

# Notice of annual general meeting and explanatory notes

## Sun International Limited

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

Notice is hereby given to shareholders recorded in the company's securities register on **Friday, 14 October 2016**, that the 32nd annual general meeting of the shareholders of Sun International will be held at Protea Hotel Fire & Ice, 213 Thys Street, Summit Place Precinct (corner of North and Garsfontein off-ramp), N1, Pretoria, 0063, on **Monday, 21 November 2016 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, 11 November 2016**. The last day to trade in order to be eligible to attend and vote at the annual general meeting is **Tuesday, 8 November 2016**.

**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

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 30 June 2016, are presented to shareholders.

The complete annual financial statements are set out on the company's website at [ir.suninternational.com](http://ir.suninternational.com).

### ORDINARY RESOLUTIONS

#### 2. Ordinary resolutions numbers 1.1 to 1.3: Election of directors

"Resolved that the following directors of the company, who, being eligible, have offered themselves for election, are elected by separate resolutions, and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, in terms of clause 39.9 of the company's memorandum of incorporation:

- 1.1 Mr DR Mokhobo
- 1.2 Mr NB Morrison
- 1.3 Ms CM Henry"

Brief biographies in respect of each director offering himself/herself for election are set out in the company's integrated annual report on the website at [ir.suninternational.com](http://ir.suninternational.com).

#### 3. Ordinary resolutions numbers 2.1 to 2.4: 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 clause 39.3 of the company's memorandum of incorporation:

- 2.1 Ms ZBM Bassa
- 2.2 Mr PL Campher
- 2.3 Ms BLM Makgabo-Fiskerstrand
- 2.4 Mr IN Matthews"

Brief biographies in respect of each director offering himself/herself for re-election are set out on the company's website at [ir.suninternational.com](http://ir.suninternational.com).

#### 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 30 June 2017) until the conclusion of the next annual general meeting, with Mr Johan Potgieter as the designated 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:

3.1 Mr PD Bacon

3.2 Ms ZBM Bassa\*

3.3 Mr PL Campher\*

3.4 Mr GR Rosenthal"

\* Subject to their re-election as directors pursuant to ordinary resolutions numbers 2.1, and 2.2 respectively.

Brief biographies of those independent, non-executive directors offering themselves for election as members of the Sun International audit committee are enclosed in the report of the Sun International audit committee contained on the company's website at [ir.suninternational.com](http://ir.suninternational.com).

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

"Resolved, by way of a non-binding advisory vote, that the company's 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 contained on the company's website at [ir.suninternational.com](http://ir.suninternational.com), is endorsed."

## SPECIAL RESOLUTIONS

### 7. 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 in accordance with the requirements of clause 22 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;
- 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 the date of passing of this special resolution number 1;
- 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."

**8. Special resolution number 2: Non-Executive Directors’ remuneration**

“Resolved that, in terms of clause 45.1 of the company’s memorandum of incorporation, the remuneration payable to the non-executive directors for their services as directors of the company and for participating in statutory and board committees, for the 12 months commencing on 01 July 2016 be set as follows:”

Remuneration payable to non-executive directors for their services as directors and for participating in statutory and board committees	Annual retainer	Attendance fee per meeting
<b>Remuneration as directors<sup>^</sup></b>		
Sun International non-executive chairman	R853 100	R49 700
Sun International non-executive directors	R135 100	R28 500
<b>Sun International lead independent director<sup>^</sup></b>	R327 100	R28 500
<b>Audit committee fees #</b>		
Sun International audit committee chairman	R113 800	R32 000
Sun International audit committee member	R57 000	R16 000
<b>Risk committee fees **</b>		
Sun International risk management committee chairman	R62 700	R34 200
Sun International risk management committee member	R31 300	R17 200
<b>Remuneration committee fees **</b>		
Sun International remuneration committee chairman	R51 300	R31 300
Sun International remuneration committee member	R25 800	R15 700
<b>Investment committee fees ***</b>		
Sun International investment committee chairman	R47 200	R27 100
– teleconference fee per hour	–	R4 100
Sun International investment committee member	R23 600	R13 600
– teleconference fee per hour	–	R3 000
<b>Social &amp; ethics committee fees **</b>		
Sun International social and ethics committee chairman	R47 200	R27 100
Sun International social and ethics committee member	R23 600	R13 600
<b>Nomination committee fees**</b>		
Sun International nomination committee chairman	R42 600	R21 400
Sun International nomination committee member	R21 500	R10 700

**Fees are paid as follows:**

Annual retainer	Paid quarterly
Attendance fee	Paid at the end of the quarter in which the relevant meetings are held. For indicative purposes the number of planned meetings for each category are set out below. The attendance fee will be applicable to any additional meetings convened during the year. # Four scheduled meetings per year ** Three scheduled meetings per year *** Meetings scheduled on a monthly basis
Chairman, director & lead independent directors’ fees	<sup>^</sup> Five scheduled meetings per year
Ad-hoc meetings	Will be paid at the attendance rate as set out for that relevant meeting.

**9. Special Resolution number 3: Amendments to Sun International memorandum of incorporation**

“Resolved that in terms of clause 7 of the memorandum of incorporation of Sun International and in accordance with section 16(1)(c)(i) and (ii) read together with section 16(5)(b) of the Act, Sun International’s existing memorandum of incorporation be and is hereby amended with effect from the date of filing of the required notice of amendment with the Companies and Intellectual Property Commission, as follows:

- The deletion of clause 15.3 of the memorandum of incorporation in its entirety and its substitution by the following new clause 15.3:  
*“If, on any capitalisation issue, Shareholders would, but for the provisions of this clause 15, become entitled to fractions of Shares, the Board shall, subject to any contrary provision in the resolution authorising the capitalisation issue, round off the number of capitalisation shares to be received as per clause 50 bis hereof.”*
- The insertion of a new clause 50 bis into the memorandum of incorporation, which reads as follows:  
*“To the extent that a fractional entitlement arises, all allocations of Shares and other Securities will be rounded down to the nearest whole number resulting in allocations of whole Shares and/or Securities and a cash payment for the fraction where the cash value is determined with reference to the method of determination as may be prescribed in the Listings Requirements from time to time and for the time being.”*

The memorandum of incorporation is amended on the basis that the amendments thereto have been approved by the JSE Limited and accord with the explanatory notes (containing a summary of the salient amendments to the memorandum of incorporation) accompanying the notice convening the annual general meeting at which this resolution will be proposed. The amended memorandum of incorporation will lie for inspection at the company’s registered office from 21 October 2016 to 21 November 2016 or any adjourned meeting.

## 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 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 or proxy form for use by ordinary shareholders at the annual general meeting is attached.

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 attached. 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 attached in accordance with the instructions therein and lodge it with, or mail it to, the transfer secretaries.

It is requested that proxy forms should be forwarded to reach the company's transfer secretaries at the address given below by not later than **09:00 on Thursday, 17 November 2016**. Should your proxy forms not be returned to the transfer secretaries by the aforesaid date and time, the proxy forms 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 Ms Janine Govender, either by e-mail at [janine.govender@suninternational.com](mailto:janine.govender@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 represented in person or by proxy and sufficient persons are present (in person or represented 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 represented by proxy) to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect at the time the matter is called on the agenda.

By order of the board

**Sun International Limited**  
Secretaries

per: Mr AM Leeming  
6 Sandown Valley Crescent  
Sandton  
2146

14 October 2016

**Transfer secretaries**

Computershare Investor Services (Pty) Ltd  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

# Explanatory notes

## Ordinary resolutions numbers 1.1 to 1.3 and 2.1 to 2.4 – Election and Re-election of directors

In accordance with the company's memorandum of incorporation, one-third of the 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. Mr DR Mokhobo, Mr NB Morrison and Ms CM Henry as well as Ms ZBM Bassa, Mr PL Campher, Ms BLM Makgabo-Fiskerstrand and Mr IN Matthews retire from the board in accordance with clauses 39.9 and 39.3 of the company's memorandum of incorporation respectively.

A brief biography in respect of each director offering himself/herself for election or re-election, as the case may be, is set out at <http://ir.suninternational.com>.

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.

In addition, the nomination committee of the company has conducted a rigorous assessment of the performance of each of the retiring directors and has reviewed the skills, knowledge, experience, diversity and demographics represented on the board. The nomination committee has satisfied itself that none of the independent, non-executive directors' independence of character and judgement has in any way been affected or impaired by their length

of service on the board. Having received the results of these assessments and reviews, the board is satisfied that each of the directors standing for election or re-election, as the case may be, performance continues to be effective and demonstrates commitment to their roles.

Accordingly, the board recommends to shareholders the election and re-election of each of the retiring directors referred to in ordinary resolutions numbers 1.1 to 1.3 and 2.1 to 2.4 respectively, 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 as the company's external auditor until the conclusion of the next annual general meeting.

At a Sun International audit committee meeting held on 17 August 2016, 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 <http://ir.suninternational.com>); and

- including the individual registered auditor who undertakes the audit, does not have personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with Sun International or its sub-holding companies.

Accordingly, the Sun International audit committee has satisfied itself that PwC is independent as contemplated by the South African independence laws and the applicable rules of the International Federation of Accountants (IFAC) and nominated the re-appointment of PwC as independent registered auditor to Sun International, to report on the financial year ending 30 June 2017 until the conclusion of the 2017 annual general meeting.

Shareholders will also be required to note the appointment of Mr Johan Potgieter as Sun International's designated auditor with effect from 15 October 2016, who replaces Mr Eric Mackeown the erstwhile designated auditor, who resigned on 14 October 2016 by rotation in accordance with section 92 of the Act.

Furthermore, the Sun International audit committee has, in terms of paragraph 3.86 of the JSE Listings Requirements, considered and satisfied itself that PwC, the reporting accountant and individual auditor are 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. Chapter 3 of the King Report on Governance for South Africa 2009 ("King III") 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, they have experience in audit, accounting, economics, commerce and general industry, among others.

At a meeting of the nomination committee held on 16 August 2016, 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 III 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: [ir.suninternational.com](http://ir.suninternational.com));
- 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 <http://ir.suninternational.com>.

### Ordinary resolution number 5: Sun International remuneration policy

Chapter 2 of King III, dealing with boards and directors, requires companies to every year table their remuneration policy to shareholders for a non-binding advisory vote at the annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted in the remuneration of, among others, executive directors and on their implementation.

Sun International's remuneration policy, which is titled "Report of the Remuneration Committee", is contained on the company's website at [ir.suninternational.com](http://ir.suninternational.com). 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 and for participating in statutory and board committees, will require the approval of the shareholders by special resolution (special resolution number 2), 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 of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the board will take the outcome of the vote into consideration when considering the company's remuneration policy in the remuneration of, among others, executive directors.

### 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 in the integrated annual report or on the company's website at [ir.suninternational.com](http://ir.suninternational.com):

- Major shareholders – refer to the directors report which appears on the company’s website at [ir.suninternational.com](http://ir.suninternational.com); and
- Share capital of the company – refer to note 22 of the complete annual financial statements which are set out on the company’s website at [ir.suninternational.com](http://ir.suninternational.com).

### Directors’ responsibility statement

The directors, whose names appear on pages 54 to 58 of the integrated annual 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 and in the integrated annual report, 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 the market conditions, tax dispensation and price justify such an action.

### Special resolution number 2: Non-Executive Directors’ Remuneration

In terms of section 66(8) – (9) of the Act, which took effect on 1 May 2011, 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 resolution number 2 is to increase the remuneration paid to non-executive directors by 4% compared to the 2016 financial year, 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 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 remuneration in special resolution number 2 was accepted by the board (with the non-executive directors abstaining from voting) after a recommendation by the remuneration committee. Consequently, special resolution number 2 is recommended by the company’s board of directors for shareholder approval.

The remuneration of the non-executive directors for their services as directors and for participating in statutory and board committees, paid during the past financial year, as well as the process followed by the remuneration committee in recommending the remuneration of non-executive directors are contained below, as well as on page 74 of the integrated annual report.

Remuneration of non-executive directors for their services as directors and for participating in statutory and board committees	Annual retainer	Attendance fee per meeting
<b>Remuneration as directors<sup>^</sup></b>		
Sun International non-executive chairman	R820 300	R47 800
Sun International non-executive directors	R129 900	R27 400
<b>Sun International lead independent director<sup>^</sup></b>	R314 500	R27 400
<b>Audit committee fees #</b>		
Sun International audit committee chairman	R109 400	R30 800
Sun International audit committee member	R54 800	R15 400
<b>Risk committee fees **</b>		
Sun International risk management committee chairman	R60 300	R32 900
Sun International risk management committee member	R30 100	R16 500
<b>Remuneration committee fees **</b>		
Sun International remuneration committee chairman	R49 300	R30 100
Sun International remuneration committee member	R24 800	R15 100
<b>Investment committee fees ***</b>		
Sun International investment committee chairman	R45 400	R26 100
– teleconference fee per hour	–	R3 900
Sun International investment committee member	R22 700	R13 100
– teleconference fee per hour	–	R2 900
<b>Social &amp; ethics committee fees **</b>		
Sun International social and ethics committee chairman	R45 400	R26 100
Sun International social and ethics committee member	R22 700	R13 100
<b>Nomination committee fees**</b>		
Sun International nomination committee chairman	R41 000	R20 600
Sun International nomination committee member	R20 700	R10 300

**Fees are paid as follows:**

Annual retainer	Paid quarterly
Attendance fee	<p>Paid at the end of the quarter in which the relevant meetings are held. For indicative purposes the number of planned meetings for each category are set out below. The attendance fee will be applicable to any additional meetings convened during the year.</p> <p># Four scheduled meetings per year</p> <p>** Three scheduled meetings per year</p> <p>*** Meetings scheduled on a monthly basis</p>
Chairman, director & lead independent directors' fees	<p>^ Five scheduled meetings per year</p>
Ad-hoc meetings	<p>Will be paid at the attendance rate as set out for that relevant meeting.</p>

**Special resolution number 3: Amendments to Sun International Memorandum of Incorporation**

The salient amendments to the memorandum of incorporation are set out below:

• **Fractions of shares – clauses 15.3 and 50 bis**

Clauses 15.3 and 50 bis have been included to accord with the amendment to the JSE Listings Requirements published for comment on 27 March 2015 in Government Gazette Number 38602. Previously allocations of securities were rounded up or down based on the standard rounding convention (i.e. allocations of less than 0.5 were rounded down and allocations greater than 0.5 were rounded up). This resulted in the allocation of whole shares and/or securities and no fractional entitlements. Shareholders with less than 0.5 entitlements were previously disenfranchised by not receiving any entitlement and shareholders with more than 0.5 gained additional shares and/or securities as their entitlements were increased. Pursuant to the amendment to Sun International's memorandum of incorporation by the inclusion of new clauses 15.3 and 50 bis, allocations of shares and/or securities will be rounded down to the nearest whole number and holders thereof will receive a cash payment for the fraction which will be determined with reference to the method prescribed in the JSE Listings Requirements from time to time.

**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.