



International



2017
ANNUAL STATUTORY
REPORT

LETTER FROM THE CHAIRMAN

Sun International
6 Sandown Valley Crescent
Sandton
2146

29 March 2018

Dear Shareholder

SUN INTERNATIONAL LIMITED ["SUN INTERNATIONAL"] ANNUAL GENERAL MEETING

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 on Tuesday, 15 May 2018 at 09h00 at the Maslow Hotel, Corner Grayston Drive & Rivonia Road, Sandton. If you are unable to attend, please arrange to vote by proxy in accordance with the instructions on the proxy form.

Again, Sun International will, subject to the requirements set out in the notice of the annual general meeting, be making 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 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 meeting. In addition, the chairmen of board appointed and statutory 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 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 foregoing Sun International's audited annual financial statements are available on the company's website at www.suninternational.com/investors or available on request to andrew.johnston@suninternational.com

I look forward to your presence at the meeting.

Yours faithfully



Mr MV Moosa
Non-executive chairman

NOTICE OF THE ANNUAL GENERAL MEETING

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

Notice is hereby given to shareholders recorded in the company's securities register on Thursday, 29 March 2018, that the 34th annual general meeting of the shareholders of Sun International will be held at The Maslow Hotel, Corner of Grayston Drive and Rivonia Road, Sandton, Johannesburg, on Tuesday, 15 May 2018 at 09:00 (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 Listings Requirements of the JSE Limited ("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, 4 May 2018. The last day to trade in order to be eligible to attend and vote at the annual general meeting is Monday, 30 April 2018.

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 2017

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 2017, are presented to shareholders.

The summarised consolidated financial statements accompanying this notice of annual general meeting are set out in Annexure "A" hereto. The complete audited annual financial statements for the year ended 31 December 2017 are set out on the company's website at www.suninternational.com/investors

ORDINARY RESOLUTIONS

2. ORDINARY RESOLUTION NUMBER 1: ELECTION OF DIRECTOR

"Resolved that Mr GW Dempster, a director of the company who, being eligible, has offered himself for election, is elected by way of a separate resolution to fill a single vacancy, in terms of articles 25.5 and 25.17 of the company's memorandum of incorporation".

A brief biography in respect of Mr Dempster's proposed election is set out in Annexure "B" hereto.

3. ORDINARY RESOLUTIONS NUMBERS 2.1 TO 2.6: 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 PD Bacon
- 2.2 Mr PL Campher
- 2.3 Dr NN Gwagwa
- 2.4 Ms CM Henry
- 2.5 Ms BLM Makgabo-Fiskerstrand
- 2.6 Mr MV Moosa"

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: RE-APPOINTMENT OF EXTERNAL AUDITOR

"Resolved that, upon the recommendation of the current Sun International audit committee, PricewaterhouseCoopers Incorporated ("PwC") is re-appointed as the independent registered auditor of the company (to report on the financial year ending 31 December 2018) 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 4.4: 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 PD Bacon*
- 4.2 Mr PL Campher*
- 4.3 Mr EAMMG Cibie
- 4.4 Ms CM Henry*

** Subject to their re-election as directors pursuant to ordinary resolutions numbers 2.1, 2.2 and 2.4 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 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 2017 (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 Annexure "D" 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 2017;

NOTICE OF THE ANNUAL GENERAL MEETING CONTINUED

- 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 done, 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 2018, 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 fee R
Sun International non-executive chairman	1 051 900

* These 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 proposed fee set out in this resolution represents a 0% increase on the chairman's fees which were approved by shareholders at the annual general meeting held on 14 June 2017 when a 0% increase had been applied to the fees approved at the 2016 annual general meeting of the company.

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 2018, 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

¹ The remuneration payable to the lead independent director is in substitution for the board fee payable to other non-executive directors. Notwithstanding the foregoing, the lead independent director will be entitled to the same attendance fee per meeting payable to the other non-executive directors, in respect of any special board meetings or ad hoc strategic planning sessions which he attends.

* These 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 proposed fee set out in this resolution represents a 12.5% increase on the lead independent director's fees which were approved by shareholders at the annual general meeting held on 14 June 2017 when a 0% increase had been applied to the fees approved at the 2016 annual general meeting of the company.

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 2018, 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 for their services as directors*	Proposed annual fee R
Sun International non-executive directors	280 000

* These 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 proposed fee set out in this resolution represents a 12.5% increase on the non-executive directors' fees which were approved by shareholders at the annual general meeting held on 14 June 2017 when a 0% increase had been applied to the fees approved at the 2016 annual general meeting of the company.

13. SPECIAL RESOLUTION NUMBER 5: 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 2018, to the Sun International non-executive directors who participate in the company's statutory and board committees, be set as follows:

Remuneration payable to non-executive directors for participating in statutory and board committees*†	Proposed annual fees R
Sun International audit committee chairman	253 890
Sun International audit committee member	127 050
Sun International remuneration committee chairman	152 460
Sun International remuneration committee member	76 545
Sun International risk committee chairman	173 565
Sun International risk committee member	87 045
Sun International nomination committee chairman	112 140
Sun International nomination committee member	56 280
Sun International social and ethics committee chairman	134 925
Sun International social and ethics committee member	67 620
Sun International investment committee chairman [‡]	134 925
Sun International investment committee member [‡]	67 620

* These 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 proposed fees set out in this resolution represent a 5% increase on the committee fees which were approved by shareholders at the annual general meeting held on 14 June 2017 when a 0% increase had been applied to the fees approved at the 2016 annual general meeting of the company.

† Each of the board and statutory committees meet at least three times per annum.

‡ The Investment Committee meets on an ad hoc basis and as and when required.

14. SPECIAL RESOLUTION NUMBER 6: REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS FOR PARTICIPATING IN SPECIAL/UNSCHEDULED BOARD MEETINGS AND AD HOC STRATEGIC PLANNING SESSIONS

"Resolved that, in terms of article 28.1 of the company's memorandum of incorporation, the remuneration payable, with effect from 1 July 2018, to the Sun International non-executive directors who participate in special/unscheduled board meetings and ad hoc strategic planning sessions, be set as follows:

Remuneration payable to non-executive directors for participating in special/unscheduled board meetings and ad hoc strategic planning sessions*	Proposed attendance fee/meeting/session R
Sun International non-executive directors participating in special/unscheduled board meetings and ad hoc strategic planning sessions	29 925

* These 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 proposed fee set out in this resolution represent a 5% increase on the non-executive directors' fees which were approved by shareholders at the annual general meeting held on 14 June 2017 when a 0% increase had been applied to the fees approved at the 2016 annual general meeting of the company.

15. SPECIAL RESOLUTION NUMBER 7: 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:

- 7.1 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
- 7.2 any of the present or future directors or prescribed officers (or any person related to any of them or to any company or entity

NOTICE OF THE ANNUAL GENERAL MEETING CONTINUED

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 7 or the date of the annual general meeting of the company to be held in 2019".

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 trust or scheme (save for those shares held in favour of employees to which 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 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 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 transfer secretaries.

It is requested that for administrative purposes only, forms of proxy should be forwarded to reach the company's transfer secretaries at the address given below by not later than 09:00 on Monday, 14 May 2018. Should your form of proxy not be returned to the transfer secretaries 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.

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 e-mail 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, 2146

29 March 2018

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers,
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

ANNUAL GENERAL MEETING EXPLANATORY NOTES

ORDINARY RESOLUTIONS NUMBERS 1 AND 2.1 TO 2.6 – 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 foregoing or additionally thereto and being eligible, may offer themselves for election or re-election. Mr PD Bacon, Mr PL Campher, Dr NN Gwagwa, Ms CM Henry, Ms BLM Makgabo-Fiskerstrand and Mr MV Moosa retire from the board in accordance with articles 25.6.1 and 25.17 of the company's memorandum of incorporation while Mr GW Dempster retires 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, is set out in Annexure "B" hereto.

Having served as a non-executive director on the Sun International board for 15 years and in accordance with a SENS announcement released by the company on 15 June 2017, Mr GR Rosenthal has indicated that he will be retiring as a director of Sun International at the 2018 annual general meeting and will not be making himself eligible for re-election in terms of the company's memorandum of incorporation.

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 such as 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 re-classification 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 re-classification of both these directors as independent non-executive directors.

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 and 2.1 to 2.6 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 – RE-APPOINTMENT OF EXTERNAL AUDITOR

PricewaterhouseCoopers Inc. ("PwC") has indicated its willingness to continue in office and ordinary resolution number 3 proposes the re-appointment of that firm (with the designated individual auditor being Mr 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 15 March 2018, 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 auditors' independence (see audit committee report as set out on the company's website at www.suninternational.com/investors;
- including the designated individual 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.

ANNUAL GENERAL MEETING EXPLANATORY NOTES CONTINUED

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 re-appointment of PwC as independent registered auditor to Sun International, to report on the financial year ending 31 December 2018 until the conclusion of the 2019 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 Mr 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 4.4 – 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 14 March 2018, 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 36-39) 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, which is titled "The Sun International Group Remuneration Policy", is attached marked Annexure "C". 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 twelve months commencing 1 July 2018 will require the approval of the shareholders by special resolution (special resolutions numbers 2 to 6) 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 – 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 2017, is set out in Annexure "D" hereto.

Please note that the remuneration paid 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 14 June 2017.

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 more than one company 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 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 on Annexure "E" 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 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 market conditions, tax dispensation and price justify such an action.

ANNUAL GENERAL MEETING EXPLANATORY NOTES CONTINUED

SPECIAL RESOLUTIONS NUMBERS 2 TO 6 – 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 is 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 2018 includes various increases (see footnotes to the special resolutions) to the fees which shareholders approved at the company's annual general meeting which was held on 14 June 2017. The non-executive directors' remuneration approved by shareholders at the annual general meeting held in 2017 had remained unchanged from the prior year.

The reason for proposing special resolution number 6 is to set a fee over and above the remuneration ordinarily paid to the non-executive directors, for participating in special/unscheduled board meetings and ad hoc strategic planning sessions.

The proposed remuneration in special resolutions numbers 2, 3, 4, 5 and 6 was accepted by the board (with the non-executive directors abstaining from voting) after a recommendation by the remuneration committee. Consequently, special resolutions numbers 2 to 6 are recommended by the company's board of directors for shareholder approval.

The remuneration of the non-executive directors for their services as directors, approved by the company's shareholders for the twelve months ending 30 June 2018 is contained below:

	Annual retainer R	Attendance fee per meeting R
Remuneration payable to non-executive directors		
Remuneration as directors		
Sun International non-executive chairman	853 100	49 700
Sun International lead independent director	327 100	28 500
Sun International non-executive directors	135 100	28 500
Audit committee fees		
Sun International audit committee chairman	113 800	32 000
Sun International audit committee member	57 000	16 000
Risk committee fees		
Sun International risk management committee chairman	62 700	34 200
Sun International risk management committee member	31 300	17 200
Remuneration committee fees		
Sun International remuneration committee chairman	51 300	31 300
Sun International remuneration committee member	25 800	15 700
Investment committee fees		
Sun International investment committee chairman	47 200	27 100
– teleconference fee per hour	–	4 100
Sun International investment committee member	23 600	13 600
– teleconference fee per hour	–	3 000
Social & ethics committee fees		
Sun International social and ethics committee chairman	47 200	27 100
Sun International social and ethics committee member	23 600	13 600
Nomination committee fees		
Sun International nomination committee chairman	42 600	21 400
Sun International nomination committee member	21 500	10 700
Ad hoc strategic planning sessions/unscheduled board meetings	–	28 500

SPECIAL RESOLUTION NUMBER 7 – 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 scheme as set out below). Furthermore, it may be necessary or desirable 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 7.

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 plans 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 7 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's share plans or other employee incentive schemes or the 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"

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2017

BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 December 2017 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa applicable to summarised consolidated financial statements. The Listings Requirements require summarised consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the audited consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements as at 31 December 2016.

The summarised consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017 which were approved by the board on 5 April 2018 and are available online or can be requested from the Company Secretary. The summarised consolidated annual financial statements are extracted from audited information, but are not themselves audited. The unmodified audit report of PricewaterhouseCoopers Inc., the independent auditors, on the consolidated annual financial statements for the year ended 31 December 2017, dated 5 April 2018, is available for inspection at the registered office of the company and is included in the audited annual financial statements available online.

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

R million	Year ended 31 December 2017	Pro forma Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
Revenue	15 609	13 884	7 700
Other income	–	18	–
Consumables and services	(1 678)	(1 669)	(920)
Depreciation and amortisation	(1 705)	(1 388)	(788)
Employee costs	(3 023)	(2 712)	(1 474)
Impairment of assets	(92)	(269)	(269)
Levies and VAT on casino revenue	(3 157)	(2 672)	(1 431)
LPM site owners commission	(299)	(212)	(146)
Promotional and marketing costs	(1 071)	(826)	(485)
Property and equipment rentals	(215)	(239)	(117)
Property costs	(733)	(771)	(380)
Monticello purchase price differential	–	(48)	–
Other operational costs	(1 705)	(1 328)	(813)
Operating profit	1 931	1 768	877
Foreign exchange losses	(115)	(563)	(82)
Interest income	34	33	20
Interest expense	(1 094)	(949)	(542)
Fair value adjustment to put liability	(223)	247	247
Share of profit of investments accounted for using the equity method	2	6	1
Profit before tax	535	542	521
Tax	(497)	(480)	(256)
Profit for the period from continuing operations	38	62	265
Loss for the period from discontinued operations	(50)	(24)	(51)
(Loss)/profit for the year	(12)	38	214
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post employment benefit obligations	51	4	–
Tax on remeasurements of post employment benefit obligations	(14)	–	–
Net loss on Time Square hedge	66	(1)	–
<i>Items that may be reclassified to profit or loss</i>			
Net loss on cash flow hedges	(27)	(72)	(50)
Currency translation reserve	(78)	(136)	(151)
Total comprehensive (loss)/profit for the period	(14)	(167)	13
Minorities	231	(98)	109
Ordinary shareholders	(243)	136	105
(Loss)/profit for the period	(12)	38	214
Minorities	209	(442)	(235)
Ordinary shareholders	(223)	275	248
Total comprehensive (loss)/profit for the period attributable to	(14)	(167)	13
Discontinued operations	(50)	(24)	(51)
Continuing operations	(173)	299	299
Total comprehensive (loss)/profit attributable to ordinary shareholders arising from	(223)	275	248

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION

R million	Year ended 31 December 2017	Pro forma** Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
(Loss)/profit attributable to ordinary shareholders	(243)	136	105
Net profit/(loss) on disposal of property, plant and equipment	13	12	(9)
Profit on disposal of shares in joint venture and subsidiaries	(27)	(18)	–
Fair value adjustment on investment held for sale	43	–	–
Impairment of assets	92	269	269
Tax (relief)/expense on the above items	(13)	5	(48)
Minorities' interests on the above items	(41)	(30)	(28)
Headline (loss)/earnings	(176)	374	289
Straight-line adjustment for rentals	20	21	10
Pre-opening expenses	48	19	4
Bid and transaction costs	43	37	4
Restructuring costs	43	48	–
Amortisation of Dreams intangible assets raised as part of the PPA	149	122	104
Fair value adjustment on put option liabilities	223	(247)	(247)
Interest on Time Square Note	22	43	43
Additional Goldrush payment	6	21	20
Foreign exchange losses on intercompany loans	27	547	80
Onerous contract – Colombia	50	–	–
Provision for remaining license conditions – Fish River	20	–	–
Fair value of debenture	6	–	–
Reversal of Employee Share Trust consolidation ⁽ⁱ⁾	6	5	3
Other	18	8	(7)
Tax (relief)/expense on the above items	(89)	(10)	42
Minorities' interests on the above items	(106)	(464)	(113)
Adjusted headline earnings	310	524	232

(i) The consolidation of the Employee Share Trust is reversed in the calculation of adjusted headline earnings as the group does not receive the economic benefits of the trust.

ANNEXURE "A" CONTINUED

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION

	Year ended 31 December 2017	Pro forma** Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
	Cents per share	Cents per share	Cents per share
(Loss)/earnings per share			
basic	(248)	139	107
diluted	(248)	139	107
Dividends per share	–	135	–
Diluted adjusted headline earnings per share	298	503	223

Pro forma information

** Shareholders are reminded that in terms of announcements released by the company on SENS on 22 August 2016 and 24 February 2017, Sun International has changed its financial year end from 30 June to 31 December, in order to align with its Chilean operations. Accordingly, the earnings per share ranges for the twelve month period from 1 January 2017 to 31 December 2017 are compared against the pro forma results for the prior corresponding period from 1 January 2016 to 31 December 2016. The group pro forma income statement was derived by deducting the unaudited, published results for the six months ended 31 December 2015 from the audited results for the year June 2016, to get to six months ended 30 June 2016 figures. The audited six months ended 31 December 2016 results were added to the six months ended 30 June 2016 to derive the pro forma results for the year ended 31 December 2016. Where information reported in published results for the six months ended 31 December 2015 was not appropriately disaggregated, the pro forma comparative information for the six months ended 30 June 2016 included in the published results for the six months ended 30 June 2017 was utilised as the results for the six months ended 30 June 2016. An assurance report issued in respect of the pro forma financial information by the group's external auditor, is available at the registered office of the company.

Correction of Dreams PPA

Subsequent to the audited 30 June 2016 comparable balance sheet, but before the expiry of the measurement period on 31 May 2017 (one year from the acquisition date), new information was obtained about the assets and liabilities acquired that was in existence at the acquisition date. Adjustments to the provisional amounts, and the recognition of newly identified assets and liabilities, must be made within the measurement period where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date [IFRS 3.45]. An amount of R235 million relating to the non-controlling reserve was in error allocated to minorities in the provisional PPA workings. This has been corrected by restating the opening balances of minorities' interest and the reserve for non-controlling interest.

SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

R million	31 December 2017	Restated at 31 December 2016	Restated at 30 June 2016
ASSETS			
Non-current assets			
Property, plant and equipment	18 196	17 329	16 942
Intangible assets	2 695	2 987	3 279
Equity accounted investments	18	16	15
Available-for-sale investment	–	48	48
Loans and receivables	214	24	23
Pension fund asset	32	33	36
Deferred tax	912	863	350
	22 067	21 300	20 693
Current assets			
Accounts receivable and other	1 503	1 472	2 073
Cash and cash equivalents	696	1 123	1 301
	2 199	2 595	3 374
Non-current assets held for sale	170	170	170
Total assets	24 436	24 065	24 237
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity before put option reserve	2 058	2 379	3 070
Put option reserve	(4 651)	(4 651)	(5 252)
Ordinary shareholders' equity	(2 593)	(2 272)	(2 182)
Minorities' interests	2 899	2 936	3 436
	306	664	1 254
Non-current liabilities			
Deferred tax	950	820	343
Borrowings	11 735	10 731	9 980
Other non-current liabilities	1 009	916	876
Put option liability	4 838	4 651	5 252
	18 532	17 118	16 451
Current liabilities			
Accounts payable and other	2 206	2 451	2 402
Borrowings	3 259	3 786	4 082
	5 465	6 237	6 484
Non-current liabilities held for sale	133	46	48
Total liabilities	24 130	23 401	22 983
Total equity and liabilities	24 436	24 065	24 237

ANNEXURE "A" CONTINUED

GROUP STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2017

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve	Available-for-sale reserve
FOR THE YEAR ENDED 31 DECEMBER 2017					
Balance at 31 December 2016	295	(604)	165	116	4
Correction of PPA misallocation	-	-	-	-	-
Dreams merger PPA finalisation adjustment	-	-	-	-	-
	295	(604)	165	116	4
Total comprehensive income for the year	-	-	(39)	-	-
Treasury share options 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	-	-	-	-	-
Release of share option reserve	-	164	-	-	-
Dividends paid	-	-	-	-	-
Balance at 31 December 2017	295	(424)	126	89	-
Pro forma					
FOR THE YEAR ENDED 31 DECEMBER 2016					
Balance at 31 December 2015	295	(590)	340	118	4
Total comprehensive income for the year	-	-	180	-	-
Treasury share options purchased	-	1	-	-	-
Net deemed treasury shares sold	-	(54)	-	-	-
Employee share schemes	-	39	-	(2)	-
Dreams merger transaction	-	-	(1)	-	-
Currency translation differences	-	-	(354)	-	-
SunWest option	-	-	-	-	-
Dreams option	-	-	-	-	-
Acquisition of minorities' interests	-	-	-	-	-
Dividends paid	-	-	-	-	-
Balance at 31 December 2016	295	(604)	165	116	4
Restated					
FOR THE YEAR ENDED 31 DECEMBER 2016					
Balance at 30 June 2016	295	(598)	337	129	4
Total comprehensive income for the year	-	-	182	-	-
Net deemed treasury shares sold	-	(36)	-	-	-
Employee share schemes	-	30	-	(13)	-
Increase in SunWest option	-	-	-	-	-
Decrease in Dreams option	-	-	-	-	-
Currency translation differences	-	-	(354)	-	-
Acquisition of minorities' interests	-	-	-	-	-
Dividends paid	-	-	-	-	-
Balance at 31 December 2016	295	(604)	165	116	4

Reserve for non-controlling interests	Hedging and other reserve	Retained earnings	Ordinary share-holders' equity before put option reserve	Put option reserve	Ordinary share-holders' equity	Minorities' interests	Total equity
(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
(3 136)	1	4 825	1 857	–	1 857	434	2 291
–	(55)	150	275	–	275	(442)	(167)
–	–	–	1	–	1	–	1
–	–	–	(54)	–	(54)	–	(54)
–	–	–	37	–	37	–	37
304	–	–	303	–	303	3 451	3 754
–	–	–	(354)	354	–	–	–
–	–	14	14	(1 286)	(1 272)	–	(1 272)
–	–	(261)	(261)	(3 719)	(3 980)	–	(3 980)
421	–	–	421	–	421	27	448
–	–	(226)	(226)	–	(226)	(299)	(525)
(2 411)	(54)	4 502	2 013	(4 651)	(2 638)	3 171	533
(2 228)	(15)	4 779	2 703	(5 252)	(2 549)	3 671	1 122
–	(39)	105	248	–	248	(235)	13
–	–	–	(36)	–	(36)	–	(36)
–	–	–	17	–	17	–	17
–	–	14	14	(14)	–	–	–
–	–	(261)	(261)	261	–	–	–
–	–	–	(354)	354	–	–	–
(183)	–	–	(183)	–	(183)	(79)	(262)
–	–	(135)	(135)	–	(135)	(186)	(321)
(2 411)	(54)	4 502	2 013	(4 651)	(2 638)	3 171	533

ANNEXURE "A" CONTINUED

SUPPLEMENTARY INFORMATION

R million	Year ended 31 December 2017	Pro forma Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
EBITDA RECONCILIATION			
Operating profit	1 931	1 768	877
Depreciation and amortisation	1 705	1 388	788
Net loss/(profit) on disposal of property, plant and equipment*	13	12	(9)
Straightline adjustment for rentals*	20	21	10
Impairment of assets*	92	269	269
Pre-opening expenses*	48	19	4
Transaction costs*	43	37	4
Onerous lease provision	50	–	–
Restructuring cost	43	48	–
Provision for Fish River licensing conditions	20	–	–
Profit on disposal of shares in associates*	(27)	(18)	–
Fair value adjustment on investment held for sale	43	–	–
Additional Goldrush payment*	6	21	20
Other*	38	12	(11)
Reversal of Employee Share Trust consolidation ⁽ⁱ⁾	6	5	3
EBITDA	4 031	3 582	1 955
EBITDA margin (%)	26	26	25
Number of shares ('000)			
– in issue after excluding deemed treasury shares	98 000	97 903	97 903
– for HEPS calculation	97 850	97 925	97 925
– for diluted EPS calculation	97 850	97 932	97 932
– for adjusted headline EPS calculation ⁽ⁱⁱ⁾	104 132	104 140	104 140
– for diluted adjusted headline EPS calculation ⁽ⁱⁱ⁾	104 132	104 147	104 147
(Loss)/earnings per share (cents)			
– basic (loss)/earnings per share	(248)	139	107
– headline (loss)/earnings per share	(180)	382	295
– adjusted headline earnings per share	298	503	223
– diluted basic (loss)/earnings per share	(248)	139	107
– diluted headline (loss)/earnings per share	(180)	382	295
– diluted adjusted headline earnings per share	298	503	223
Continued – (loss)/earnings per share (cents)			
– basic (loss)/earnings per share	(197)	163	103
– headline (loss)/earnings per share	(129)	406	291
– adjusted headline earnings per share	346	526	219
– diluted basic (loss)/earnings per share	(197)	163	103
– diluted headline (loss)/earnings per share	(129)	406	291
– diluted adjusted headline earnings per share	346	528	219

SUPPLEMENTARY INFORMATION *continued*

R million	Year ended 31 December 2017	Pro forma Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
Discontinued – (loss)/earnings per share (cents)			
– basic (loss)/earnings per share	(51)	(24)	4
– headline (loss)/earnings per share	(51)	(24)	4
– adjusted headline (loss)/earnings per share	(48)	(23)	4
– diluted basic (loss)/earnings per share	(51)	(24)	4
– diluted headline (loss)/earnings per share	(51)	(24)	4
– diluted adjusted headline (loss)/earnings per share	(48)	(25)	4
TAX RATE RECONCILIATION			
Profit before tax	535	542	521
Share of associates' profits	(2)	14	(1)
Adjusted profit before tax	533	556	520
	%	%	%
Effective tax rate (excluding Time Square settlements)	93	86	49
Preference share dividends	(5)	(7)	(4)
Prior year over/(under) provisions	3	(1)	1
Withholding taxes	1	1	–
Foreign tax rate variation	–	3	1
Exempt income	2	(2)	15
Exempt income – capital gains	2	28	–
Foreign monetary adjustments and government incentives	1	(24)	1
Monticello purchase price adjustment	–	(14)	–
Reversal of deferred tax assets	–	(4)	(20)
Capital and disallowed expenditure	(69)	(38)	(15)
	28	28	28
KEY METRICS			
EBITDA to interest (times)	3.3	3.9	3.6
Borrowings to EBITDA (times)	3.7	4.1	3.8
Net asset value per share (Rand)	18.86	21.45	21.45
Capital expenditure	2 591	3 747	2 218
Capital commitments	1 036	7 789	3 385

* Items identified above are included as headline and adjusted headline adjustments impacting operating profit in segmental analysis.

(i) The consolidation of the Employee Share Trust is reversed in the calculation of adjusted headline earnings as the group does not receive the economic benefits of the trust.

CONDENSED GROUP STATEMENTS OF CASH FLOW

R million	Year ended 31 December 2017	Restated Year ended 6 months 31 December 2016
Cash generated by operations before:	3 733	1 780
Vacation Club timeshare sales	158	83
Working capital changes	(136)	509
Cash generated by operations	3 755	2 372
Tax paid	(769)	(139)
Cash generated by operating activities	2 986	2 233
Purchase of property, plant and equipment	(2 558)	(2 185)
Purchase of intangible assets	(43)	(52)
Proceeds on disposal of PPE and intangibles	33	33
Proceeds on disposal of investment in joint venture	121	–
Loan and investment income	35	20
Net cash outflows from investing activities	(2 412)	(2 184)
Purchase of treasury shares and share options	(11)	(36)
Purchase of additional shareholding in subsidiaries	–	(262)
Dividends paid	(330)	(321)
Interest paid	(1 204)	(508)
Movement in other non-current liabilities	93	–
Movement in borrowings	487	994
Net cash outflow from financing activities	(965)	(133)
Effect of exchange rates upon cash and cash equivalents	(34)	(91)
Decrease in cash and cash equivalents	(425)	(175)
Cash and cash equivalents at beginning of the period	1 134	1 309
Cash and cash equivalents at end of the period	709	1 134
Assets held for sale	(13)	(11)
Cash and cash equivalents at end of the year excluding non-current assets held for sale	696	1 123

COMMENTARY

INTRODUCTION

Over the past few years, the Sun International group (group) has made significant investments including, developing the Ocean Sun Casino and the Sun Nao Casino in Latin America (Latam), refurbishing Sun City, developing Time Square and acquiring a 70% interest in Sun Slots. While the refurbishment of Sun City and the acquisition of Sun Slots have produced pleasing results, the other developments have fallen well short, increasing the group's debt levels and debt ratios significantly. Over this period, economic growth in South Africa and Latam has slowed, political uncertainty has increased and social challenges, particularly in South Africa, are at an all-time high. Together, this has pressured consumer discretionary spending and slowed gaming revenue growth.

Given the challenging environment and high debt levels, we have shifted our focus, realigned our strategy and are committed to getting the basics right and operating as efficiently and optimally as possible. At the same time, we are increasing our efforts to deliver outstanding service and creating lasting memories for our guests. Despite difficult trading conditions, our business has remained resilient, cash generative and is adapting to the ever-changing environment.

In this regard, we have taken action on loss making operations including the closure of the Fish River, Sun Nao Casino in Colombia and the International VIP Businesses in both South Africa and Panama, as well as downscaled the Ocean Sun Casino by closing the 66th floor casino and significantly reducing staff. We have applied to the Eastern Cape Gaming board to restructure the Boardwalk and are in the process of addressing the performances of the Carousel and Naledi.

With the focus on getting back to basics and reducing costs, we have seen a significantly improved comparative operating result in South Africa in the second half of 2017. During this period, revenue and EBITDA for comparable operations were up 2% and 15% respectively on the prior year period following the first half decline of 1% and 9% in revenue and EBITDA respectively. Trading at our new property Time Square, that opened in April 2017, remains well below expectations.

BASIS FOR ACCOUNTING AND DISCLOSURE

Shareholders are reminded that in terms of announcements released by the company on SENS on 22 August 2016 and 24 February 2017, Sun International has changed its financial year end from 30 June to 31 December, in order to align with its Latam operations. Accordingly, the earnings per share ranges for the year ended 31 December 2017 are compared against the pro forma results for the prior corresponding year ended 31 December 2016. The group pro forma income statement was derived by deducting the unaudited, published results for the six months ended 31 December 2015 from the audited results for the year ended 30 June 2016, to get to the six months ended 30 June 2016 figures. The audited six months ended 31 December 2016 results were added to the six months ended 30 June 2016 to derive the pro forma results for the year ended 31 December 2016. Where information reported in published results for the six months ended 31 December 2015 was not appropriately disaggregated, the pro forma comparative information for the six months ended 30 June 2016, included in the published results for the six months ended 30 June 2017, was utilised as the results for the six months ended 30 June 2016. An assurance report issued in respect of the pro forma financial information by the group's external auditor, is available at the registered office of the company.

FINANCIAL OVERVIEW

The income statement below includes adjusted headline earnings adjustments.

R million	Year ended 31 December 2017	%	Pro forma 12 months 31 December 2016
		movement	
Revenue	15 609	12	13 884
EBITDA	4 031	13	3 582
Adjusted operating profit	2 475	7	2 315
Foreign exchange loss	(82)	(332)	(19)
Net interest	(1 039)	(21)	(856)
Profit before tax	1 354	(6)	1 440
Tax	(597)	(28)	(468)
Profit after tax	757	(22)	972
Minorities	(397)	6	(423)
Attributable profit	360	(34)	549
Share of associates	2	(87)	15
Continued adjusted headline earnings	362	(36)	564
Discontinued operations	(52)	(30)	(40)
Adjusted headline earnings	310	(41)	524

For the year, group revenue increased by 12% to R15.6 billion, with the growth attributable to the inclusion of the results of Sun Dreams (from 1 June 2016), Sun Slots (from 1 April 2016) and Time Square (from 1 April 2017).

Revenue generated by the comparable South African operations (excluding alternative gaming, International VIP Business, Time Square and Morula) was flat when compared to the prior year. Sibaya, Sun City, Sun Slots and Table Bay produced encouraging results with growth in revenue and EBITDA.

The performance of the Latam operations has remained subdued. The Chilean operations, and in particular Monticello, were impacted by the shooting incident at half-year. Due to the continued underperformance of the Ocean Sun Casino, its operations have been scaled down and the International VIP Business closed while the Sun Nao Casino in Colombia, which has continued to incur losses, was closed in December 2017.

Group EBITDA increased by 13% from R3.6 billion to R4.0 billion. Through a focus on costs and efficiency, EBITDA generated on a comparable basis by the South African operations increased by 3%. Interest charges were well up on the prior year due to the inclusion of Sun Dreams for the full year and the borrowings relating to Time Square. Minorities' share of earnings has increased with the disposal of the 10% interest in SunWest and Golden Valley in April 2016 and the consolidation of Sun Dreams for the full year.

Adjusted headline earnings of R310 million are 41% below the prior year, with adjusted headline earnings per share down 41% to 298 cents.

HEADLINE AND ADJUSTED HEADLINE EARNINGS ADJUSTMENTS

The group has incurred a number of once-off or abnormal items that have been adjusted for in headline and adjusted headline earnings, the most significant of which are described below.

Headline earnings adjustments include the following:

- profit on disposals of shares in subsidiaries of R27 million;
- impairment of assets of R92 million; and
- fair value adjustment on a held for sale investment of R43 million.

Adjusted headline earnings adjustments include the following:

- an onerous lease contract provision in Colombia of R50 million relating to the Sun Nao Casino;
- bid and transaction costs of R43 million relating to the Latam operations' municipal bids and Sun Dreams merger;
- restructuring costs of R43 million relating to Sun Nao Casino, Morula and Fish River closures;
- expensing of the remaining bid commitment of R20 million relating to the Fish River;
- foreign exchange loss on intercompany loans of R27 million;
- pre-opening expenses of R48 million;
- interest of R22 million incurred up to the opening of the Time Square casino which related to the payment made to Peermont;
- the straightlining of the Maslow and head office building lease expense of R20 million;
- amortisation of R149 million of the Sun Dreams intangible assets raised as part of a purchase price adjustment;
- an increase in the value of the Sun Dreams and Tsogo put options of R223 million;
- tax on the above items of R102 million; and minorities' interest on the above items of R147 million.

DIVIDEND

Given the need to reduce the high debt levels, the board has decided not to declare a dividend for the year ended 31 December 2017.

REVENUE BY NATURE AND GEOGRAPHICAL SEGMENT

R million	South Africa		Latam		Nigeria		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
Casinos	7 411	6 918	3 983	3 277	57	80	11 451	10 275
LPM	1 060	753	–	–	–	–	1 060	753
SunBet	49	40	–	–	–	–	49	40
Rooms	976	921	224	131	41	39	1 241	1 091
Food and Beverage	921	828	368	404	41	38	1 330	1 270
Other	465	434	9	15	4	6	478	455
Total operating segments	10 882	9 894	4 584	3 827	143	163	15 609	13 884
International VIP Business	4	135	–	–	–	–	4	135
Group operations	10 886	10 029	4 584	3 827	143	163	15 613	14 019

South Africa continues to contribute the majority of group revenue at 70%, with Latam contributing 29% and Nigeria 1%. Gaming is the primary contributor to group revenue at 73%, alternate gaming contributes 7%, food and beverage 9%, rooms 8% and other revenues 3%.

The table below sets out the consolidated revenue, EBITDA and operating profit by geographical region and the reconciliation between operating profit as reflected in the statement of comprehensive income and the income statement above which includes headline and adjusted headline earnings adjustments.

R million	Revenue		EBITDA		Operating profit	
	2017	2016	2017	2016	2017	2016
South Africa	10 882	9 894	2 926	2 622	1 926	1 784
Sun International comparable operations	8 908	8 888	2 495	2 411	1 739	1 630
Time Square (consolidated from 1 April 2017)	827	–	184	–	26	–
Sun Slots (consolidated from 1 April 2016)	1 060	753	249	182	166	123
Morula	38	213	(4)	29	(5)	34
SunBet	49	40	2	–	–	(3)
Latam	4 584	3 827	1 097	964	571	574
Nigeria	143	163	8	(4)	(22)	(43)
Total operating segments	15 609	13 884	4 031	3 582	2 475	2 315
Headline and adjusted headline earnings adjustments impacting operating profit	–	–	–	–	(544)	(547)
Unadjusted group operating profit	15 609	13 884	4 031	3 582	1 931	1 768

ANNEXURE "A" CONTINUED

SEGMENTAL REVIEW

The implementation of strategic initiatives makes the current period difficult to analyse and therefore a segmental review with the full comparable trading of Sun Dreams and Sun Slots is provided. The review is based on actual historic performance as if the acquisitions had been implemented with effect from 1 January 2016. The segmental review throughout includes all headline and adjusted headline earnings adjustments.

The table below sets out the operating performance of the group's geographic segments.

R million	South Africa		Latam		Nigeria		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	10 882	9 894	4 584	4 794	143	163	15 609	14 851
EBITDA	2 926	2 622	1 097	1 271	8	(4)	4 031	3 889
Adjusted operating profit	1 926	1 784	590	837	(19)	(38)	2 497	2 583
PPA adjustment	–	–	(19)	(14)	(3)	(5)	(22)	(19)
Operating profit after PPA	1 926	1 784	571	823	(22)	(43)	2 475	2 564

South Africa

On a comparable basis, revenue for the first half of 2017 decreased by 1% while revenue grew by 2% in the second half, resulting in revenue remaining flat for the year. Comparable EBITDA for the first half of the year was down 9%. However, through a focus on costs and efficiencies, EBITDA in the second half of the year was up 15%, resulting in an increase in EBITDA of 3% for the year.

The group's core casino operations continued to be impacted by the current economic climate in South Africa, with comparable casino revenue down 1% while the hospitality operations performed well with 6% growth in rooms revenue and food and beverage revenue improving by 4%.

The International VIP Business struggled to achieve the required volumes to mitigate against volatility and we experienced legal challenges in collecting outstanding debts. Consequently, we suspended the International VIP Business operations in April 2017.

South African segment review set out below

R million	Revenue			EBITDA			Operating profit		
	2017	%	2016	2017	%	2016	2017	%	2016
GrandWest	2 155	–	2 154	850	(2)	866	721	(2)	733
Sun City	1 831	7	1 708	318	58	201	115	>100	12
Vacation Club adjustment	(100)	26	(136)	(81)	28	(112)	(89)	25	(118)
Sibaya	1 269	10	1 157	439	16	378	385	22	315
Carnival City	980	(9)	1 074	254	(19)	314	162	(31)	235
Boardwalk	552	(6)	585	95	(14)	110	27	4	26
Wild Coast	481	2	473	93	4	89	46	28	36
Meropa	302	(7)	325	96	(18)	117	75	(22)	96
Windmill	255	(9)	279	79	(18)	96	57	(24)	75
Flamingo	172	(4)	180	47	(11)	53	33	(13)	38
Golden Valley	176	5	167	39	11	35	23	35	17
Carousel	246	(22)	315	28	(53)	60	10	(69)	32
Table Bay	354	6	333	89	19	75	70	19	59
The Maslow	148	1	147	(22)	(16)	(19)	(40)	7	(43)
Naledi	21	(13)	24	(7)	<(100)	(3)	(8)	(100)	(4)
Fish River	21	(19)	26	(21)	5	(22)	(23)	4	(24)
	8 863	1	8 811	2 296	3	2 238	1 564	5	1 485
Sun Slots	1 060	41	753	249	37	182	166	35	123
Time Square	827	100	–	184	100	–	26	100	–
Morula	38	(82)	213	(4)	<(100)	29	(5)	<(100)	34
SunBet	49	23	40	2	100	–	–	100	(3)
Management companies	593	3	578	199	15	173	175	21	145
Inter-company management fees	(548)	(9)	(501)	–	–	–	–	–	–
	10 882	10	9 894	2 926	12	2 622	1 926	8	1 784

GrandWest's revenue remained flat at R2.2 billion while EBITDA decreased by 2%. Strong growth in tables' revenue was achieved while slots revenue came under pressure with a slowdown in top end play. Overall footfall was up, however average spend was down.

Despite tough trading conditions, **Sun City** had an exceptional year benefiting from the extensive refurbishments completed in prior periods. Casino revenue increased by 11%, rooms revenue by 11% and food and beverage by 3%. Hotel occupancy increased from 68% to 72% assisted by the refurbished conference facility. The average room rate increased by 4%. EBITDAR (pre the vacation club adjustment) increased by 22% reflecting the focus on controlling costs. EBITDA (pre the vacation club adjustment) however increased by 58% as the temporary conference facility rental in 2016 of R57.8 million was no longer incurred.

Sibaya delivered pleasing results with revenue up 10% and EBITDA up 16%. The property continues to show growth in market share, which for the year was at 35.1%, up 1.6% on the prior year. The food and beverage offering and Prive will be upgraded in 2018.

Following a soft opening of the casino to the public on 1 April 2017, **Time Square** achieved total revenue of R827 million for the nine months of trading with R744 million derived from casino revenue and EBITDA of R184 million. The loss after tax and interest incurred was R345.2 million of which R296.0 million was attributable to the group.

The Gauteng gaming market grew strongly in the second half of the year and achieved growth of 4.4% for the year. Time Square captured approximately 13% share of the Gauteng market, which is below initial expectations. Recent trading has reflected growth in activity and visitation following the opening of the arena in November 2017 but unfortunately, due to a lower win ratio, the growth has not translated into revenue. With the opening of the hotel in March, we anticipate growth in gaming revenue.

Carnival City continued to deliver disappointing results with revenue and EBITDA down 9% and 19% respectively. However, the second half of the year showed a marked improvement compared to the first half with revenue down by 3% compared to the 14% decline in the first half. The improvement can partly be attributed to a refresh of the retail as well as food and beverage offering, walk ways and restrooms. Carnival City continues to focus on driving footfall through events and entertainment to counter the effects of lower average spend.

Boardwalk's overall revenue decreased by 6% with casino revenue down by 5%. With the drop in revenue, EBITDA decreased by 14% from R110 million to R95 million. Of further concern is the opening of an EBT outlet in Uitenhage in September 2017, which will likely impact the Boardwalk's revenues further. An application to restructure the Boardwalk has been submitted to the Eastern Cape Gaming Board. The shopping mall development is progressing, having received gaming board approval and we have secured an anchor tenant for the premises. The Boardwalk's sole contribution to the development will be the inclusion of the existing retail and land in return for a 50% equity interest in a joint venture.

Wild Coast revenue and EBITDA increased by 2% and 4% respectively while maintaining the EBITDA margin. The casino licence expires in 2019 and the Eastern Cape Gambling and Betting Board has issued a request for proposal (RFP), which the company has responded to. We now await the final RFP to be issued.

The Table Bay continues to perform well with revenue up 6% and EBITDA up 19%. Occupancy was down two percent to 75% while the average room rate increased by 9% resulting in a REVPAR growth of 7%. Our international mix increased by one percent to 82% of room revenue.

The **Maslow Hotel** increased revenue by 1% due to higher occupancy, which was up from 70% to 72%. With the increased competition and a slowdown in business travel, the room rate was in line with the prior year.

The other small urban casinos which include **Meropa** (Limpopo), **Windmill** (Free State), **Flamingo** (Northern Cape), **Carousel** (North West) and **Golden Valley** (Western Cape) were impacted by depressed trading conditions with aggregated revenue down 9% and aggregated EBITDA down 20%. A new 60 room hotel was opened at Meropa in July 2017.

Sun Slots revenue exceeded R1 billion for the first time with an increase of 8% on the comparable prior year.

Management fees and related income of R593 million, was 3% higher than the prior year. EBITDA increased 15% to R199 million.

Nigeria

The trading conditions in Nigeria have not improved during the last six months and as a result revenue decreased by 12%. However an EBITDA of R10 million was achieved partly due to provision reversals.

Latam

Sun International's Latam operations have been successfully integrated with those of Dreams. The table below includes the historic trading of Sun Dreams for the year ended 31 December 2016, with the conversion at the average exchange rate for the year ended 31 December 2017, to enable comparison in Rands.

Presentation of constant currency information and pre-acquisition adjustment

R million	Revenue		EBITDA		Operating profit	
	2017	2016	2017	2016	2017	2016
Monticello	1 674	1 861	417	562	265	427
Dreams SCJ licences	1 532	1 547	586	590	551	559
Dreams municipal licences	834	853	303	319	256	270
Sun Chile office	9	–	8	–	8	–
Central Office	–	–	(132)	(170)	(277)	(254)
Chile operations	4 049	4 261	1 182	1 301	803	1 002
Ocean Sun	223	231	(80)	(38)	(162)	(121)
Sun Nao	35	40	(38)	(37)	(67)	(62)
Peru	277	262	33	45	(3)	4
Latam total	4 584	4 794	1 097	1 271	571	823
Constant currency adjustment	–	113	–	31	–	19
Pre-acquisition adjustment	–	(1 081)	–	(338)	–	(268)
	4 584	3 827	1 097	964	571	574

ANNEXURE "A" CONTINUED

The 31 December 2016 segmental comparative pro forma results set out in the segmental tables relating to our Latam businesses have been translated at the 31 December 2017 average exchange rate of 48.7 Chilean Pesos (CLP) to the Rand (47.6 for 31 December 2016). The adjustment has been disclosed as a constant currency adjustment. The presentation of financial information on a constant currency basis and in relation to the pre-acquisition adjustment falls into the category of non-application of a specific IFRS requirement and is therefore regarded as pro forma information, per the JSE Listings Requirements. The effective date of the merger with Dreams was 1 June 2016. In order to present a meaningful comparative, the pre-acquisition adjustment includes the 5 months prior to the merger. The pro forma information has been prepared for illustrative purposes only and because of its nature, it may not fairly present the group's financial position, changes in equity, results of operations or cash flow. The pro forma information has been extracted from management accounts. Shareholders are further advised that the above information has not been reviewed or reported on by our auditors.

Overall, revenue from **Chile** decreased by 5% to CLP197 billion (R4.1 billion) while EBITDA decreased by 9% to CLP57 billion (R1.2 billion). Iquique, which is located in a copper mining region was impacted by strikes early in the year, while Monticello's revenue was down 10% with gaming revenue down 6%. The property was negatively impacted by the relocation of the toll road in September 2016 and the unfortunate shooting incident that took place in July 2017. In June 2017, Monticello opened a new smoking deck, a 4 000-seat arena and a new bar. However, due to the arena start-up costs, additional security measures being put in place post the shooting incident and an increase in marketing spend to attract guests back to the casino, EBITDA was down 26%.

The performance of the **Panama** operation continues to disappoint. Revenue decreased by 4% from R231 million to R223 million while the EBITDA loss increased from R38 million to R80 million due to bad debts and high marketing, promotion and tournament costs which did not drive the expected revenues. With the closure of the International VIP Business and the 66th floor casino, the cost structure has been reduced significantly.

The Sun Nao Casino in **Colombia** continued to incur an EBITDAR loss and consequently the business was closed in December 2017. Some of the slot machines have been redeployed to smaller outlets in Cartagena with significantly less overhead costs and we are in negotiations to early exit the current property lease.

Revenue in **Peru** increased by 6% while EBITDA decreased from R45 million to R33 million due to higher promotional and marketing expenditure in the region.

GROUP BORROWINGS

Sun International's borrowings as at 31 December 2017 were R15.0 billion of which R11.4 billion can be attributable to the South African balance sheet. Group debt increased by approximately R480 million from 31 December 2016, due primarily to the capital expenditure at Time Square. The group's balance sheet remains resilient and the operations continue to generate strong cash flows. Following negotiations with the group's lenders, the debt covenant levels were adjusted and the group continues to trade within these levels.

The group has unutilised borrowing facilities of R730 million and available cash balances of R700 million.

R million	Total debt	Minorities share	Sun International
South Africa	11 424	1 373	10 051
SunWest	869	305	564
Afrisun Gauteng	580	31	549
Afrisun KZN	284	96	188
Emfuleni	610	91	519
Wild Coast	280	84	196
Meropa	131	38	93
Teemane	75	19	56
Windmill	102	27	75
Golden Valley	(11)	(4)	(7)
Sun Slots	70	21	49
Time Square	4 669	665	4 004
Management and corporate	3 765	–	3 765
Nigeria	493	250	243
Shareholder loans	761	386	375
Sun International inter-company	(268)	(136)	(132)
Latam	3 078	1 031	2 047
Sun Dreams	2 267	1 031	1 236
Sun Chile	811	–	811
31 December 2017	14 995	2 654	12 341
31 December 2016	14 517	3 134	11 383

DEBT COVENANTS

The bank debt covenants per the funding agreements in South Africa and Chile at 31 December 2017 are set out below.

	South Africa		Chile	
	Covenant	Actual	Covenant	Actual
Debt to EBITDA	4.0x	3.7x	4.75x	2.8x
Interest cover	2.5x	3.3x		

RIGHTS OFFER

Due to difficult trading conditions and Time Square producing disappointing results, the group renegotiated its South African debt covenant levels for June 2017 and December 2017. Although trading has improved marginally at Time Square and the group met its debt covenants at 31 December 2017, the board has deemed it prudent to embark on a capital raise exercise to de-risk the balance sheet. Accordingly, the proceeds from the rights offer will be used to repay debt, thereby creating head room in relation to relevant debt covenants. A stronger balance sheet and capital structure will also afford management more operational freedom to focus on the back to basics strategy. In addition, the rights offer will reduce Sun International's interest charge as rates are based on Sun International's prevailing debt metrics.

CASH FLOW

The group continues to generate strong cash flow from operations, which has resulted in the group trading within the debt covenant levels.

CAPITAL EXPENDITURE

R million	Total
South African operations	
Expansionary	
Time Square	1 594
Meropa	50
Sun City	28
	1 672
Refurbishment and ongoing	
Sun City	71
GrandWest	128
Sibaya	81
Sun Slots	95
Other	127
	502
Total South African capital expenditure	2 174
Latam operations	
Expansionary	230
Refurbishment and ongoing	178
Total Latam capital expenditure	408
Nigerian operations	
Expansionary	10
Total Nigerian capital expenditure	10
Total Group capital expenditure	2 592

Project capital expenditure

Sun International has outstanding capital commitments of approximately R230 million to be incurred in 2018 to complete Time Square development.

ANNEXURE "A" CONTINUED

UPDATE ON STRATEGIC INITIATIVES

The **Time Square** casino was completed and opened on 1 April 2017. The arena opened in November 2017 and the hotel will open in March. We believe that these facilities will have a significant impact on visitation to the property and an increase in casino revenue. To date, the cost of the development equals R4.2 billion.

The board of the **Tourist Company of Nigeria (TCN) – Federal Palace** has been reconstituted with the Securities Exchange Commission appointing two directors thereto. Deloitte has been mandated to investigate the shareholder disputes. Once the Deloitte investigation has been completed it will pave the way for Sun International to exit its investment in Nigeria.

Proposed acquisition by Sun International of 50% of Entretenimientos Del Sur Limitada's (EDS) equity interest in Sun Dreams and put options

Shareholders are referred to the announcements released by the company on SENS on 30 May 2017 and 15 November 2017 which provided details regarding Sun International's intention to increase its shareholding in Sun Dreams from approximately 55% to approximately 65%.

As part of the transaction, the put options previously exercisable by Nueva Inversiones Pacifico Sur Limitada and EDS on Sun International will fall away. The implementation of this transaction (which is now unconditional) is pending finalisation of an underwritten 10-year bond issue which is expected to be implemented by the end of March 2018, after which the put option liability and reserve will be derecognised from the balance sheet.

Chile municipal licence bidding process

The Superintendencia de Casinos de Juego (SCJ) opened the bidding process for the seven Chilean municipal licences in September 2017. Sun Dreams submitted bids for the two municipal licences that it currently holds and for an additional three licences. It is anticipated that the results of the process will be announced during or about June 2018.

Peru acquisition

Sun Dreams has finalised an acquisition in Peru of Thunderbird Resorts, which comprises of 4 gambling operations generating EBITDA of US\$4.2 million. The purchase consideration is approximately US\$27 million and includes premises valued at US\$11 million. The acquisition presents an opportunity for Sun Dreams to strengthen its position in Peru and diversify its asset base in Latam. The proposed transaction is still awaiting the relevant gambling board approvals which are anticipated to be received in the near future.

SUNWEST EXCLUSIVITY

The Western Cape Government gazetted draft legislation on 28 February 2018 to establish 3 zones for casinos in the Cape Metropole and to allow for the relocation of casino licences proposed. The legislation includes changes to the gaming tax tables and conditions for relocation, which will entail additional taxes and fees, obligations to mitigate any negative impacts which relocating a casino may have on the area from where the casino relocates and provides for economic opportunities for designated groups that reside in the area to which the casino will relocate. We are still assessing the draft legislation and will respond at the appropriate time.

INCREASE IN VAT RATE

The 1% increase in the VAT rate in South Africa will result in a direct cost for the business as the increase cannot be passed on to our gaming customers. The additional cost will equate to an approximate 5% increase in the VAT currently payable on gaming revenue. Based on the 2017 gaming revenue, this would have amounted to approximately R54 million from which corporate tax will be deducted.

CHANGES TO THE BOARD OF DIRECTORS AND COMMITTEES

Shareholders are referred to the unaudited interim results announcement released by the company on SENS on 29 September 2017, when several changes to the board of directors and board committees were communicated.

In terms of the aforesaid announcement, shareholders were advised that Sun International's then lead independent director, Mr IN Matthews, would be retiring from the company's board on 31 December 2017 and would be succeeded by Mr PL Campher as the new lead independent director of the company and chairman of the remuneration committee, with effect from 1 January 2018.

Furthermore, Mr GR Rosenthal, the current chairman of the company's audit committee, will be retiring as a director of Sun International on 15 May 2018 and will be succeeded by Ms CM Henry as the new chairman of the audit committee. Dr NN Gwagwa was also appointed as a member of the company's nomination committee and Mr EAMMG Cibie as a member of the audit and remuneration committees, with effect from 13 June and 14 June 2017 respectively.

On 6 October 2017, Mr GW Dempster was appointed as an independent non-executive director of Sun International with immediate effect.

Shareholders are further advised that with effect from 12 February 2018, Ms ZBM Bassa resigned as an independent non-executive director of Sun International and as a member of certain statutory and board committees of the company.

OUTLOOK

While the South African outlook has improved and the economy is showing signs of a recovery, we do not anticipate that it will be immediately felt in discretionary expenditure and in particular discretionary consumer spending on gaming. In response to disappointing revenue growth and the uncertain economic outlook, management has taken further steps to reduce the cost of doing business and continues to drive and implement its "back to basics" strategy across the group with a specific focus on improving operating efficiencies and margins and improving the guest experience.

The closure of loss making entities such as the Fish River, the International VIP Businesses (in South Africa and Panama) and the Sun Nao Casino will result in these losses no longer recurring. In addition, the interventions that have and are taking place in respect of the Ocean Sun Casino, the Boardwalk and the Carousel are expected to result in much improved performance from these operations.

The opening of the arena at Time Square in November 2017 and the hotel in March 2018 will increase footfall to the property with a commensurate increase in revenue and EBITDA. In addition, Sun City will continue to benefit from the significant refurbishment of the resort while The Table Bay Hotel is likely to come under some pressure from the stronger Rand and the water crisis facing the Western Cape, which is deterring tourists from visiting Cape Town.

The Chilean economy is showing signs of recovery, assisted by the recent change in government. Gaming revenues have stabilised and Monticello is starting to reflect revenue growth compared to the prior year. The addition of Thunderbird Resorts in Peru will contribute positively and we look forward to the outcome of the municipal licence bidding process, which could significantly change our position in Chile.

With the proceeds from the rights offer, we will settle debt and capitalise Time Square which will significantly reduce our interest cost.

For and on behalf of the board



MV Moosa
Chairman



AM Leeming
Chief executive



N Basthdaw
Chief financial officer

Registered office:

6 Sandown Valley Crescent, Sandown, Sandton, 2196

Sponsor:

Investec Bank Limited

Transfer secretaries:

Computershare Investor Services (Pty) Ltd,
1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

The report was prepared under the supervision of the chief financial officer, N Basthdaw; B Compt (Hons), CTA, CA(SA), M Com, HDip Company Law.

Directors:

MV Moosa (chairman), PL Campher (lead independent director), AM Leeming (chief executive)*, PD Bacon (British), N Basthdaw (chief financial officer)*, EAMMG Cibie (Chilean), GW Dempster, CM Henry, Dr NN Gwagwa, BLM Makgabo-Fiskerstrand, DR Mokhobo*, GR Rosenthal

* Executive

Group company secretary

AG Johnston

16 March 2018

ANNEXURE "A" CONTINUED

PRO FORMA GROUP STATEMENTS OF COMPREHENSIVE INCOME

	A	B
	Audited 12 months ended 30 June 2016	Unaudited 6 months ended 31 December 2015
Rm		
Continuing operations		
Revenue	12 186	5 837
Other income	18	–
Consumables and services	(1 473)	(724)
Depreciation and amortisation	(1 131)	(531)
Employee costs	(2 464)	(1 226)
Impairment of assets	–	–
Levies and VAT on casino revenue	(2 388)	(1 121)
LPM site owners commission	(66)	–
Promotional and marketing costs	(723)	(355)
Property and equipment rentals	(202)	(80)
Property costs	(776)	(385)
Time Square settlements	(748)	(747)
Monticello purchase price differential	(243)	(195)
Other operational costs	(1 064)	(458)
Operating profit	926	15
Foreign exchange (losses)/profit	(227)	254
Interest income	33	20
Fair value adjustment to put liability	–	–
Interest expense	(756)	(349)
Share of equity accounted profits	18	13
Profit before tax	(6)	(47)
Tax	(533)	(303)
(Loss)/profit for the period from continuing operations	(539)	(350)
Profit for the period from discontinued operations	36	23
(Loss)/profit for the year	(503)	(327)
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of post employment benefit obligations	4	–
Tax on remeasurements of post employment benefit obligations	(1)	–
<i>Items that may be reclassified to profit or loss</i>		
Gross loss on cash flow hedges	(21)	1
Fair value adjustment to put liability		
Currency translation on the put liability		
Currency translation reserve	220	205
Total comprehensive (loss)/profit for the period	(301)	(121)
Minorities	(89)	118
Ordinary shareholders	(414)	(445)
(Loss)/profit for the period attributable to	(503)	(327)
Minorities	(60)	147
Ordinary shareholders	(241)	(268)
Total comprehensive (loss)/profit for the period attributable to	(301)	(121)
Discontinued operations	36	23
Continuing operations	(277)	(291)
Total comprehensive profit attributable to ordinary shareholders	(241)	(268)

C=A-B	D	C+D	E	C+D+E
Pro forma 6 months ended 30 June 2016	Audited 6 months ended 31 December 2016	Pro forma 12 months ended 31 December 2016	International Business 12 months ended 31 December 2016	Pro forma 12 months ended 31 December 2016
6 349	7 670	14 019	(135)	13 884
18	-	18	-	18
(749)	(920)	(1 669)	-	(1 669)
(600)	(788)	(1 388)	-	(1 388)
(1 238)	(1 474)	(2 712)	-	(2 712)
-	(269)	(269)	-	(269)
(1 267)	(1 446)	(2 713)	41	(2 672)
(66)	(146)	(212)	-	(212)
(368)	(485)	(853)	27	(826)
(122)	(117)	(239)	-	(239)
(391)	(380)	(771)	-	(771)
(1)	-	(1)	-	(1)
(48)	-	(48)	-	(48)
(606)	(823)	(1 429)	102	(1 327)
911	822	1 733	35	1 768
(481)	(82)	(563)	-	(563)
13	20	33	-	33
-	247	247	-	247
(407)	(542)	(949)	-	(949)
5	1	6	-	6
41	466	507	35	542
(230)	(256)	(486)	6	(480)
(189)	210	21	41	62
13	4	17	(41)	(24)
(176)	214	38	-	38
-	-	-	-	-
4	-	4	-	4
(1)	-	(1)	-	(1)
(22)	(50)	(72)	-	(72)
-	-	-	-	-
-	-	-	-	-
15	(151)	(136)	-	(136)
(180)	13	(167)	-	(167)
(207)	109	(98)	-	(98)
31	105	136	-	136
(176)	214	38	-	38
(207)	(235)	(442)	-	(442)
27	248	275	-	275
(180)	13	(167)	-	(167)
13	4	17	(41)	(24)
14	244	258	41	299
27	248	275	-	275

ANNEXURE "A" CONTINUED

PRO FORMA GROUP STATEMENTS OF COMPREHENSIVE INCOME

Rm	A	B
	Audited 12 months ended 30 June 2016	Unaudited 6 months ended 31 December 2015
HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION		
Profit attributable to ordinary shareholders	(414)	(445)
Net (profit)/loss on disposal of property, plant and equipment	(3)	(24)
Profit on disposal of shares in subsidiaries	(18)	–
Impairment of assets	–	–
Tax (relief)/expense on the above items	57	4
Minorities' interests on the above items	(2)	–
Headline earnings	(380)	(465)
Straightline adjustment for rentals	27	16
Pre-opening expenses	28	13
Time Square settlements	748	747
Transaction costs	52	19
Monticello purchase price adjustment	243	195
Amortisation of Dreams intangible assets raised as part of the PPA	18	–
Foreign exchange losses/(profits) on intercompany and minority loans	233	(234)
Interest on Time Square Note	–	–
Discount on Tsogo settlement	–	–
Fair value adjustment on put options	–	–
Reversal of Employee Share Trust consolidation ⁽ⁱ⁾	7	5
Other	18	1
Tax on the above items	13	65
Minorities' interests on the above items	(353)	–
Adjusted headline earnings	654	362

(i) The consolidation of the Employee Share Trust is reversed in the calculation of adjusted headline earnings as the group does not receive the economic benefits of the trust.

Please note that these numbers constitute only the summarised consolidated financial results 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 2017 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 reviewed consolidated financial results for the 12 months ended 31 December 2017 as published on SENS on 19 March 2018 and the complete audited consolidated financial statements which appear on the company's website.

C=A-B	D	C+D	E	C+D+E
Pro forma 6 months ended 30 June 2016	Audited 6 months ended 31 December 2016	Pro forma 12 months ended 31 December 2016	Unaudited 6 months ended 31 December 2016	Pro forma 12 months ended 31 December 2016
31	105	136	–	136
21	(9)	12	–	12
(18)	–	(18)	–	(18)
–	269	269	–	269
53	(48)	5	–	5
(2)	(28)	(30)	–	(30)
85	289	374	–	374
11	10	21	–	21
15	4	19	–	19
1	–	1	–	1
33	4	37	–	37
48	–	48	–	48
18	104	122	–	122
467	80	547	–	547
–	43	43	–	43
–	20	20	–	20
–	(247)	(247)	–	(247)
2	3	5	–	5
17	(9)	8	–	8
(52)	42	(10)	–	(10)
(353)	(111)	(464)	–	(464)
292	232	524	–	524

ANNEXURE "B"

DIRECTOR STANDING FOR ELECTION

Name	GW (Graham) Dempster (62)
Joined Sun International board	2017
Positions	Independent non-executive director of Sun International Chairman of the investment committee
Qualifications and experience	<p>BCom, CTA, CA (SA), AMP (Harvard)</p> <p>Graham Dempster, is a qualified Chartered Accountant by profession and previously served as the chief operating officer of the Nedbank Group Limited and Nedbank Limited between 5 August 2009 and 31 December 2014. Prior to that Graham was the Managing Director of Nedbank Corporate from 2003 up until his appointment as chief operating officer in 2009.</p> <p>Graham served as general manager at Nedbank Group Limited from 1991 and was joint head of the Special Finance Division in 1989. In 1992 he moved to Nedcor Bank, initially in a General Management role on strategy and served as Head of the International Division from 1998. In 1999, he assumed responsibility for the Corporate Banking Division and served as an Executive Director of Nedbank Group Limited and Nedbank Limited from 5 August 2009 to 11 May 2015.</p> <p>In addition to the foregoing, Graham serves as the chairman of Long4life Limited and has been an Independent non-executive director thereof since March 2017. He has over 35 years' of experience in the banking industry, both in South Africa and internationally. He first joined the Nedbank Group in 1980 in the Corporate Finance Division of UAL Merchant Bank.</p> <p>Currently, Graham's other non-executive director positions include the following:</p> <ul style="list-style-type: none"> • Independent non-executive director of Imperial Holdings Limited (since February 2015). He is also a member of Imperial's audit and investment committees; • Independent non-executive director of AECI Limited (since January 2016). He is also a member of AECI's audit, remuneration and nominations committees; and • Independent non-executive director of Telkom SA SOC Limited (since December 2012). He is also a member of Telkom's risk, as well as investment and transactions committees.

DIRECTORS STANDING FOR RE-ELECTION

Name	PDS (Peter) Bacon (71)
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	<p>FIH</p> <p>Peter is an independent non-executive director of the Company. He is a Fellow of the institute of Hospitality with over forty 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 Limited 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 independent director of PSG Wealth (Mauritius).</p>

Name	Dr NN (Lulu) Gwagwa (58)
Joined Sun International board	2005
Positions	Independent non-executive director of Sun International Member of the nomination 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, Tsebo Outsourcing and Lereko Investments, the latter of which she is presently chief executive officer. Lulu was previously on the board of ACSA.
Name	CM (Caroline) Henry (51)
Joined Sun International Board	2016
Positions	Independent non-executive director of Sun International Member of the audit committee Member of the risk committee
Qualifications and experience	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. Caroline contributed in various capacities (member & 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 Eskom Pension and Provident Fund (EPPF) investment committee.
Name	PL (Leon) Campher (69)
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.

ANNEXURE B CONTINUED

Name	BLM (Tumi) Makgabo-Fiskerstrand (43)
Joined Sun International Board	2010
Positions	Independent non-executive director of Sun International Chairman of the social and ethics committee
Qualifications and experience	BA (International Relations) Tumi is the founder and executive director of Africa Worldwide Media, a Johannesburg-based production company and founder of Tumi Makgabo Enterprises, focused on identifying investment opportunities throughout the African continent. Having worked for CNN International and the FIFA 2010 World Cup organising committee South Africa, Tumi also serves on the boards of South African Tourism and The Foschini Group and is a member of the Forum of Young Global Leaders and the World Economic Forums Global Agenda Council on Africa.
Name	MV (Valli) Moosa (61)
Joined Sun International Board	2005
Positions	Independent non-executive chairman of Sun International Chairman of the nomination committee Member of the investment committee Member of the remuneration committee Member of the social and ethics committee
Qualifications and experience	BSc (Mathematics, Physics) Valli was appointed to the board in 2005 and as board chairman on 1 July 2009. He served as Minister of Constitutional Development from 1996 to 1999 and as Minister of Environmental Affairs and Tourism from 1999 to 2004. Valli previously served as chairman of the United Nations Commission on Sustainable Development, chairman of Eskom Holdings, as a national executive committee member of the African National Congress and as president of the International Union for the Conservation of Nature. He currently holds directorships in, among others, Anglo Platinum (non-executive chairman), Imperial Holdings, Sanlam and Sappi. He is also the chairman of the environmental organisation WWF (SA).

AUDIT COMMITTEE MEMBERS STANDING FOR ELECTION

1. PDS (Peter) Bacon (See biography above)
2. PL (Leon) Campher (See biography above)
3. EAMMG (Enrique) Cibie (See biography below)
4. CM (Caroline) Henry (See biography above)

Name	EAMMG (Enrique) Cibie (64)
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 multi-national and Chilean companies. Enrique is also a director of the Sun Dreams S.A. board in Chile.

ANNEXURE “C”

THE SUN INTERNATIONAL GROUP REMUNERATION POLICY

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PREAMBLE

This Sun International Limited (“Sun International” or “the company”) Group Remuneration Policy (“remuneration policy”) documents the current reward provisions throughout Sun International and its subsidiaries (collectively “the Sun International group” or “Group”).

This document provides a best practice context and framework, a set of principles, and a number of guidelines, all of which will guide human resource practitioners in the finalisation of an holistic remuneration policy for the Sun International group.

While certain operations such as Sun Dreams S.A. and Sun Slots (Pty) Ltd, which form part of the Sun International group, may have their own unique set of remuneration policies, tailored to their own operational requirements, and owned and administered by their respective human resources department, these policies should conform to the general principles and guidelines set out in this remuneration policy.

1. INTRODUCTION

This remuneration policy includes a number of components, namely:

- remuneration governance;
- remuneration philosophy and strategic objectives;
- remuneration strategy design principles;
- pay mix;
- TCOE – guaranteed pay;
- performance management;
- annual short-term incentive bonuses;
- long-term (share-based) incentives;
- wage gap;
- recognition schemes;
- sales and other ad hoc incentive schemes;
- non-executive directors' remuneration;
- service contracts and severance arrangements;
- committee decisions required annually; and
- voting on remuneration.

Each of these is discussed in more detail below.

2. REMUNERATION GOVERNANCE

Committees to address remuneration governance within the Sun International group are constituted at the following levels:

- the Sun International remuneration committee (a committee of the Sun International board); and
- the Sun Dreams S.A. remuneration and nomination committee (a committee of the Sun Dreams S.A. board).

Henceforth, the Sun International remuneration committee will be referred to throughout this remuneration policy, as "the committee", and the Sun Dreams S.A. remuneration and nomination committees will be referred to as "the sub-committee".

The responsibilities of the committee are in accordance with its mandate and terms of reference which are reviewed and approved annually by the Sun International board and which include, among others, the following provisions:

- assisting the Sun International board in its responsibility for setting and administering fair and responsible remuneration policies in the Sun International group's long-term interests;
- recommending remuneration policies for all levels in the Sun International group, but especially the remuneration of executive directors and prescribed officers ("senior executives"), as well as selected senior managers and professional staff ("senior managers"). The senior executives would include the top managers of the Sun International group;
- advising on the remuneration of Sun International's non-executive directors;
- proposing remuneration policies, which aim to set appropriate remuneration levels to attract, engage, motivate, reward and retain the calibre of senior executives and senior managers required to run the Sun International group successfully, while at the same time, linking remuneration to individual performance and aligning the senior executives' interests with those of the shareholders and with the strategy of the Sun International group;
- reviewing and recommending to the company's board all proposals for short- and long-term share based incentive schemes;
- determining targets for short-term incentives and long-term share based incentive schemes operated by the company and requesting the board, when required, to seek shareholder approval for any long-term share based incentive schemes/ arrangements;
- within the terms of the agreed policies, determining on an annual basis the total remuneration package of each of Sun International's senior executives including, where appropriate, their total cost of employment ("TCOE") packages plus annual TCOE increases, short-term incentive bonuses and long-term share based incentives;
- determining the employment contracts for the company's senior executives, with appropriate notice periods; and
- determining remuneration practices having regard to the principles and recommended practices of the King IV Report on Corporate Governance for South Africa 2016 ("King IV™"), as well as the JSE Limited Listings Requirements.

The sub-committee has its own terms of reference and conducts its own meetings but is still guided by the committee and this remuneration policy.

The committee reviews the minutes and the activities of the sub-committee, as well as approves the Sun Dreams S.A. chief executive officer's and chief financial officer's annual TCOE increases, short-term incentives and long-term share based incentives (if any).

3. REMUNERATION PHILOSOPHY AND STRATEGIC OBJECTIVES

The company is committed to a remuneration philosophy that is applied consistently throughout the Sun International group, and one which focuses on rewarding consistent and sustainable individual and corporate performance, as well as ensuring that the remuneration of the senior executives is fair and reasonable in the context of overall employee remuneration throughout the Sun International group.

This remuneration policy covers the total pay for all senior executives, senior managers and other employees, which forms one component of the Sun International group’s Total Reward – Employee Value Proposition (“EVP”) as illustrated in the matrix below.

The Sun International group adopts a Total Rewards approach where all the levers in the matrix below are used to maximise the Employee Value Proposition. The company will actively promote the total Employee Value Proposition to all its employees across the Sun International group.

	REWARDS	OPPORTUNITY	ORGANISATION	PEOPLE	WORK
Sun International EVP	Rewarding achievements by driving excellence	Nurturing potential into career possibilities	A stimulating, fun and exciting place where our stars come to work and other stars come to play	Connecting employees to purpose by leading them to greatness	Sharing ideas, creating customer distinction
Sun International Employees Research Outcomes	<ul style="list-style-type: none"> Competitive and differentiated total reward strategy Performance based pay Wellness benefits Educational Assistance Child care facilities Short-term incentives Long-term share based incentives 	<ul style="list-style-type: none"> Career development culture Talent mobility Bursaries Study assistance Internships Learning culture Coaching and mentorship initiatives 	<ul style="list-style-type: none"> Iconic Brand One of the top empowered companies in SA Committed to social, regulatory and environmental responsibilities 	<ul style="list-style-type: none"> Leadership programmes Credible leadership Inspiring and caring managers Employee promise statement Business communication strategy and implementation 	<ul style="list-style-type: none"> Challenging and exciting work Empowered work environment with employee accountability Vibrant and stimulating work environment
Other Important Attributes	<ul style="list-style-type: none"> Health Benefits Retirement Benefits Leave 	<ul style="list-style-type: none"> Company stability Company growth Meritocracy 	<ul style="list-style-type: none"> Respect Ethics Integrity Customer prestige Technology level Company size 	<ul style="list-style-type: none"> People management Co-worker quality Camaraderie 	<ul style="list-style-type: none"> Location Work-life effectiveness Job-interests alignment

The Sun International group’s approach towards remuneration aims to ensure that an appropriate balance is achieved between:

- the interests of shareholders;
- operational and strategic requirements; and
- providing attractive and appropriate remuneration packages to senior executives, senior managers and other key employees.

The remuneration practices of the Sun International group have been structured to be competitive in the rapidly evolving industry in which it operates and to ensure that it can attract, engage, motivate, reward and retain high-calibre people, with above-average industry ability and the leadership potential to effectively run the Sun International group.

Among the primary objectives of the remuneration policy is the need to:

- reinforce, encourage and promote superior performance;
- direct employees' energies and activities towards key business goals and encourage collaborative business behaviour between and among different operational units by inculcating a culture focussed on rewarding achievement of the Sun International group, operational unit and individual performance targets;
- achieve the most effective returns (employee productivity) for total employee spend;
- address diverse employee needs across differing cultures;
- enhance overall the simplicity, transparency and credibility of all senior executives' remuneration; and
- ensure fair and equitable remuneration practices.

4. REMUNERATION STRATEGY DESIGN PRINCIPLES

The Sun International group's remuneration policies are designed, within the framework of this remuneration policy, to ensure that:

- employees are fairly rewarded for their individual contribution to their employer and the Sun International group's operating and financial performance in line with its corporate objectives and business strategy; and
- remuneration is generally aligned with industry and market benchmarks.

This remuneration policy conforms in all material respects to the best practice guidelines contained in King IV™ and takes into consideration certain international guidelines such as those contained in, inter alia, the International Corporate Governance Network ("ICGN") Remuneration Guidelines.

The principles that reflect and drive this remuneration policy are as follows:

- competitive pay levels: the Sun International group is committed to paying remuneration packages that are competitive in the sectors in which it operates, and the general market where appropriate;
- pay for performance: remuneration practices will reward high-performing employees for the contribution they make to the Sun International group;
- cost management: the Sun International group will manage the total cost of employment for all employees;
- holistic approach: the Sun International group chooses to adopt an integrated approach to remuneration strategy, encompassing a balanced design and pay mix that includes all of the following components:
 - TCOE or guaranteed pay;
 - short-term incentive pay;
 - long-term incentive pay; and
 - recognition awards.
- differentiation: the Sun International group recognises that resources available for remuneration are always limited in an organisation. Hence differentiation is required in order to maximise the return for the Sun International group while striving to achieve the stated intent. Differentiation will be based on measures aligned to the value add to the business and the external skills market.
- regular revision: the company recognises that, in its current strategic environment, this remuneration policy and each of its components are dynamic and should be revisited regularly to ensure that the Sun International group keeps pace with changing market practices, and its evolving organisational context and objectives; and
- communication: the Sun International group is committed to ensuring that all stakeholders are aware of its remuneration policy and will publish this remuneration policy on its website as well as circulate the same to those shareholders whom have elected to continue receiving hard copies of the company's notices and documents.

In the document that follows, these principles have been utilised to design a set of guidelines for each component of the remuneration policy.

5. GUIDELINES ON PAY MIX

Pay mix is defined as the balance targeted between the major components of remuneration, namely:

- guaranteed pay otherwise known as total cost of employment ("TCOE");
- variable pay:
 - short-term incentives; and
 - long-term share based incentives.

The Sun International group has adopted a pay mix policy that supports the philosophy that the performance based pay of (particularly) senior executives should form a significant portion of their expected total compensation, and furthermore that, within performance-based pay, an appropriate balance should be targeted between rewarding long-term sustainable performance (through long-term share based incentives), and rewarding Group and operational performance (through short-term incentives).

The mix of fixed and variable pay is thus designed to meet the Sun International group's operational needs and strategic objectives, based on targets that are stretching, verifiable and relevant.

ANNEXURE C CONTINUED

A standard pay mix has been adopted by the company and the table below indicates the guidelines that have been set for senior executives and senior managers of the Sun International group:

Pay Mix – STI as a % of TCOE		STI as a % of TCOE for on target/stretch performance
Annual short-term incentive bonus (STI)/(EBS) – On target bonus (OTB)	Sun International chief executive	85%/170%
	Sun International CFO, COO and CSO	60%/120%
	Sun International executive committee members (excluding the above)	50%/100%
	Operational Unit general managers/senior group managers	40%/80%
	Group managers	30%/60%
Long-term share based incentives (LTI)		BMS % of Actual Pre-Tax EBS Paid
Bonus Matching Shares (BMS) – Role	Sun International chief executive	25%
	Sun International CFO, COO and CSO	25%
	Sun International executive committee members (excluding the above)	25%
	Operational Unit general managers/senior group managers	25%
	Group managers	50% – 75%
Equity Growth Plan Rights (EGP) – Role		EGP Face Value % of TCOE
Equity Growth Plan Rights (EGP) – Role	Sun International chief executive	257%
	Sun International CFO, COO and CSO	168%
	Sun International executive committee members (excluding the above)	158%
	Operational Unit general managers/senior group managers	64%
	Group managers	24%

The pay mix for junior management levels will vary in accordance with market benchmarks and operational context.

In terms of the pay mix recorded in the first table above, the on target annual 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 level as well as at the relevant operational level, although this can be varied depending on circumstances. Where there is out-performance, additional amounts can be earned up to a maximum cap which is double the on target bonus percentage. The committee sets the minimum performance levels required for the Sun International senior executives annual short-term incentive bonuses to be paid, as well as their on target and stretch performance levels.

The face value of the EGP grant tabulated above refers to the share price multiplied by the number of EGP grants made. The expected value of the reward likely to vest from this grant is based on the actual increase in the share price from the grant date to exercise date.

It should be borne in mind that in practice the pay mix will vary from that shown in the previous tables, namely:

- annual short-term incentive bonuses may be less than targeted, or greater than targeted should exceptional financial performance occur; and
- similarly the rewards from long-term share-based incentives will vary from year to year depending on vesting and exercise patterns, and the impact on share price performance of not only company performance, but also external factors, such as market sentiment, interest rates, and exchange rates.

6. GUIDELINES ON TCOE – GUARANTEED PAY

The total employment cost in the Sun International group for all salaried employees, of which guaranteed pay is the major component, forms a significant portion of total operating costs. It is therefore imperative that TCOE or guaranteed pay is managed efficiently and wisely. To achieve effective cost management, the Sun International group manages guaranteed pay levels using TCOE, which incorporates base pay, car allowance (where applicable), pension, medical aid (where applicable) and other optional benefits (where applicable).

This policy has been adopted to ensure that the cost of the remuneration package paid to salaried employees is controlled by the Sun International group, and does not include open-ended liabilities where the cost of a benefit is determined either by levels of utilisation or by external pricing factors. Furthermore, TCOE represents a generally accepted market practice for remunerating employees and accordingly allows for accurate and meaningful benchmarking of remuneration packages. In addition and in line with best practice, the Sun International group offers flexibility in choices of benefits and contributions to the benefits within minimum and maximum limits to accommodate the different lifestyles of employees.

The Sun International group operates in the gaming and hospitality industries both locally and internationally which entails exposure to, among others, rapidly changing and evolving technologies, in which highly skilled employees are a must have, and yet are usually extremely mobile and sought after, in South Africa and overseas. At the coal face of a market with cutting edge technologies, skilled and experienced talent is extremely difficult to come by, and even more difficult to engage, motivate, reward and retain.

This is even more the case for experienced executive talent. Hence, the Sun International group adopts a selective policy of positioning scarce and technical talent TCOE packages between the median and upper quartile of the market, and senior executives' TCOE packages to the 50th percentile while still aligning their Total Reward to the upper quartile of the market, in the event that stretch targets are achieved. All remaining employees' (excluding wage employees) TCOE packages are benchmarked and aligned to the 50th percentile of the market.

The Sun International group identifies and positions itself against the organisations or companies from which skills are acquired, or to which skills are lost ("the target market"). It compares itself to the general market, as published annually in a number of surveys, but looks also to compare its remuneration of offshore senior executives to relevant country sector surveys where such exist. Additionally, the pay levels of senior executive positions in the Sun International group may be benchmarked against international (where relevant) and national market, JSE Limited executive remuneration surveys or against a comparable peer group of JSE listed companies through a bespoke benchmarking assignment.

Benchmark levels of pay in the target market(s) will be calculated as at January/February of each year. General adjustments to TCOE levels will be reviewed and adjustments made effective from 1 March of each year.

The Sun International group's annual TCOE increase exercise, which is performed between October to February each year, is conducted as follows:

- at its meeting held in October/November each year, the company's executive committee proposes, based on surveys which it sources from independent sources in the market, guidelines around the suggested overall TCOE increase for the following 12 months commencing on 1 March of each year ("the following year");
- thereafter, the committee is consulted by the company's executive committee on the suggested overall TCOE increase for the following year. This also includes a suggested range of TCOE increases (increment matrix) to be awarded to under-performing, as well as over-achieving individuals within the Sun International group, the under-performers subsidising the over-achievers;
- once the committee has debated and approved the suggested ranges of TCOE increases for the following year, the Sun International group determines what TCOE increases should be awarded to its employees across the various operations; and
- at the committee's meeting held in February each year, the overall TCOE increase applied across the Sun International group is noted and confirmed.

Consideration for increases takes into account, among others, the following factors, namely market-related TCOE increases, changes in individual responsibility, individual performance, the performance of the Sun International group, 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.

7. GUIDELINES ON PERFORMANCE MANAGEMENT

The Sun International group has a variety of formal and informal frameworks for performance management that are directly linked to increases in TCOE and to short-term incentives (where applicable). Performance management and assessment takes place regularly throughout the Sun International group, and addresses Group as well as company performance, personal achievement of key performance indicators ("KPIs"), and delivery of key strategic imperatives.

For senior executives, specific KPIs and stretch targets for each executive to attain are set by the CE and confirmed by the committee. These KPIs include responsibility for, among others:

- company strategy – driving and implementing it, monitoring progress and ensuring all senior executives, senior managers and employees are aligned to it;
- performance management – instilling a high performance culture, focussed on collaborative business behaviour between and among the operations of the Sun International group;
- growth – driving the growth strategy into new market segments and geographical areas;
- succession planning and talent management – identifying new and skilled talent to be brought into the business and maximising existing talent, all the while being mindful of succession planning throughout the Sun International group, and managing the transformation and diversity agenda and employment equity targets;
- social and environmental performance – ensuring that the Sun International group operates as an exemplary corporate citizen in all its activities and makes a positive contribution to society; and
- retention of senior executives, senior managers and key staff – recognising that rewards alone are incomplete in promoting the retention of key staff, and that leadership and motivation must also play an essential role.

8. GUIDELINES ON ANNUAL SHORT-TERM INCENTIVE BONUSES

It is a general principle that Sun International's annual short-term incentive scheme known as the Executive Bonus Scheme ("EBS") is discretionary and no individual has any right to be paid a short-term incentive bonus.

Sun International's senior executives and senior managers in South Africa participate in the EBS that rewards the achievement of, both group and underlying unit/operational subsidiaries financial performance, as well as strategic and personal performance objectives or KPI's agreed with the Sun International CE and/or chief operating officer, as the case may be, respectively.

All objectives are confirmed by the committee, which satisfies itself that the performance criteria utilised are relevant, stretching and designed to enhance shareholder value. The committee approves annual incentives for senior executives before their payment.

Sun International and its subsidiaries financial performance parameters are set periodically by the Sun International board upon the recommendation of the committee and presently include:

- adjusted headline earnings per share ("AHEPS") and operating free cashflow ("OFC") for the senior executives who are members of the Sun International executive committee; or
- earnings before interest, taxes, depreciation and amortisation ("EBITDA") for those senior or other managers who qualify to participate in the EBS.

At present, the senior executives who are executive committee members participate in the EBS, 70% of which is based on financial performance parameters (see first bullet above), with the remaining 30% relating to the achievement of specific KPIs and stretch targets, set by the CE and ratified by the committee. The AHEPS making up half of the senior executives' financial performance parameters will be measured 50% against Group AHEPS and the balance against underlying unit/operational subsidiaries AHEPS. OFC which makes up the balance of the senior executives' financial performance parameters will be measured 100% at a Group level. Senior executives may earn up to 200% of the financial component of their EBS provided that they achieve their stretch targets. However and in order for senior executives to be able to earn between 100% – 200% of the value of their KPIs, making up 30% of the EBS, they would need to achieve all of their KPIs as well as attain the budgeted AHEPS and OFC financial targets set during the preceding year.

In order for the senior executives to qualify for 70% of their EBS (financial parameters), as a minimum they need to achieve 90% of the budgeted AHEPS and OFC targets set by the committee in the preceding year, failing which none of the 70% portion of the EBS will become payable. The full 70% of the EBS will be payable to the senior executives should they achieve 100% of their on target (budgeted) financial parameters. The stretch targets will be set at 110% of the on target (budgeted) AHEPS and OFC numbers. Pro-rata and linear vesting of EBSs will take place between the on target (budgeted) and stretch targets. Linear vesting takes place between the minimum (threshold) and on target as well as between the on target and stretch targets.

For senior and other managers who qualify for EBSs, incentive bonuses are entirely discretionary and are paid subject to the financial performance targets (see second bullet above – 1/3 at Group and 1/3 at South African operations) and KPIs plus targets (1/3), set by executive and/or senior management, as the case may be, having been met.

The KPIs set by the CE and ratified by the committee, and which may be predominantly non-financial in nature, should create value across the social, economic and environmental context and may be linked to specific targets associated with, inter alia, the environment, ie. water, waste and carbon reduction targets as well as broad-based black economic empowerment targets.

9. GUIDELINES ON LONG-TERM (SHARE BASED) INCENTIVES

The Sun International Share Plans

Between 2005 and 2018, the company adopted various long-term share based incentive plans which included an Equity Growth Plan 2005 and a Bonus Share Matching Plan, the latter of which incorporates forfeitable Bonus Matching Shares and Restricted Shares (collectively "the Sun International Share Plans").

The principles underlying the Sun International Share Plans include the following:

- ensuring that a significant proportion of senior executives' and selected senior managers' remuneration is oriented towards corporate and individual performance, thereby aligning their interests with the shareholders;
- recognising that no single, stand-alone design will allow the Sun International group to remain competitive in share-based incentives, reward long-term sustainable company performance, act as a retention tool and ensure that participants share a significant level of personal risk along with the shareholders;
- limiting the effects of dilution of shareholders' equity due to the participation of individuals in the Sun International Share Plans;
- moving from an approach in which awards and/or grants are made only periodically with occasional top-ups, to one in which awards and/or grants are made annually, and are thus less influenced by timing and market volatility issues; and
- measuring the performance criteria over a period of three years in order to motivate participants to achieve sustained improvements in financial performance.

The guidelines of the Sun International Share Plans are detailed below:

- senior executives and/or selected senior managers of the Sun International group will be offered on an annual basis any one or a mix of:
 - grants of Equity Growth Plan rights;
 - awards of forfeitable Bonus Matching Shares; and/or
 - awards of forfeitable Restricted Shares (but excluding to the senior executives, except in exceptional or extraordinary circumstances as listed below).
- Equity Growth Plan Rights Element:
 - annual conditional grants of Equity Growth Plan Rights are made that will be available to be settled on the third anniversary of the grant date but need not be exercised until the seventh anniversary, at which time they must be exercised or they will lapse. On the vesting date which will coincide with the third anniversary of the grant date of the Equity Growth Plan Rights, the committee will review the extent to which the performance conditions have been fulfilled or not, in order to determine the number of Equity Growth Plan Rights that will vest;
 - no voting rights will attach to the Equity Growth Plan Rights and neither will any dividends be payable to participants until such time as the Equity Growth Plan Rights have vested and been exercised by and settled to the participants as Sun International ordinary shares;
 - on exercise, the value accruing to participants will be the full appreciation of Sun International's ordinary share price calculated from the grant date, which value will be settled in Sun International ordinary shares of equivalent value;
 - the performance conditions will reflect what, in the prevailing conditions at the time of the grant, would be regarded as a minimum acceptable performance over the vesting period; there would be an element of stretch in the performance conditions to achieve full vesting, but this would be generally regarded as reasonably attainable subject to good performance; and
 - in any financial year, the Sun International board has a discretion to cancel (malus) any previously granted but unvested Equity Growth Plan Rights to any participant, where it comes to the attention of the board that such participant engaged in any misconduct including, without limitation, fraud, dishonesty or anti-competitive behaviour, or where due to the foregoing reasons, it has become necessary to re-state any financial statements of the Sun International group which have a material negative impact on the company's annual financial statements.
- Bonus Matching Shares Element:
 - the Bonus Matching Shares element is intended to reward those senior executives and selected senior managers who have contributed towards the success and strategy of the Sun International group and who through their performance on an annual basis have demonstrated their value to the Sun International group;
 - annually, senior executives and selected senior managers of the Sun International group may receive an award of full value, forfeitable, Sun International ordinary shares as Bonus Matching Shares, which represent and are linked, according to a specified ratio (see section 5 of this remuneration policy), to a portion of their pre-tax annual EBS awarded, if any, for the prior year, as approved by the committee. These forfeitable Bonus Matching Shares will be settled immediately following their award and acceptance, but will only be delivered to a participant as unrestricted shares after three years from their date of award ("vesting date"), provided that the participant is still in the employment of the Sun International group;
 - although there are, per se, no financial performance conditions associated with the vesting of Bonus Matching Shares awarded to participants, in determining the number of Bonus Matching Shares to be awarded to any one participant, if any, this is wholly dependent on and linked to the EBS, if any, earned in the prior financial year, which is determined based upon the attainment of certain pre-determined financial targets and conditions. Therefore, a minimum level of performance will be required, as the number of Bonus Matching Shares awarded will be determined by the value of the EBS earned in the preceding financial year;

ANNEXURE C CONTINUED

- between the award date and vesting date, these Bonus Matching Shares are held on behalf of each participant by a company appointed agent (presently Investec Bank Limited) in a controlled account for the benefit of the participant, and each participant is entitled to receive dividends declared and paid in respect of these Bonus Matching Shares between the award date and date of delivery of these shares to the participant;
 - in the event that a participant's contract of employment with the Sun International group terminates between the award date and the vesting date of the Bonus Matching Shares, as a result of his or her dismissal or misconduct referred to below, the participant will be required to repay to the company all dividends paid to him/her between the award date and the date of termination of employment; and
 - in any financial year, the Sun International board has a discretion to cancel (malus) any previously awarded but unvested Bonus Matching Shares to any participant, where it comes to the attention of the board that such participant engaged in any misconduct including, without limitation, fraud, dishonesty or anti-competitive behaviour, or where due to the foregoing reasons, it has become necessary to re-state any financial statements of the Sun International group which have a material negative impact on the company's annual financial statements.
- **Restricted Shares Element:**
 - unlike the Bonus Matching Shares element which is contingent upon an annual short-term incentive having been paid to participants in respect of the preceding financial year, the Restricted Shares element provides for share-based retention of those selected senior managers whom the company recognises as being essential to deliver on the future business strategy of the Sun International group, as well as a mechanism to attract and entice key senior executives (who may be forfeiting long-term share based incentives or short-term incentives at a previous employer) and selected senior managers to join the Sun International group;
 - from time to time, certain selected senior executives (only as referred to above) and senior managers of the Sun International group may be identified to receive an award of full value, forfeitable, Sun International ordinary shares as Restricted Shares, as approved by the committee. These forfeitable Restricted Shares will be settled immediately following their award and acceptance, but will only be delivered to a participant as unrestricted shares once they vest after three years from the date of their award ("vesting date"), provided that the participant is still in the employment of the Sun International group;
 - between the award date and vesting date, these Restricted Shares are held on behalf of each participant by a company appointed agent (presently Investec Bank Limited) in a controlled account for the benefit of the participant, and each participant is entitled to receive dividends declared and paid in respect of these Restricted Shares between the award date and date of delivery of these shares to the participant;
 - in the event that a participant's contract of employment with the Sun International group terminates between the award date and the vesting date, as a result of a fault termination contemplated in terms of the rules pertaining to Restricted Shares, the participant will be required to repay to the company all dividends paid to him/her in respect of his/her Restricted Shares between the award date and the date of termination of employment; and
 - in any financial year, the Sun International board has a discretion to cancel (malus) any previously awarded but unvested Restricted Shares to any participant, where it comes to the attention of the board that such participant engaged in any misconduct including, without limitation, fraud, dishonesty or anti-competitive behaviour, or where due to the foregoing reasons, it has become necessary to re-state any financial statements of the Sun International group which have a material negative impact on the company's annual financial statements.
 - any senior executive and/or selected senior manager of the Sun International group may be identified by the committee to participate in the Sun International Share Plans. It is envisaged that participants will receive on an annual basis, grants in terms of the Equity Growth Plan Rights and/or awards of Bonus Matching Shares and/or awards of Restricted Shares; and
 - although all awards/grants are governed by set policy, the committee may apply its discretion in making extra-policy grants of Equity Growth Plan Rights, awards of Bonus Matching Shares and/or awards of Restricted Shares to high performers and key talent, when this is warranted.

Combination of Share Plan Elements:

It is intended that the combined, weighted implementation of the above long-term share based incentive elements will allow the Sun International group to remain competitive in long-term incentives, reward long-term sustainable company and Sun International group performance, act as a retention tool, and ensure that senior executives and selected senior managers share a significant level of personal risk with the company's shareholders.

10. WAGE GAP

The Sun International group understands and recognises the complexities and sensitivities surrounding disparities in wages earned by certain employees in relation to the remuneration earned by senior executives. We understand that efforts to manage and minimise such disparities in a developing economy such as South Africa are of extreme socio-economic importance. The Sun International group commits its best endeavours in this area, with a focus on the following:

- a commitment to career development for each individual within the Sun International group, with fair opportunity for upward movement through the ranks where appropriate;
- TCOE increases which are fair and appropriate in the context of each individual's remuneration compared to overall employee remuneration, and the increases awarded to other employees; and
- a strong link between pay and performance for senior executives and senior managers – meaning that executive and senior management pay levels are managed within the context of group and company performance and overall employee remuneration.

11. RECOGNITION SCHEMES

The Sun International group will harness recognition as an integral part of its reward practices so as to address not only employees' fundamental needs but also to satisfy their needs for belonging and self-esteem. This is also consistent with the Sun International group's entrenched culture of being "One Sun" as expounded by the "Sun Way". It is envisaged that through investment in recognition schemes, employees' levels of engagement, satisfaction and motivation will be enhanced. The recognition schemes will comprise a number of programs to recognize and express appreciation to staff in areas identified to be meaningful and aligned with business imperatives and to promote alignment with and reinforce the Sun International group's values and desired leadership behaviours. These will include, but not necessarily be limited to, long service awards and other recognition awards such as "Creating Lasting Memories".

The recognition schemes will be administered using multiple delivery mechanisms including peer to peer, top down and public recognition, with awards being predominantly monetary in nature.

Awards will be presented making use of appropriate social media platforms, internal communication, media and organised company events, where appropriate. Employees will, when appropriate, be incentivised to nominate their peers and subordinates.

12. SALES AND OTHER AD HOC INCENTIVE SCHEMES

From time to time and as and when circumstances dictate, various special sales and other ad hoc incentive schemes may be proposed by management to the committee for approval. These incentive schemes may constitute once-off critical assignments or projects that require effort over and above the normal duties and responsibilities of the senior executives and/or selected senior managers or which may constitute ongoing but specifically tailored incentive schemes designed for and aimed at sales related employees to achieve stretching sales targets which by their nature should not be considered as part of their pre-determined or budgeted sales targets or routine day-to-day duties and responsibilities, for which they receive guaranteed pay, an annual short-term incentive bonus (if applicable) and/or long-term share based incentives.

The objectives and targets of these special sales and other ad hoc incentive schemes, which should ideally be self-funding, robust and stretching, will be set prior to the implementation of the same and the outcomes assessed and measured by the committee from time to time or at the end of the project. The amounts to be paid for various levels of achievement must also be clearly stated and agreed by the committee.

These incentive schemes will include, but not necessarily be limited to, VIP Gaming bonuses, the SunBet traders scheme, Vacation Club sales and the Sun International group sales scheme.

13. GUIDELINES ON NON-EXECUTIVE DIRECTORS' REMUNERATION

The company's policy on remuneration for its non-executive directors is that, as a general guideline, they should be:

- market related (having regard to the median fees paid and number of meetings attended by non-executive directors of companies of similar size and structure to the company and operating in similar sectors); and
- not linked to Sun International's share price or the company's performance.

The committee takes cognizance of market norms and practices, as well as the additional responsibilities placed on board members by new legislation and corporate governance principles.

The annual fees for Sun International's non-executive directors is reviewed and recommended by the committee and approved by Sun International shareholders at the annual general meeting held during or about May of each year.

The company pays for all reasonable travel and accommodation expenses incurred by its non-executive directors to attend board and committee meetings as well as visits to Sun International group sites and businesses. These expenses payable to its non-executive directors are governed by a formal travel and expenses policy approved by the company.

14. GUIDELINES ON SERVICE CONTRACTS AND SEVERANCE ARRANGEMENTS

No non-executive director has an employment contract with the company although non-executive directors are required to conclude service agreements with the company which set out the duties and responsibilities expected of them as non-executive directors.

Senior executives are subject to the company's standard terms and conditions of employment where notice periods vary between 30 and 180 days. In line with international corporate governance best practices:

- none of the senior executives' contracts commit the company to compensate them for loss of office or termination of their employment, where such loss of office or termination is as a result of their failure; and
- none of the senior executives have extended employment contracts or special termination benefits or balloon payments, and although the nature of the company's business requires the use of restraints of trade, none are linked to any restraint payment.

As a general guideline, the Sun International group's policy when terminating the services of an individual for operational reasons is to pay a severance package which is not less than the minimum prescribed by law at the relevant time. The Sun International group aims to apply this policy to all employees, including the senior executives, but more favourable packages may, in special circumstances, be negotiated and agreed.

15. COMMITTEE DECISIONS REQUIRED ANNUALLY

The following are some of the decisions required to be made by the committee (and where appropriate the Sun International board) with regard to this remuneration policy:

- any adjustments to this remuneration policy document;
- annual TCOE increases, having regard to, among others:
 - the overall financial performance of Sun International and its subsidiaries;
 - anticipated inflation;
 - anticipated package increases in the Gaming and Hospitality markets and the national market;
 - trends in industry;
 - those factors referred to in the guidelines on guaranteed pay section above;
- guaranteed pay levels of Sun International's senior executives;
- assessing whether or not the prescribed performance criteria have been achieved by the company and for key Sun International senior executives;
- company (and where appropriate Sun International group), financial, strategic and operational targets for the year ahead; and
- awards/grants in general and specifically for Sun International's senior executives in terms of the Sun International Share Plans.

16. VOTING ON REMUNERATION

In the event that shareholders at any annual or special general meeting of Sun International vote more than 25% of the voting shares against this remuneration policy and/or annual remuneration report ("implementation report"), the committee shall take proactive steps to constructively engage with these dissenting Sun International shareholders in order to address their legitimate and reasonable concerns pertaining to the company's remuneration practices, procedures and governance and to provide feedback thereon in the following year's implementation report.

The feedback to shareholders in the following year's implementation report should disclose, among others:

- the major shareholders which voted against the remuneration policy and/or implementation report resolutions;
- the total number of shares and percentage of the issued shares which voted against the remuneration policy and/or implementation report resolutions;
- with whom, when and how the company engaged with those shareholders which voted against the remuneration policy and/or implementation report resolutions; and
- proposed changes to the company's remuneration practices, policies and governance agreed between the committee and the company's shareholders following the engagement with those shareholders which had voted against the remuneration policy and/or implementation report resolutions.

Approved:



Chairman

ANNEXURE "D"

SUN INTERNATIONAL LIMITED ("SUN INTERNATIONAL" OR "THE COMPANY")

FY 2017 REMUNERATION REPORT

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

Letter from the chairman of the remuneration committee

Dear Shareholders

As members of the Sun International remuneration committee, our focus has once again been to assist and advise the board on matters relating to remuneration governance and the remuneration of top management. A core responsibility of the remuneration 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") 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™").

This Remuneration Report is presented in three separate parts, namely this background statement and letter (Part 1), the disclosure of policy (Part 2) and its implementation (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.

During the year under review and following the outcome of the annual general meeting which took place on 21 November 2016, when a significant (66%) no vote was cast by shareholders in respect of the resolution proposing the endorsement of the company's remuneration policy, the Sun International remuneration committee ("the committee") engaged with several of the company's shareholders to better understand their concerns regarding Sun International's remuneration policy and practices and to understand their reasons for voting down the remuneration policy resolution at the November 2016 annual general meeting. Following these discussions and meetings with its shareholders, the committee engaged PricewaterhouseCoopers ("PwC") to, inter alia, review the current pay practices of Sun International both in relation to the concerns raised by its shareholders, as well as market best practice and reported back to the committee by:-

- providing information on executive remuneration best practice, with particular reference to short-term incentive ("STI" or "EBS") and long-term share based incentive ("LTI") plans as a background to the company's response; and
- providing market best practice on the performance conditions used for STIs and LTIs (high level).

In addition to the foregoing, PwC conducted an assessment and benchmark of the total reward paid to Sun International's senior executives. The committee is satisfied that PwC was both independent and objective in its advices and recommendations provided during the year under review.

Based on the input provided by PwC and taking into consideration the views expressed by the investor community, the committee recommended to the Sun International board at its meeting held on 22 March 2017 certain changes to both the STIs and the LTIs which, excepting for those changes to the LTIs which required shareholder approval, were approved by the board during March 2017.

This culminated in the chairman of the board addressing a communique to all of the group's shareholders, which was dated 5 July 2017 and posted to shareholders. For further detail regarding concerns raised by Sun International's shareholders and the committee's response thereto, refer to pages 69 – 71 of this report.

In addition to the changes to the STI and LTI plans, the focus areas for the committee over the last year included embarking on a process to transform the total reward mix for senior executives in order to allow for a greater weighting towards variable remuneration. This new approach emphasises the principle of "pay for performance" which underpins the design of our executive remuneration, through linking more of the executive's total remuneration to the achievement of performance conditions which are strongly linked to the strategic objectives of the Sun International group. The new approach entails reducing the number of awards made to executives in terms of the Bonus Matching Share Plan, and replacing these with additional grants under the Equity Growth Plan Rights Scheme, which are subject to prospective financial performance conditions. To further solidify the link between pay and performance, we have introduced more stringent financial conditions in relation to the STI for the senior executives.

In addition, a move towards greater compliance with companies' legislation has resulted in a revisit of the KPIs for senior executives, which are value drivers. Further, following the review of our variable pay structures, we have introduced malus in relation to all LTI plans. We feel that this is an important step to align ourselves with international best practice, and to ensure that in the event of any employee being involved in fraud, dishonesty, theft, anti-competitive behaviour or other misdemeanours including without limitation, the falsification of any accounting records, we are able to prevent the vesting of unvested awards.

ANNEXURE D CONTINUED

This is aimed at placing the Sun International group in a better position to meet its strategic objectives and is in response to previous shareholder comments.

Other areas of focus and changes we have made include:

1. reviewed and approved the TCOE packages for the new Sun International chief executive and chief financial officer, based on market related benchmarks;
2. identified and agreed on a peer group of companies against which to benchmark Sun International's non-executive director fees in future. Details of these companies are recorded on page 58 of this report;
3. assisted the Sun Dreams board in Chile in forming a remuneration and nomination committee to oversee remuneration governance throughout Sun International's Latin American (Latam) operations;
4. agreed and approved the principle that in future key employees of Sun International should remain eligible, at the discretion of the committee, to receive awards of LTIs between the ages of 57 – 60; and
5. reduced the overall number of employees participating in the various Sun International LTI plans.

Key changes to the membership of the committee during the year under review included the appointment of Mr EAMMG Cibie as an additional member to the committee. Mr Cibie, who is an independent non-executive director of Sun International, has also been appointed as the chairman of the Sun Dreams remuneration and nomination committee. On 31 December 2017, I as the chairman of the committee, retired from the board of Sun International and as chairman of the committee. In my place, Mr PL Campher was appointed as the new lead independent director of Sun International and chairman of the committee.

King IV™ states that the remuneration of executive management should be fair and responsible in the context of overall employee remuneration. During 2017, a comprehensive "equal pay for work of equal value" analysis was conducted in order to identify disparity in the remuneration packages for employees in the various sectors. A number of the discrepancies which included pay anomalies in certain sectors within the business were identified, and the committee will be formulating an action plan in order to address the discrepancies in gender and sector remuneration, and will seek to quantify the costs involved in addressing the material anomalies.

Sun International acknowledges the need to address the gap between the remuneration of senior executives and those at the lower end of the pay scale. Sun International is conscious of the importance of employees' well-being in the workplace and strives to continuously review and adapt policies and practices to maximise employee well-being. To this end the committee is considering the sensitivities associated with the wage gap and assessing the concept around paying a living wage to its employees. Sun International has embarked on a new strategy and has undergone major restructuring within the company, therefore any definitive calculation on the wage gap would not be a true reflection at this stage. Be that as it may, the remuneration of all Sun International employees comprises more than the minimum statutory wage. Sun International is considering a process in order to identify what a living wage constitutes for its employees in order to provide a "frugal but dignified lifestyle". The company recognizes the sensitivity surrounding income disparities and recognises 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 are committed to working towards a solution which is both ethically and economically sustainable for all stakeholders.

Whilst we are committed to moving towards the 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% – 15% either way.

As required by the Companies Act and King IV™, the following resolutions will be tabled for shareholder voting at the annual general meeting which is taking place on 15 May 2018, further details of which can be found in the AGM notice:

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 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.

Finally, I would like to take this opportunity of thanking my colleagues for their unwavering support over the many years that I have chaired this committee and wish them all of the very best for the exciting challenges that lie ahead.



Mr IN Matthews

Chairman: remuneration committee

PART TWO: 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 above), and on a high level, other employees. The full remuneration policy, as it appears in the 2017 annual statutory report and which is referenced in the notice of AGM will be put forward for the non-binding vote.

Remuneration governance and the remuneration 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 the remuneration policy are both available on Sun International's website and can be accessed from the following link www.suninternational.com/investors.

The committee oversees compliance in this respect by the company and its major subsidiary companies in South Africa with 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, formed a remuneration and nomination committee during the year under review.

The members of the Sun Dreams remuneration and nomination committee include, among others, the Sun International chief executive and Mr Cibie, both of whom attend meetings of the committee (Mr Cibie as a member of the committee and the chief executive as an invitee). Both Mr Leeming and Mr Cibie are directors of Sun International. Mr Cibie is also the chairman of the Sun Dreams remuneration and nomination committee. Both the Sun International chief financial officer and group company secretary also attend meetings of the Sun Dreams remuneration and nomination committee by invitation and are 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 initiated an exercise to align its remuneration policy with the best practice standards expounded by the ICGN.

Activities undertaken by the committee during the year

- the committee used the services of PwC to advise on questions concerning remuneration policy and the level of pay of senior executives, as well as non-executive directors during the past financial year. The committee also made reference to and was guided by various remuneration articles and reports published by PwC and the EY Remuneration Forum during the year;
- the committee satisfied itself that the liabilities of the Sun International Pension Fund and the Sun International Provident Fund were adequately funded;
- the committee mandated PwC to conduct a comprehensive review of Sun International's total reward policy and philosophy for the senior executives and benchmarked the senior executives TCOE and total reward packages relative to the market; and
- approved certain changes to the EBS (particularly around the financial performance metrics to be applied to annual performance bonuses, the application of the 200% multiplier and minimum and maximum performance targets) and to the extent that Sun International shareholder approval is required, agreed certain amendments to the various long-term share based incentives, which included the introduction of malus on unvested Equity Growth Plan Rights, Bonus Matching Shares and Restricted Shares, the repayment of dividends received on Bonus Matching Shares and Restricted Shares under certain circumstances, a reduction in the number of Bonus Matching Shares to be awarded annually to the senior executives and the granting of an increased number of Equity Growth Plan Rights to senior executives to compensate them therefore, linked to financial performance conditions, and finally aligned the rules of the various LTI plans with the provisions of the Companies Act and recent amendments to the JSE Listings Requirements.

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
 <p>Improving relationships with all external stakeholders.</p>	<ul style="list-style-type: none"> • 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.
 <p>Emphasising financial sustainability, focusing on profitable growth and capital and cost management.</p>	<ul style="list-style-type: none"> • Remuneration practices seek to reinforce, encourage and promote superior performance through short and long-term incentives. • 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. • All STI bonuses are discretionary and no individual has any right to be paid an annual incentive bonus.
 <p>Establishing a Unified, Group-Wide Culture.</p>	<ul style="list-style-type: none"> • 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.
 <p>Develop, Retain and Attract Core Skills.</p>	<ul style="list-style-type: none"> • The remuneration policy guidelines have been developed to attract, motivate, reward and retain senior executives and other key personnel by providing attractive and appropriate remuneration packages. • Senior executives and senior managers' guaranteed pay and total reward levels are targeted at the 50th percentile, whilst total reward levels may reach the 75th percentile where stretch performance targets are achieved. This allows short-term incentives ("STI") and long-term share based incentives ("LTI") to be utilised to reward superior performance, whilst ensuring market competitive levels are maintained where target performance is met. This is intended to drive a performance based culture. • 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, considers international benchmarks of CEO's TCOE in the gaming and hospitality sectors.
 <p>Drive Sustainable Growth and Financial Sustainability.</p>	<ul style="list-style-type: none"> • 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, a STI and a LTI. • The performance conditions of the STI bonus include both financial performance indicators as well as key performance indicators 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 Equity Growth Plan Rights scheme is based on performance conditions which drive sustainable growth and financial sustainability.

Elements of Pay

The following table displays the elements of pay as applicable to senior executives, senior managers, as well as other staff.

Pay Element	Senior Executives and Senior Managers	Other Staff
Guaranteed Pay	<p>Remuneration is defined in terms of a total cost of employment (TCOE) package approach; the guaranteed package including base salary, travel allowance, retirement savings, death, disability and healthcare contributions.</p> <p>The company generally positions senior executives and senior managers' guaranteed pay and total reward to the 50th percentile, whilst 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, whilst ensuring that the reward offering remains competitive in the market, allowing us to retain our senior executives and key talent.</p> <p>The Sun International group's annual TCOE increase process is performed between October – 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.</p> <p>A job sizing exercise is conducted periodically in order to ensure that the guaranteed pay base remains competitive and relevant to the remainder of the market.</p>	
Annual Short-Term Incentive Bonuses ("STIs")	<p>Senior executives</p> <p>Senior executives are eligible to receive a STI bonus, more commonly referred to as the Executive Bonus Scheme ("EBS") at the end of the financial year based on a performance rating, in line with the existing STI framework.</p> <p>For these purposes, the senior executives' performance scorecards are structured with a weighting of 70% being given to financial targets and 30% to their individual 'key performance indicators' ("KPIs") as agreed with the Sun International chief executive or chairman, as the case may be, to whom they report at the beginning of the year.</p> <p>In relation to the senior executives of Sun International, the financial performance indicators making up 70% of the EBS (incorporating a minimum, on target and stretch targets) are based on actual targets set by the committee with reference to board approved budgets and which include adjusted diluted headline earnings per share ("AHEPS") (35%) and operating free cash flow ("OFC") (35%). 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.</p>	<p>All full-time salaried employees are appraised annually by the manager to whom they report in terms of the group's performance management system.</p> <p>Performance ratings at year-end are taken into account in relation to merit increments or promotion in the following year.</p>

ANNEXURE D CONTINUED

Pay Element	Senior Executives and Senior Managers	Other Staff																		
	<p>The AHEPS making up half of the senior executives' financial performance parameters will be measured 50% against Sun International group AHEPS and the balance against underlying unit/ operating subsidiaries AHEPS. OFC which makes up the balance of the senior executives' financial performance parameters will be measured 100% at a Sun International group level. Senior executives may earn up to 200% of the financial component of their EBS provided that they achieve their stretch targets. However and in order for senior executives to be able to earn between 100% – 200% of the value of their KPIs, making up 30% of the EBS, they need to perform against their KPIs, as well as achieve the on target AHEPS and OFC financial targets set for that year.</p> <p>Linear vesting takes place between the minimum (threshold) and on target, as well as between the on target and stretch targets.</p> <p>Senior/other qualifying managers For those senior or other managers who qualify to participate in the EBS, key performance indicators of financial performance making up 66.6% of the EBS (also incorporating a minimum, on target and stretch targets) are defined based on pre-determined targets linked to board approved budgets with reference to an approved financial indicator, namely EBITDA, which is measured 1/3 at a South African operational level and 1/3 at a Sun International group level.</p> <p>Within each underlying South African operational subsidiary, the financial targets are approved annually in advance in line with operational budgets by the boards of these operations, defining a minimum, targeted and stretch with respect to EBITDA, split as per above.</p> <p>The non-financial or individual KPI targets making up 33.3% of the EBS include project completion deadline dates and KPIs identified for each senior manager on an individual basis. The performance against these KPIs by senior managers is assessed by the senior executive to whom each individual reports who then decides on the level of incentive bonus to be awarded. For senior executives, this assessment is reviewed and approved by the committee.</p> <p>The committee has agreed that in future, the KPIs determined for each senior executive need to be based on objective criteria, weighted appropriately and capable of being measured. The committee reviewed and signed-off on the individual KPIs at the March 2017 committee meeting.</p> <p>The on-target and stretch (maximum) levels of STI bonuses as percentages of TCOE or guaranteed pay ("GP") are illustrated below:</p> <table border="1" data-bbox="469 1563 1115 2027"> <thead> <tr> <th></th> <th>On-target as % of TCOE</th> <th>Stretch (maximum) as % of TCOE</th> </tr> </thead> <tbody> <tr> <td>Sun International chief executive</td> <td>85</td> <td>170</td> </tr> <tr> <td>Sun International chief financial officer, chief operating officer and chief strategy and operations officer</td> <td>60</td> <td>120</td> </tr> <tr> <td>Sun International executive committee members (excluding the above)</td> <td>50</td> <td>100</td> </tr> <tr> <td>Operational Unit general managers/senior group managers</td> <td>40</td> <td>80</td> </tr> <tr> <td>Group managers</td> <td>30</td> <td>60</td> </tr> </tbody> </table> <p>The actual performance level relative to targets determines the quantum of STI bonuses within this range.</p>		On-target as % of TCOE	Stretch (maximum) as % of TCOE	Sun International chief executive	85	170	Sun International chief financial officer, chief operating officer and chief strategy and operations officer	60	120	Sun International executive committee members (excluding the above)	50	100	Operational Unit general managers/senior group managers	40	80	Group managers	30	60	
	On-target as % of TCOE	Stretch (maximum) as % of TCOE																		
Sun International chief executive	85	170																		
Sun International chief financial officer, chief operating officer and chief strategy and operations officer	60	120																		
Sun International executive committee members (excluding the above)	50	100																		
Operational Unit general managers/senior group managers	40	80																		
Group managers	30	60																		

Pay Element	Senior Executives and Senior Managers	Other Staff
<p>The Long-Term Share-Based Incentive Plans (“LTI”)</p>	<p>In addition to the STI defined above, senior executives and selected senior managers are awarded or granted, as the case may be, LTIs in order to retain them and to align their interests with those of shareholders.</p> <p>The details of the LTIs are set out in more detail in the tables below. During the period under review, several changes were agreed or, where appropriate, proposed to the LTI plans for 2018. This has included the committee agreeing to in future grant fewer employees LTIs. Only senior executives and selected senior managers will be entitled to receive LTIs. Furthermore, Restricted Shares are no longer awarded to the senior executives except in very limited circumstances only.</p>	<p>Staff below senior manager level are generally speaking not eligible to partake in the LTI, unless they are regarded by the senior executives as key talent and/or scarce skills.</p>
<p>Malus Policy</p>	<p>As part of the changes proposed to the rules of the various LTIs, the committee has determined that if at any stage during any vesting period, it comes to the attention of the board that an employee engaged in any misconduct including without limitation; fraud, dishonesty or anti-competitive behaviour, or where due to the foregoing reasons, it has become necessary to re-state any financial statements of the Sun International group, which will have a material negative impact on the consolidated Sun International annual financial statements, the Sun International board will have a discretion, in terms of the amended rules of the LTI plans to, during any financial year, forfeit any grants of Equity Growth Plan Rights, or awards of Bonus Matching and/or Restricted Shares previously made to that employee which have not yet vested. Any awards of Equity Growth Plan Rights which have already vested, but not yet been exercised will remain unaffected.</p>	

ANNEXURE D CONTINUED

The Long-Term Share-Based Incentive Plans

The Sun International group operates various employee long-term share based incentive plans, which operate as follows:

Purpose	The award of LTIs is designed to deliver value to the senior executives and senior managers in accordance with the relevant pay mix. Accordingly, in any year the face value of awards granted would equate to the relevant percentage of guaranteed pay as defined in the tables set out hereunder for the level of employee.
Participants	Senior executives and senior managers employed by the Sun International group in South Africa.
Elements	<ul style="list-style-type: none"> • an Equity Growth Plan Rights element; and • a Bonus Share Matching Plan element, which incorporates both Bonus Matching Shares and Restricted Shares.
Weighting of Elements and Maximum Award Levels	The following tables set out the LTI guidelines that have been set for senior executives and senior managers.

Equity Growth Plan (EGP) – Roles	EGP Face Value % of TCOE
Sun International chief executive	257%
Sun International chief financial officer, chief operating officer and chief strategy and operations officer	168%
Sun International executive committee members (excluding the above)	158%
Operational Unit general managers/senior group managers	24%
Group managers	24%

Bonus Matching Shares (BMS) – Roles	BMS % of Actual Pre-Tax EBS Paid
Sun International chief executive	25%
Sun International chief financial officer, chief operating officer and chief strategy and operations officer	25%
Sun International executive committee members (excluding the above)	25%
Operational Unit general managers/senior group managers	35%
Group managers	50% – 75%

The Equity Growth Plan ("EGP") Rights Element	<p>Rights linked to Sun International ordinary shares have historically been granted annually, entitling participants to receive shares to the value of the appreciation from the grant date to the vesting date. Equity Growth Plan Rights operate on a similar principle to share appreciation rights.</p>
	<p>Vesting The rights vest on the third anniversary of the date of grant, subject to performance vesting conditions being met and can be exercised up until the seventh anniversary of the date of grant, when they expire.</p>
	<p>Performance Conditions</p> <ul style="list-style-type: none"> • 100% of the EGP rights are based on the growth in audited adjusted headline earnings per ordinary share ("AHEPS"), based on the achievement of the threshold and on-target performance targets as follows: <ul style="list-style-type: none"> – 0% of the grant will vest at the threshold performance and 100% will vest at on-target performance; – the threshold performance target is growth by the percentage increase in the Consumer Price Index (the CPI for Metropolitan and other urban areas as supplied by Statistics SA) over the three-year performance period plus 0%; – the on-target performance target is growth by the percentage increase in the Consumer Price Index (the CPI for Metropolitan and other urban areas as supplied by Statistics SA) over the three-year performance period plus 6%; and • the percentage of the grant which will vest will be linearly apportioned between the threshold and on-target performance targets.
The Bonus Matching Shares Element	<p>Changes for 2018 – EGP Rights</p> <ul style="list-style-type: none"> • Senior executives to be granted a greater number of EGP rights (with financial performance conditions) in future and a lesser number of Bonus Matching Shares (with no prospective financial performance conditions); • In future, EGP rights may be used as a retention tool for senior executives in lieu of Restricted Shares. EGP rights have financial performance conditions attaching to them as opposed to Restricted Shares which have zero financial performance conditions attaching to them between the award date and the vesting date; • Introduction of malus on unvested EGP rights; and • 100% of EGP rights will be linked to growth in AHEPS linked to CPI.
	<p>Annual awards of forfeitable Bonus Matching Shares (Sun International ordinary shares), which are based on performance during the previous financial year and linked according to a specified ratio to the preceding financial year's pre-tax STI bonus, are made to participants. These awards are restricted for a three-year holding period from award, after which they vest. The Bonus Matching Shares will be forfeited if the participant terminates employment during the restricted period, with the exception of certain 'no fault' terminations as provided for by the rules of the Bonus Shares Matching Plan.</p> <p>The number of Bonus Matching Shares awarded is determined as follows:</p> <ul style="list-style-type: none"> • Depending on the seniority of the employee concerned, the actual pre-tax short-term incentive bonus earned by that employee during the prior year (if any), will be multiplied by the relevant percentage (see table on page 54) and then divided by the ruling share price of Sun International, in order to calculate the number of Bonus Matching Shares to be awarded. <p>Changes for 2018 – Bonus Matching Shares</p> <ul style="list-style-type: none"> • Enhanced disclosure of Bonus Matching Share awards – particularly around performance conditions taken into consideration when awarding these shares, to be included in the FY 2017 remuneration report; • Introduction of malus on unvested Bonus Matching Shares and the repayment of dividends in the event of a fault termination prior to the vesting date as provided for in the rules of the Bonus Share Matching Plan; • Continue with no financial performance metrics to be applied between award date and vesting date – (however participants must remain in employment for the three years between award date and vesting date in order for vesting to take place); and • Fewer Bonus Matching Shares to be awarded to senior executives in future (50% reduction to the previously applied % of pre-tax bonus for Bonus Matching Shares).

ANNEXURE D CONTINUED

The Restricted Shares Element	<p>From time to time and on an ad hoc basis, awards of forfeitable Restricted Shares (Sun International ordinary shares) are made to key employees or prospective employees purely as a retention mechanism or to compensate senior executives who may be giving up their LTIs at their current employers to join the Sun International group. These awards are restricted for a three-year holding period from award, after which they vest. The Restricted Shares will be forfeited if the participant terminates employment during the restricted period, with the exception of certain 'no fault' terminations as provided for by the rules.</p>
	<p>Changes for 2018 – Restricted Shares</p> <ul style="list-style-type: none"> • Introduction of malus on unvested Restricted Shares and the repayment of any dividends received on the Restricted Shares between date of award and date of vesting, should the participant fail to remain employed by the Sun International group during this period for any reasons whatsoever; and • No future awards of Restricted Shares to senior executives except in very limited and exceptional circumstances.
General Terms and Conditions applying to these Share Plans	<ul style="list-style-type: none"> • No extension or retesting of awards or grants, or retrospective awards or grants, are permitted; and • Special awards of forfeitable shares may be made by the committee in special circumstances (for example, as an inducement to an employee to accept a job offer or to remain in the employment of the Sun International group).
Limits on Participation	<p>The maximum aggregate number of Sun International ordinary shares which are currently available to be granted and/or awarded to participants under the LTI plans is limited to 10 780 000 shares, equating to approximately 9.9% of the total issued ordinary shares of Sun International at present.</p> <p>The maximum aggregate number of Sun International ordinary shares which may currently be acquired by participants under the LTI plans is limited to 1 078 026 shares, equating to approximately 0.99% of the total issued ordinary shares of Sun International at present.</p> <p>These share limits were previously approved by shareholders in general meeting. Historically and 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. Presently, Sun International operates well within these limits.</p>

THE REMUNERATION OF SENIOR EXECUTIVES

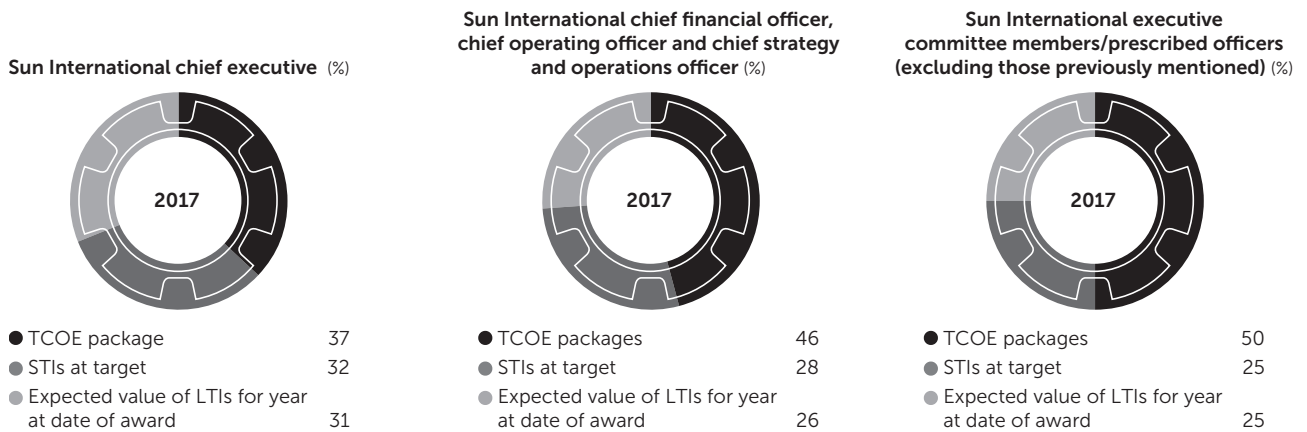
The Package Structures of the Senior Executives

The table below provides an overview of the structure and design of the remuneration packages of each senior executive. Figures are percentages of total remuneration ("TR") and TCOE. The actual total remuneration package outcome for each of the senior executives is disclosed on page 62 of Part 3 of this report.

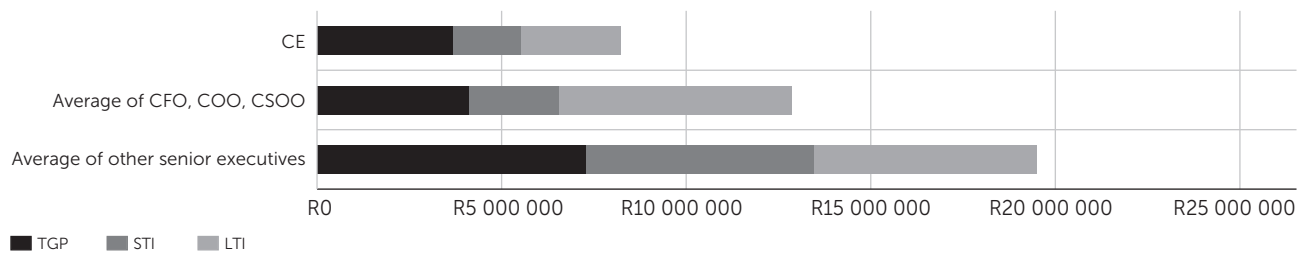
Component of Package	Sun International chief executive		Sun International chief financial officer, chief operating officer and chief strategy and operations officer		Sun International executive committee members/prescribed officers (excluding those previously mentioned)	
	% TR	% TCOE	% TR	% TCOE	% TR	% TCOE
TCOE package	37	100	46	100	50	100
STIs at target	32	85	28	60	25	50
Expected value of LTIs for year at date of award*	31	83	26	55	25	50

* The expected value of LTI's for year at date of award is based on the face values of the award as tabulated on page 54, multiplied by a valuation factor determined on an actuarial basis. The factor used for the BMS awards is 100% and for the EGP grants is 24%.

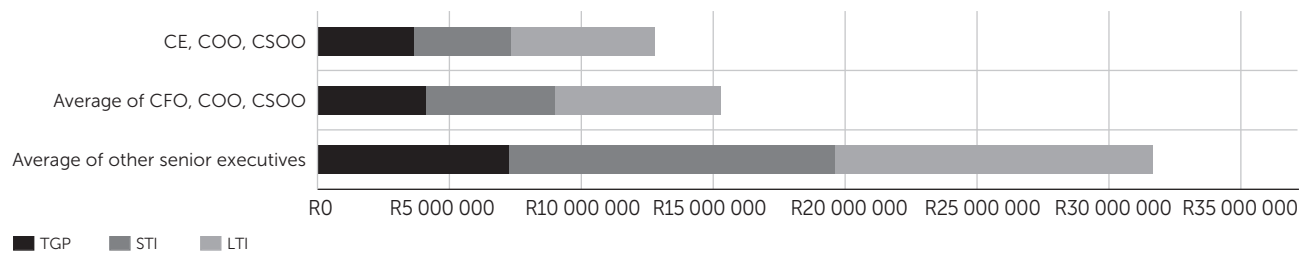
The following scenario graphs are provided to illustrate the potential remuneration packages at target and stretch performance.



Target



Stretch



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 Chief Executive 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 Chief Executive 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.

ANNEXURE D CONTINUED

Policies affecting non-executive directors

The Remuneration of the Sun International non-executive directors

Non-executive directors conclude service contracts, as distinct from employment contracts, with the company upon appointment. Whilst 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 from the committee which are submitted to the board and thereafter to shareholders for approval.

During 2017, the committee agreed on a peer group of similar sized companies to Sun International against which non-executive director fees will be benchmarked in future. These companies include the following:

- Illovo Sugar Limited
- Tsogo Sun Holdings Limited
- RCL Foods Limited
- Life Healthcare Group Holdings Limited
- Truworths International Limited
- AVI Limited
- The Foschini Group Limited
- Astral Foods Limited
- Lewis Group Limited
- Clover Industries Limited
- Distell Group Limited

Non-executive director remuneration is determined and paid in the form of a base annual fee (or 'retainer') and an attendance fee per meeting. In future, non executive directors' fees will only comprise an annual fee, 25% of which will be paid quarterly in arrears. The committee believes that this is aligned with best practice. 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:

- 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' 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 2018 can be found in Sun International's notice of annual general meeting 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 annual general meeting to be held on 15 May 2018. The full remuneration policy can be accessed on Sun International's website at www.suninternational.com/investors.

PART THREE IMPLEMENTATION OF REMUNERATION POLICY FOR THE 2017 FINANCIAL YEAR

TCOE Increases

During the 2017 financial year, the overall TCOE increase for the Sun International group was approved at 4.4% (compared to 4.0% in 2016). This did not include wage employees, but only salaried employees and was lower than the prescribed CPI rate at the time.

The committee conducts an annual benchmark of the guaranteed pay of the Sun International senior executives, which is taken into account when TCOE increases are awarded. The committee uses the services of PwC and 21st Century 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 – 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.

The TCOE packages of the Sun International executive directors and prescribed officers were increased as follows:

Executive directors and prescribed officers	Role	FY 2017* TCOE increase	FY 2016* TCOE increase
Mr AM Leeming**	Chief executive	56.77%	4.00%
Mr N Basthdaw***	Chief financial officer	71.54%	4.00%
Mr DR Mokhobo	Director: special projects	4.40%	4.00%
Mr GE Stephens [^]	Chief executive	N/A	4.00%
Mr RA Collins [#]	Chief strategy and operations officer	4.40%	4.00%
Mr AG Johnston [†]	Director: corporate services and group company secretary	1.69%	N/A
Mr MZ Miller	Chief information officer	4.40%	4.00%
Mr TF Mosololi ^{##}	Chief operating officer (SA)	9.06%	1.88%
Ms C Nyathi ^{^^}	Director: group internal audit	4.40%	N/A
Ms VL Robson [~]	Director: group human resources	4.40%	17.37%
Mr J Wilhelm ^{††}	Chief executive officer (Latam)	12.54%	35.94%

* During 2016, the board changed Sun International's financial year-end from 30 June to 31 December. Accordingly and for purposes of disclosing the FY 2016 TCOE increases, this included the TCOE increase awarded in March 2016 and which became effective on 1 July 2016. The FY 2017 TCOE increase was awarded in February 2017 and became effective on 1 March 2017. Currently annual TCOE increases are for the period from 1 March to 28 February.

** Appointed chief executive on 1 February 2017.

*** Appointed as chief financial officer on 24 March 2017.

[^] Stepped down as chief executive on 31 January 2017 and resigned from the group on 30 April 2017.

[#] Appointed as chief strategy and operations officer on 1 March 2017.

[†] Appointed as director: corporate services and group company secretary on 16 November 2016.

^{##} Appointed as chief operating officer on 1 March 2017.

^{^^} Appointed as director: group internal audit on 1 June 2016.

[~] Appointed as director: group human resources on 1 April 2016.

^{††} Mr Wilhelm's annual TCOE increases are calculated based on Chilean Pesos.

Achievement of Variable Pay Targets for Annual Short-Term Incentive Bonus

The table below reflects the performance-based financial achievements of Sun International for the 2017 financial year. The STI bonuses earned by each South African senior executive are calculated in accordance with the achievements of both the group and the underlying operating unit's performance. As detailed in Part 2, the financial performance component of the STI has a weighting of 70%, with the personal key performance indicator component weighted at 30%. The resulting financial performance and personal key performance indicator percentages are added to achieve the final STI bonus which is earned.

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

Company	Adjusted Diluted HEPS Growth (Rm) (Group)		Adjusted Diluted HEPS Growth (Rm) (Unit)		Operating Free Cash Flow (Rm) (Group)	
	Target	Actual	Target	Actual	Target	Actual
Sun International Senior Executives	838	310	869	912	1 736	1 372

ANNEXURE D CONTINUED

The unit adjusted headline earnings was based on assessing each unit's performance whereby a floor of 90% of the budget was applied and with a specific variation relating to Time Square, Latam and the International VIP Business where 90% of the budget was applied. Although this calculation resulted in 105% of the calculated budget this metric was limited to 100% as the overall Sun International group adjusted headline earnings. This translated to 17.5% of the overall STI bonus and was used in the EBS calculation.

The financial component (66.6% weighting) for the senior managers and other managers will be measured against the following indicators:

Company	EBITDA (Rm) (Group)		EBITDA (Rm) (SA Operations)	
	Target	Actual	Target	Actual
Sun International Senior Managers and other Managers	4 982	3 958	3 338	3 279

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

For the 2017 financial year, the following were of strategic importance, and informed the 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 Time Square casino and arena;
- The progression of certain land development opportunities within South Africa;
- The conclusion of certain key acquisitions in Latam, namely Thunderbird Resorts and the acquisition of a further 10% equity interest in Sun Dreams;
- 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 comply with King III and King IV™.

The table underneath also sets out some of the specific strategic objectives in the different key performance areas as key performance indicators.

Group Integration	Governance	New Business	Financial Sustainability
Revisit, develop and train on standard operating procedures across the group	Review efficacy and efficiency of governance structures across the group including Latam	Successfully conclude the Time Square development	Embed culture of focussing on returns and allocation of capital
Develop systems and structures to encourage group think as opposed to silo mentality	Review risk management processes and drive a move to current best practice	Extract value from the refurbishment of Sun City	Optimise working capital funding arrangements
	Continue proactive engagement with stakeholders on governance issues	Embed recent acquisitions in Latam	Drive cash flow generation and repayment of debt
		Successfully bid for new municipal gaming licences in Chile	Drive sustainable improvement in profitability
			Deliver the turnaround of poor performing business units
			Review risk

The Long-Term Share-Based Incentive Plans

Long-Term Incentives Granted and Awarded

During June 2017, Sun International granted Equity Growth Plan Rights and awarded Bonus Matching Shares to qualifying participants, in terms of the rules of the LTI plans.

Subject to the achievement of the conditions attaching to these Equity Growth Plan Rights and Bonus Matching Shares, the Equity Growth Plan Rights, as well as the Bonus Matching Shares granted/awarded in June 2017, will vest in June 2020.

Long-Term Incentive Vesting Outcomes

The vesting of Equity Growth Plan rights granted is based on the achievement of performance conditions measured over a three-year period. The extent to which the performance measures applicable to the 2014 grant were met is detailed below. The 2014 grants, the first tranche of which vested at the end of last year did not vest because Sun International's share price was below the initial grant price.

Bonus Matching Shares and Restricted Shares

Certain Bonus Matching Shares and Restricted Shares awarded to participants in 2014, vested during 2017 in respect of those participants who remained employed by the Sun International group at the vesting date.

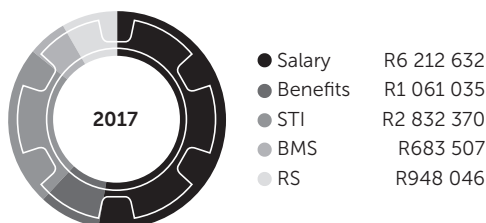
Equity Growth Plan Rights

No Equity Growth Plan Rights vested in FY 2017 due to threshold for performance not being met and the Sun International share price being lower than the initial grant price.

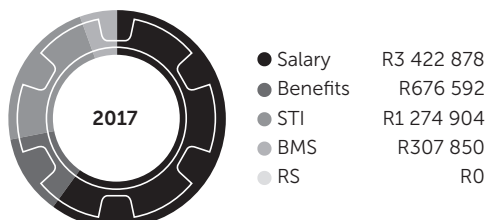
Total Remuneration Outcomes of the Senior Executives

The composition of remuneration outcomes during the 2017 financial year for the senior executives are represented graphically below:

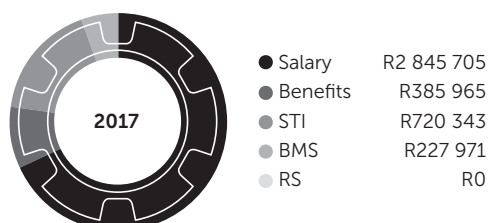
CE



Average of CFO, COO and CSOO



Average of other senior executives



Details of Remuneration Paid

Whilst Sun International has applied Principle 14 of King IV™ and has strived to follow the recommended practices in so far as is possible, we have taken the decision not to set out the senior executives emoluments in a single figure format within this year's remuneration report. This is partly due to the effective date of King IV™, which only requires full compliance with King IV™ for companies with financial years commencing on or after 1 April 2017, and partly due to the release date of the King IV™ Guide to the Application of Remuneration Governance (the "Remuneration Guidance"). The Remuneration Guidance, which sets out the detail relating to the calculation and disclosure of the single figure of remuneration, was only released to the public in November 2017, which did not allow us sufficient time to fully comply with the standard. However, we are fully supportive of the single figure reporting standard and will ensure that the senior executives remuneration is disclosed in this format within next year's remuneration report.

ANNEXURE D CONTINUED

The total remuneration of executive directors and prescribed officers of Sun International for the periods 1 January to 31 December 2016 and 1 January to 31 December 2017 is shown in the tables below.

Executive directors	Basic remuneration/ pay	Bonuses/ performance related payments/ Short term incentive bonuses (accrued)	Retirement contributions/ Defined contribution provident payments	Other benefits (Med aid, Car allowance)	Long term incentive expense [#]	2017 Total R
Mr AM Leeming	6 212 632	2 832 370	851 019	210 016	2 895 320	13 001 357
Mr N Basthdaw	2 893 740	1 254 000	496 259	21 924	1 270 115	5 936 038
Mr DR Mokhobo	2 313 114	685 537	523 994	227 184	1 279 650	5 029 479
Mr GE Stephens* [^]	2 053 266	–	281 054	580 540	1 314 927	4 229 787
	13 472 752	4 771 907	2 152 326	1 039 664	6 760 011	28 196 660

* Resigned as CE on 31 January 2017 and terminated employment on 30 April 2017.

[^] Includes R591,691.61 annual leave paid out on termination.

[#] IFRS 2 income statement expense in respect of long-term incentives granted/awarded to directors.

Prescribed officers	Basic remuneration/ pay	Bonuses/ performance related payments/ Short term incentive bonuses (accrued)	Retirement contributions/ Defined contribution provident payments	Other benefits (Med aid, Car allowance)	Long term incentive expense [#]	2017 Total R
Mr RA Collins	3 936 319	1 250 713	889 537	116 016	3 641 910	9 834 496
Mr AG Johnston	2 404 340	767 425	350 025	237 302	639 411	4 398 503
Mr MZ Miller	2 469 111	762 847	578 699	167 184	1 744 792	5 722 633
Mr TF Mosololi	3 438 574	1 320 000	461 520	44 520	2 068 578	7 333 192
Ms C Nyathi	2 563 055	649 379	339 612	–	848 403	4 400 449
Ms VL Robson	2 378 393	734 420	410 517	61 903	1 991 355	5 576 589
Mr J Wilhelm*	5 738 655	1 442 795	–	1 645 497	–	8 826 947
	22 928 447	6 927 580	3 029 910	2 272 422	10 934 449	46 092 808

[#] IFRS 2 income statement expense in respect of long-term incentives granted/awarded to prescribed officers.

* Mr Wilhelm is remunerated in Chilean Pesos; these amounts have been converted to ZAR for comparative purposes.

Executive directors	Basic remuneration/ pay	Bonuses/ performance related payments/ Short term incentive bonuses (accrued)	Retirement contributions/ Defined contribution provident payments	Other benefits (Med aid, Car allowance)	Long term incentive expense [#]	2016 Total R
Mr AM Leeming	3 894 528	833 285	621 828	175 644	2 638 806	8 164 090
Mr N Basthdaw	1 839 646	293 880	312 854	20 100	1 320 324	3 786 804
Mr DR Mokhobo	2 202 993	392 147	495 740	200 331	1 225 599	4 516 809
Mr GE Stephens*	6 057 336	1 524 220	826 946	183 635	5 796 420	14 388 557
	13 994 502	3 043 532	2 257 368	579 710	10 981 149	30 856 262

* Pro rata payment for the period 1 July 2016 to 31 December 2016.

[#] IFRS 2 income statement expense in respect of long-term incentives granted/awarded to directors.

Prescribed officers	Basic remuneration/ pay	Bonuses/ performance related payments/ Short term incentive bonuses (accrued)	Retirement contributions/ Defined contribution provident payments	Other benefits (Med aid, Car allowance)	Long term incentive expense [#]	2016 Total R
Mr RA Collins	3 847 440	888 539	844 560	–	4 039 823	9 620 363
Mr AG Johnston	448 304	–	43 363	–	60 614	552 281
Mr MZ Miller	2 344 793	411 432	547 495	149 352	1 536 748	4 989 820
Mr TF Mosololi	3 178 972	486 574	414 356	40 512	1 461 508	5 581 922
Ms C Nyathi	1 204 736	371 463	366 695	61 903	397 639	2 402 435
Ms VL Robson	2 117 892	364 827	366 695	61 903	1 689 630	4 600 947
Mr J Wilhelm*	2 851 000	8 933 000	–	928 000	–	12 712 000
	15 993 137	11 455 835	2 583 164	1 241 670	9 185 962	40 459 767

[#] IFRS 2 income statement expense in respect of long-term incentives granted/awarded to prescribed officers.

* Mr Wilhelm is remunerated in Chilean Pesos; these amounts have been converted to ZAR for comparative purposes and include the period 1 July 2016 – 31 December 2016.

ANNEXURE D CONTINUED

The following table reflects the status of unexercised Equity Growth Plan Rights, Bonus Matching Shares 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.

Executive directors	LTI	Date of Grant/Award	Grant Price (EGP Only)	Opening Balance	Lapsed
AM Leeming					
	EGP	29/06/2011	R89.46	10 667	
	EGP	27/06/2012	R90.07	15 464	
	EGP	27/06/2014	R109.65	42 058	42 058
	EGP	26/06/2015	R111.21	44 673	
	EGP	27/06/2016	R87.52	59 033	
	EGP	20/06/2017	R59.66	108 109	
	BMS	11/09/2014	N/A	14 255	
	BMS	14/09/2015	N/A	16 754	
	BMS	09/09/2016	N/A	18 139	
	BMS	20/06/2017	N/A	6 983	
	RS	01/03/2013	N/A	12 587	
	RS	27/06/2012	N/A	8 482	
N Basthdaw					
	EGP	27/06/2014	R109.65	19 699	19 699
	EGP	26/06/2015	R111.21	20 685	
	EGP	27/06/2016	R87.52	27 335	
	EGP	20/06/2017	R59.66	34 394	
	BMS	11/09/2014	N/A	7 828	
	BMS	14/09/2015	N/A	6 539	
	BMS	09/09/2016	N/A	5 999	
	BMS	20/06/2017	N/A	2 463	
	RS	08/04/2016	N/A	15 079	
DR Mokhobo					
	EGP	27/06/2012	R90.07	7 941	
	EGP	27/06/2014	R109.65	26 286	26 286
	EGP	26/06/2015	R111.21	27 602	
	EGP	27/06/2016	R87.52	36 475	
	EGP	20/06/2017	R59.66	27 931	
	BMS	11/09/2014	N/A	6 497	
	BMS	14/09/2015	N/A	8 196	
	BMS	09/09/2016	N/A	6 702	
	BMS	20/06/2017	N/A	3 286	

Mr GE Stephens resigned from Sun international on 30 April 2017 and all his unvested LTI's were forfeited in terms of the rules of the long-term shared based incentive plans.

Vested/ Exercised	Vesting Date (BMS & RS)/ Exercise Date (EGP)	Exercise Price (EGP ONLY)	Shares Sold	Shares Retained	Net Gains in R	Closing Balance 31 December 2017	Expiry Date
	29/06/2014					10 667	29/06/2018
	27/06/2015					15 464	27/06/2019
	26/06/2017					–	26/06/2021
	26/06/2018					44 673	26/06/2022
	30/06/2019					59 033	27/06/2023
	20/06/2020					108 109	20/06/2024
14 255	03/10/2017	47.9486		14 255	375 884	–	03/10/2020
	13/09/2018					16 754	31/10/2018
	08/09/2019					18 139	09/12/2019
	20/06/2020					6 983	20/06/2022
6 293	14/03/2018	76.4563		6 293	264 581	6 294	14/03/2019
8 482	27/06/2017	55.0467		8 482	256 753	–	27/06/2022
	26/06/2017					–	26/06/2021
	26/06/2018					20 685	26/06/2022
	30/06/2019					27 335	27/06/2023
	20/06/2020					34 394	20/06/2024
	15/11/2017	47.9486		7 828	395 893	–	03/10/2020
	13/09/2018					6 539	31/10/2018
	08/09/2019					5 999	09/12/2019
	20/06/2020					2 463	20/06/2022
	08/04/2019					15 079	08/04/2022
	27/06/2015					7 941	27/06/2019
	26/06/2017					–	26/06/2021
	26/06/2018					27 602	26/06/2022
	30/06/2019					36 475	27/06/2023
	20/06/2020					27 931	20/06/2024
6 497	16/11/2017	47.9486	2 938	3 559	170 881	–	03/10/2020
	13/09/2018					8 196	31/10/2018
	08/09/2019					6 702	09/12/2019
	20/06/2020					3 286	20/06/2022

ANNEXURE D CONTINUED

Executive directors	LTI	Date of Grant/Award	Grant Price (EGP Only)	Opening Balance	Lapsed	
Prescribed officers						
RA Collins						
	EGP	27/06/2014	R109.65	39 430	39 430	
	EGP	26/06/2015	R111.21	44 673		
	EGP	27/06/2016	R87.52	59 033		
	EGP	20/06/2017	R59.66	45 205		
	BMS	11/09/2014	N/A	5 013		
	BMS	14/09/2015	N/A	14 752		
	BMS	09/09/2016	N/A	15 186		
	BMS	20/06/2017	N/A	7 446		
	RS	01/01/2014	N/A	21 069		
	RS	24/08/2015	N/A	45 994		
MZ Miller						
	EGP	27/06/2014	R109.65	27 579	27 579	
	EGP	26/06/2015	R111.21	28 960		
	EGP	27/06/2016	R87.52	38 269		
	EGP	20/06/2017	R59.66	29 305		
	BMS	11/09/2014	N/A	3 603		
	BMS	14/09/2015	N/A	8 599		
	BMS	09/09/2016	N/A	7 032		
	BMS	20/06/2017	N/A	3 448		
	RS	08/04/2016	N/A	21 110		
TF Mosololi						
	EGP	27/06/2016	R87.52	46 200		
	EGP	20/06/2017	R59.66	36 204		
	BMS	09/09/2016	N/A	3 220		
	BMS	20/06/2017	N/A	4 078		
	RS	31/03/2016	N/A	76 164		
AG Johnston						
	BMS	29/06/2017	N/A	3 280		
	EGP	29/06/2017	R59.66	27 153		
	RS	17/11/2016	N/A	18 656		
C Nyathi						
	BMS	20/06/2017	N/A	3 113		
	EGP	28/06/2016	R87.52	34 551		
	EGP	27/06/2017	R59.66	26 458		
	RS	01/07/2016	N/A	20 224		
VL Robson						
	EGP	27/06/2012	R90.07	6 867		
	EGP	26/06/2015	R111.21	22 754		
	EGP	27/06/2016	R87.52	33 934		
	EGP	20/06/2017	R59.66	25 985		
	BMS	11/09/2014	N/A	3 475		
	BMS	14/09/2015	N/A	4 845		
	BMS	09/09/2016	N/A	4 988		
	BMS	20/06/2017	N/A	3 057		
	RS	01/02/2015	N/A	6 496		
	RS	24/08/2015	N/A	23 427		
J Wilhelm						
	N/A					

EGP – Equity Growth Plan Rights, BMS – Bonus Matching Shares (Free Shares), RS – Restricted Shares (Free Shares)
Equity Growth Plan Rights are net settled in Sun International shares and are subject to performance conditions. Exercised amounts relate to Equity Growth Plan Rights and not the number of shares traded.

Mr J Wilhelm does not participate in the Sun International Limited long-term share based incentive plans.

Vested/ Exercised	Vesting Date (BMS & RS)/ Exercise Date (EGP)	Exercise Price (EGP ONLY)	Shares Sold	Shares Retained	Net Gains in R	Closing Balance 31 December 2017	Expiry Date
5 013	26/06/2017	47.9486	5 013		123 412	–	26/06/2021
	26/06/2018					44 673	26/06/2022
	30/06/2019					59 033	27/06/2023
	20/06/2020					45 205	20/06/2024
	16/11/2017					–	03/10/2020
	13/09/2018					14 752	31/10/2018
	08/09/2019					15 186	09/12/2019
	20/06/2020					7 446	20/06/2024
	31/12/2016					21 069	31/12/2016
	23/08/2018					45 994	30/09/2018
3 603	26/06/2017	52.6125	3 603		95 035	–	26/06/2021
	26/06/2018					28 960	26/06/2022
	30/06/2019					38 269	27/06/2023
	20/06/2020					29 305	20/06/2024
	06/10/2017					–	03/10/2020
	13/09/2018					8 599	31/10/2018
	08/09/2019					7 032	09/12/2019
	20/06/2020					3 448	20/06/2024
	08/04/2019					21 110	08/04/2022
	30/06/2019					46 200	27/06/2023
	20/06/2020					36 204	20/06/2024
	08/09/2019					3 220	09/12/2019
	20/06/2020					4 078	20/06/2024
	(50%)						
	21/02/2019					76 164	20/05/2021
	(25%)						
	21/02/2020						
	(25%)						
	21/02/2021						
	20/06/2020					3 280	20/06/2022
	20/06/2020					27 153	20/06/2024
	15/11/2019					18 656	16/11/2022
	20/06/2020					3 113	20/06/2024
	30/06/2019					34 551	26/07/2023
	20/06/2020					26 458	20/06/2024
	31/05/2019					20 224	31/05/2022
3 475	27/06/2015	52.6125	3 475		91 657	6 867	27/06/2019
	26/06/2018					22 754	26/06/2022
	30/06/2019					33 934	27/06/2023
	20/06/2020					25 985	20/06/2024
	06/10/2017					–	03/10/2020
	13/09/2018					4 845	31/10/2018
	08/09/2019					4 988	09/12/2019
	20/06/2020					3 057	20/06/2024
	31/01/2018					6 496	28/02/2018
	23/08/2018					23 427	30/09/2018

ANNEXURE D CONTINUED

Non-executive directors' expenses

The total of the non-executive directors' expenses for travel and accommodation for the past financial year was R619 685 (2016: R1 093 619).

Non-executive directors' fees for the 12 months commencing on 1 July 2017 and ending 30 June 2018

The fees payable to the non-executive directors for their services as directors between the period 1 July 2017 to 30 June 2018, as approved by shareholders at the AGM held on 14 June 2017, were as follows:

Role	Annual Retainer 2017 R	Attendance fee per meeting R
Non-executive chairman	853 100	49 700
Lead independent director	327 100	28 500
Member of board	135 100	28 500
Audit committee chairman	113 800	32 000
Audit committee member	57 000	16 000
Remuneration committee chairman	51 300	31 300
Remuneration committee member	25 800	15 700
Risk committee chairman	62 700	34 200
Risk committee member	31 300	17 200
Nomination committee chairman	42 600	21 400
Nomination committee member	21 500	10 700
Social and ethics committee chairman	47 200	27 100
Social and ethics committee member	23 600	13 600
Investment committee chairman	47 200	27 100 [†]
Investment committee member	23 600	13 600 [†]
Investment committee chairman – via teleconference ¹	–	4 100 (per hour)
Investment committee member – via teleconference ¹	–	3 000 (per hour)
Ad hoc strategy sessions and unscheduled board meetings	–	28 500

¹ The investment committee meets on an ad hoc basis and as and when required. The members of the committee are entitled to receive an attendance fee in respect of each meeting, which they attend in person and to an hourly fee in respect of meetings held by way of teleconference.

[†] This is the fee payable to investment committee members for attending investment committee meetings in person.

Fees paid to non-executive directors by the company and its subsidiaries during the 2017 financial year

Fees for services as directors	2017			2016		
	Subsidiaries	Sun International	Total	Subsidiaries	Sun International	Total
MV Moosa		1 476 000	1 476 000		1 542 900	1 542 900
PL Campher		790 700	790 700		902 050	902 050
NN Gwagwa		404 413	404 413		380 000	380 000
IN Matthews [†]		882 600	882 600		937 650	937 650
PD Bacon		547 900	547 900		607 800	607 800
GR Rosenthal		634 700	634 700		740 650	740 650
ZBM Bassa		531 000	531 000		639 450	639 450
BLM Makgabo-Fiskerstrand		406 100	406 100		453 200	453 200
CM Henry		407 539	407 539		111 053	111 053
EAMMG Cibie*	589 749	411 206	1 000 955	346 051	327 600	673,651
GW Dempster		65 619	65 619			
LM Mojela**					431 862	431 862
NB Morris**					91 876	91 876

* Mr Cibie's fee for serving on the Sun Dreams board is paid in Chilean Pesos, which we have converted to Rands for comparative purposes.

** Retired on 21 November 2016

† Retired on 31 December 2017

Non-Binding Advisory Vote

Shareholders are requested to cast a non-binding advisory vote on Part 3 of this report at the company's annual general meeting to be held on 15 May 2018.

Stakeholder Engagement

We value our continued engagement with our various stakeholders and we endeavour to maintain our relationships with them. During the past year Sun International engaged with several of its investors who voted against the previous Sun International Group remuneration policy and managed to address many of these investor's concerns and aligned Sun International's thinking to that of the investors, leading to substantial changes in the current year.

Included hereunder is a copy of the letter addressed and posted to shareholders on 5 July 2017, highlighting proposed changes to Sun International's short- and long-term incentive plans:



5 July 2017

6 Sandown Valley Crescent Sandton 2196
PO Box 782121 Sandton 2146
South Africa
Telephone Head Office +27 (0)11 780 7000
Facsimile +27 (0)11 780 7716
www.suninternational.com

Direct line +27 (0)11 780 7762

Direct fax +27 (0)11 780 7716

Dear Shareholder

Email andrew.johnston@suninternational.com

PROPOSED CHANGES TO SUN INTERNATIONAL'S SHORT AND LONG-TERM INCENTIVE PLANS

Following the launch of the King IV Report on Corporate Governance for South Africa 2016 ("King IV") on 1 April 2017, Principle 14 thereof requires that:-

"The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term".

At the Sun International annual general meeting which was held on 21 November 2016, a significant number of shareholders expressed their dissatisfaction regarding the company's remuneration practices and policies (particularly regarding Sun International's short-term, as well as long-term share based incentives) as was evidenced by the significant no vote which was cast in respect of the resolution proposing the endorsement of the company's remuneration policy.

After assessing the concerns raised by the investor community, the remuneration committee engaged with an independent remuneration consultant to review the current pay practices of Sun International both in relation to the concerns raised, as well as market best practice and to report back to the committee by:-

- Providing information on executive remuneration best practise, with particular focus on short-term incentive (STI) and long-term incentive (LTI) plans as a background to the company's response; and
- Providing market practice on the performance conditions used for STI's and LTI's (high level).

Based on the input provided by the remuneration consultant and taking into consideration the views expressed by the investor community, the remuneration committee recommended to the Sun International board certain changes to both the STI's and the LTI's, which, excepting for those changes to the LTIs which require shareholder approval, were approved by the board at its recent board meeting.

Accordingly and in the interests of transparency and so as to provide all shareholders with insight into the proposed changes to be made to Sun International's STI and LTIs going forward, we have provided a high level summary hereunder of both the existing and future proposed changes to executive participation in these incentive plans:-

Directors MV Moosa (Chairman) IN Matthews (Lead Independent Director) AM Leeming (Chief Executive)* N Basthdaw (Chief Financial Officer)* PDS Bacon
ZBM Bassa PL Campher E Cibie NN Gwagwa CM Henry BLM Makgabo-Fiskerstrand DR Mokhobo* GR Rosenthal
Company Secretary AG Johnston (*Executive)
Sun International Limited Company Registration Number 1967/007528/06

ANNEXURE D CONTINUED

Annual Short-Term Incentive (“EBS”)

		Current	Proposed
1.	Financial / non-financial performance metrics	EBITDA (66%) KPI's (34%)	AHEPS (35%) Operating free cash flow (OFCF) (35%) KPI's (30%), subject to 2 below
2.	Application of financial metrics	Everyone subject to EBITDA (66%) and KPI's (34%)	Only Executive Committee members subject to above revised financial metrics (70% - 35% AHEPS and 35% OFCF) and 30% KPI's Remainder of group – as per before viz (EBITDA) – 66%, (KPI's) - 34%
3.	Application of multiplier	Can earn up to 200% of both the financial metrics and KPI's, independent of each other	Can only earn between 100% – 200% on the KPI's provided that the on target bonus i.e. budgeted AHEPS and OFCF numbers, have been achieved
4.	Disclosure	Inadequate disclosure	Enhanced disclosure in 2018 remuneration report
5.	Targets for financial component	90% - gatekeeper 100% – on target (budget) 110% - stretch	Executive Committee members – 90% gatekeeper – 100% on target (budget) – 110% stretch Units on case by case basis and where relevant to ensure appropriate targets:- 80% – gatekeeper 100% – on target (budget) 120% – stretch

Long Term Share Based Incentives (“LTI”)

Equity Growth Plan (“EGP”)

	Current	Proposed
1.	Inadequate disclosure around grants of EGP rights	Enhanced disclosure pertaining to grants of EGP rights to be included in the 2018 remuneration report
2.	EGP rights awarded to all participants according to a predetermined % relative to seniority and TCOE package	Executive Committee members and prescribed officers to be awarded a greater number of EGP rights (with financial performance conditions) in future and a lesser number of bonus matching shares (with no financial performance conditions)
3.	Historically, restricted shares have been predominantly used as a retention tool for senior executives and prescribed officers	In future, EGP rights will be used as a retention tool for senior executives and prescribed officers in lieu of restricted shares. EGP rights have financial performance conditions attaching to them as opposed to restricted shares which have zero financial performance conditions between award date and vesting date. Going forward, restricted shares will only be awarded to senior executives

		and prescribed officers in limited and exceptional circumstances
4.	No malus (i.e. forfeiture)	Introduction of malus on unvested EGP rights
5.	Financial metrics – 50% of EGP rights based on share price growth and 50% based on the growth in AHEPS linked to CPI	100% of EGP rights will be linked to growth in AHEPS linked to CPI

Bonus Share Matching Plan

	<u>Current</u>	<u>Proposed</u>
1.	Inadequate disclosure around awards of bonus matching shares	Enhanced disclosure of bonus matching share awards – particularly around performance conditions taken into consideration when awarding these shares, to be included in the 2018 remuneration report
2.	No malus (i.e. forfeiture)	Introduction of malus on unvested bonus matching shares
3.	No financial performance metrics other than those determining the quantum of bonus matching shares to be awarded which are based on the awarded EBS – (however participants need to remain in employment for three years between award date and vesting date in order for vesting to take place)	Maintain status quo - no financial performance metrics to be applied between award date and vesting date – (however participants must remain in employment for the three years between award date and vesting date in order for vesting to take place)
4.	Bonus matching shares awarded to participants based on a predetermined % of prior year's pre-tax bonus (EBS)	Fewer bonus matching shares to be awarded to Executive Committee members and prescribed officers in future (50% reduction to the previously applied % of pre-tax bonus for bonus matching shares) - greater number of EGP rights to be awarded to Executive Committee members and prescribed officers to make up for the lesser amount of bonus matching shares to be awarded (see EGP above)

Restricted Share Plan (“RSP”)

	<u>Current</u>	<u>Proposed</u>
1.	Inadequate disclosure around awards of restricted shares in terms of the RSP	Enhanced disclosure of restricted shares awarded in terms of the RSP to be included in the 2018 remuneration report
2.	No malus (i.e. forfeiture)	Introduction of malus on all unvested restricted shares
3.	Restricted shares under the RSP awarded to senior executives and prescribed officers from time to time	No future awards of restricted shares under the RSP to Executive Committee members and prescribed officers except in limited and exceptional circumstances

The proposed changes to be made to the long-term share based incentive plans will be tabled before shareholders at a special general meeting to be convened later in the year. In this regard a detailed circular will be delivered to shareholders in accordance with the Listings Requirements of the JSE Limited.

We trust that these proposed changes will make the company's policy and strategy around both its short- as well as long-term share based incentives in alignment with the interests of shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Valli' with a horizontal line underneath the 'i'.

MV Moosa
Chairman: Sun International

ANNEXURE "E"

SUN INTERNATIONAL BOARD OF DIRECTORS

Mr MV Moosa	Independent non-executive 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
Ms BLM Makgabo-Fiskerstrand	Independent non-executive director
Mr DR Mokhobo	Executive director – special projects
Mr GR Rosenthal	Independent non-executive director

SUN INTERNATIONAL PRESCRIBED OFFICERS

Mr RA Collins	Chief strategy and operations officer
Mr MZ Miller	Chief information officer
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	Monday, 31 December 2018
Annual general meeting	Tuesday, 15 May 2018

Reports and financial statements

Summarised annual financial statements (published on SENS and website)	Monday, 19 March 2018
Short form announcement (published in business press only)	Tuesday, 20 March 2018
Summarized annual financial statements delivered to shareholders	Thursday, 5 April 2018
Complete annual financial statements (posted on website only)	Thursday, 5 April 2018
Interim results announcement	Monday, 3 September 2018

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
(PO Box 61051 Marshalltown 2107)

Telephone: 011 370 5000
Telefax: 011 370 5271

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

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 34th ANNUAL GENERAL MEETING TO BE HELD AT THE MASLOW HOTEL, CORNER OF GRAYSTON DRIVE AND RIVONIA ROAD, SANDTON, JOHANNESBURG ON TUESDAY, 15 MAY 2018 AT 09:00 – FOR USE BY CERTIFICATED ORDINARY SHAREHOLDERS AND DEMATERIALIZED ORDINARY SHAREHOLDERS WITH 'OWN NAME' REGISTRATION ONLY

Holders of dematerialised ordinary shares other than 'own name' registration must inform their 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	E-mail 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 34th annual general meeting of the company which will be held on Tuesday, 15 May 2018 at 09:00 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 resolution number 1: Election of director 1: Mr GW Dempster			
3. Ordinary resolutions numbers 2.1 to 2.6: Re-election of directors 2.1: Mr PD Bacon 2.2: Mr PL Campher 2.3: Dr NN Gwagwa 2.4: Ms CM Henry 2.5: Ms BLM Makgabo-Fiskerstrand 2.6: Mr MV Moosa			
4. Ordinary resolution number 3: Re-appointment of external auditor			
5. Ordinary resolutions numbers 4.1 to 4.4: 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			
6. Ordinary resolution number 5: Endorsement of Sun International Remuneration Policy			
7. Ordinary resolution number 6: Endorsement of Implementation of Sun International 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 re-purchase 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: Remuneration of non-executive directors participating in statutory and board committees			
14. Special resolution number 6: Remuneration payable to non-executive directors for participating in special/unscheduled board meetings and ad hoc strategic planning sessions			
15. Special resolution number 7: 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 _____ 2018

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 company's transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), so as to reach them by not later than Monday, 14 May 2018 at 09:00. Should this form of proxy not be returned to the transfer secretaries 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 TRANSFER SECRETARIES ON REQUEST.



suninternational.com

SUN INTERNATIONAL LIMITED

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