limited
Rand Merchant Bank (a division of FirstRand Bank Limited)
The Standard Bank of South Africa Limited

Sponsor

Investec Bank Limited

Reservations and National Sales

Telephone (+27) 11 780 7810

NOTES

NOTES

FORM OF PROXY

Sun International Limited
(Incorporated in the Republic of South Africa)
(Registration number 1967/007528/06) (Share code: SUI: ZAE000097580)
(Sun International or the company)

FORM OF PROXY FOR THE 35th ANNUAL GENERAL MEETING TO BE HELD AT THE MASLOW HOTEL, CORNER GRAYSTON DRIVE AND RIVONIA ROAD, SANDTON, JOHANNESBURG AT 09h00 ON TUESDAY, 14 MAY 2019 – FOR USE BY CERTIFICATED ORDINARY SHAREHOLDERS AND DEMATERIALISED ORDINARY SHAREHOLDERS WITH 'OWN NAME' REGISTRATION ONLY

Holders of dematerialised ordinary shares other than 'own name' registration must inform their central securities depository participant (CSDP) or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the necessary authorisation to attend the annual general meeting in person or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented thereat.

I/We

(Please print)

of (address)

Telephone number Cell phone number Email address

1. or failing him/her,

2. or failing him/her,

the chairman of the annual general meeting as my/our proxy to act for me/us and on my/our behalf at the 35th annual general meeting of the company which will be held at 09h00 on Tuesday, 14 May 2019 and at any adjournment thereof for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

			Number of ordinary shares		
			For	Against	Abstain
2.	Ordinary resolutions numbers 1.1 to 1.4: Election of directors				
	1.1	Mr VP Khanyile			
	1.2	Mr JA Mabuza			
	1.3	Mr S Sithole			
	1.4	Ms ZP Zatu			
3.	Ordinary resolutions numbers 2.1 to 2.3: Re-election of directors				
	2.1	Mr PD Bacon			
	2.2	Mr PL Campher			
	2.3	Dr NN Gwagwa			
4.	Ordinary resolution number 3: Reappointment of external auditor				
5.	Ordinary resolutions numbers 4.1 to 4.5: Election of audit committee members				
	4.1	Mr PD Bacon			
	4.2	Mr PL Campher			
	4.3	Mr EAMMG Cibie			
	4.4	Ms CM Henry			
	4.5	Ms ZP Zatu			
6.	Ordinary resolution number 5: Endorsement of Sun International group remuneration policy				
7.	Ordinary resolution number 6: Endorsement of implementation of Sun International group remuneration policy				
8.	Ordinary resolution number 7: Ratification relating to personal financial interest arising from multiple offices in the Sun International group				
9.	Special resolution number 1: General authority to acquire (repurchase) ordinary shares				
10.	Special resolution number 2: Remuneration of non-executive chairman				
11.	Special resolution number 3: Remuneration of lead independent director				
12.	Special resolution number 4: Remuneration of non-executive directors				
13.	Special resolution number 5.1: Remuneration of audit committee chairman				
14.	Special resolution number 5.2: Remuneration of audit committee members				
15.	Special resolution number 5.3: Remuneration of remuneration committee chairman				
16.	Special resolution number 5.4: Remuneration of remuneration committee members				
17.	Special resolution number 5.5: Remuneration of risk committee chairman				
18.	Special resolution number 5.6: Remuneration of risk committee members				
19.	Special resolution number 5.7: Remuneration of nomination committee chairman				
20.	Special resolution number 5.8: Remuneration of nomination committee members				
21.	Special resolution number 5.9: Remuneration of social and ethics committee chairman				
22.	Special resolution number 5.10: Remuneration of social and ethics committee members				
23.	Special resolution number 5.11: Remuneration of investment committee chairman				
24.	Special resolution number 5.12: Remuneration of investment committee members				
25.	Special resolution number 6: Financial assistance to employee share scheme beneficiaries and related or inter-related companies and corporations				

Please indicate with an 'X' in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

Signed at on 2019

Signature

Assisted by me (where applicable)

NOTES TO FORM OF PROXY AND SUMMARY OF APPLICABLE RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, 2008 (COMPANIES ACT)

1. An ordinary shareholder holding dematerialised shares by 'own name' registration, or who holds shares that are not dematerialised, is entitled to appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder. Such ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting', provided that any such deletion must be signed in full by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. Should a proxy not be specified, this will be exercised by the chairman of the annual general meeting. A proxy need not be a shareholder of the company.
2. All resolutions put to the vote shall be decided by way of a poll. An ordinary shareholder is entitled on a poll, to 1 (one) vote per ordinary share held. An ordinary shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the ordinary shareholder in the appropriate box(es). An 'X' in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will result in the proxy not being authorised to vote or to abstain from voting at the annual general meeting in respect of the shareholder's votes, except in the case where the chairman of the annual general meeting is the proxy. An ordinary shareholder or his/her proxy is not obliged to use all the votes exercisable by the ordinary shareholder, or to cast all those votes exercised in the same way, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the ordinary shareholder.
3. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
4. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatory.
5. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form, unless previously recorded by the company or waived by the chairman of the annual general meeting.
6. A minor must be assisted by his/her parent/guardian and the relevant documentary evidence establishing his/her legal capacity must be attached to this form of proxy unless previously recorded by the company or waived by the chairman of the annual general meeting.
7. When there are joint holders of shares, any one holder may sign the form of proxy.
8. The chairman 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.
9. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person other than the chairman of the annual general meeting.
10. The appointment of a proxy or proxies:
    a. is suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
    b. is revocable in which case the shareholder may revoke the proxy appointment by:
        i. cancelling it in writing or making a later inconsistent appointment of a proxy; and
        ii. delivering a copy of the revocation instrument to the proxy and to the company.
11. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as the appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by such company to the shareholder, must be delivered by such company to:
    a. the shareholder; or
    b. the proxy or proxies, if the shareholder has directed the company to do so in writing and has paid any reasonable fee charged by the company for doing so.
12. 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.
13. It is requested for administrative purposes only that this form of proxy should be completed and returned to The Meeting Specialist (Pty) Ltd (the meeting specialist), JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 (PO Box 62043, Marshalltown, 2107), so as to reach them by not later than 09h00 on Monday, 13 May 2019. Should this form of proxy not be returned to the meeting specialist by the aforesaid date and time, it may be handed to the chairman of the annual general meeting before that meeting is due to commence.

ADDITIONAL FORMS OF PROXY ARE AVAILABLE FROM THE MEETING SPECIALIST ON REQUEST.

SUGGESTED CHANGES REGARDING THE COMPANY'S REMUNERATION POLICY AND REPORT

To : The chairman of the remuneration committee – Sun International Limited (the company)

c/o : The group company secretary – andrew.johnston@suninternational.com

Suggested changes/concerns regarding the company's remuneration policy and/or implementation report (remuneration report) for the financial year ended 31 December 2018

Dear Sirs,

Please be advised that we ________________________________ being the registered ordinary shareholder of the company and holding ____________________ (number of shares) (__ %) of the company's shares, either for our own account or as a manager for and on behalf of the following underlying beneficial shareholders (disclose if permitted):

and being duly authorised hereto do hereby record the following suggested changes and/or concerns relating to the company's remuneration policy and/or remuneration report as tabled at the company's annual general meeting held on Tuesday, 14 May 2019.

Remuneration policy

Remuneration report

We are willing/unwilling (delete whichever is not applicable) to further engage with yourselves regarding the aforementioned and in this respect please contact ____________ on +27 __ _________ to meet and/or discuss the same.

Yours faithfully,

Asset owner/asset manager

SUN INTERNATIONAL LIMITED
Registration Number: 1967/007528/06
Share Code: SUI | ISIN: ZAE 000097580

suninternational.com