

DIRECTORS' REPORT

for the year ended 31 December 2022

To the Shareholders of Sun International Limited ("Sun International" or "the Company")

The directors have pleasure in submitting the financial statements of the Sun International group for the year ended 31 December 2022. Kindly take note that the period covered by this directors' report is from 1 January 2022 to 31 December 2022.

Nature of business

The Sun International group has interests in, and provides management services to businesses in the hotel, resort, casino and gambling industry. There have not been any material changes in the nature of the group's businesses from the prior year save for the transactions as detailed in the consolidated audited financial statements released on the Company's website on 13 March 2023.

The Company maintains a listing on the main board of the JSE and a secondary listing on A2X Markets.

Financial results

Particulars of the Sun International group's attributable earnings and earnings per share for the year ended 31 December 2022 are given in the statement of comprehensive income, whilst particulars of the Sun International group headline earnings per share for the year ended 31 December 2022 are given in note 9 of the financial statements.

Full details of the financial position and results of the Sun International group and company are set out in these financial statements.

Dividends

Interim

The board approved an interim dividend of 88 cents per ordinary share (70.4 cents net after deducting withholding tax) on 29 August 2022 (2021: nil).

Final

The board has approved a final ordinary dividend of 241 cents per ordinary share (193 cents net after deducting withholding tax) (2021: nil). The source of such dividend will be from distributable reserves. The dividend will be payable on 3 April 2023 to shareholders registered in the Company's securities register on 31 March 2023.

Associate companies and other investments

Particulars of the associate companies, joint arrangements and other investments are provided in the group financial statements in note 15, and note 16.

Corporate activity during the year and after the balance sheet date

Commentary on the nature of business of the Company, and its subsidiaries, acquisitions, future developments and prospects of the group are addressed in the consolidated audited financial statements of the Sun International group, which were released on the Company's website on 13 March 2023.

Share plans

Full particulars relating to awards and grants made under the various Sun International share plans are provided in note 24 to the group financial statements.

At the date of this report, a total of 17 616 548 ordinary shares remain reserved for the purposes of the Company's employee share plans. 10 780 000 in respect of the Bonus Share Matching Plan and 6 836 548 in respect of the Sun International 2020 Conditional Share Plan.

Share capital

The total issued share capital of the Company for the period under review constitutes 262 052 195 (2021: 263 905 660) ordinary shares. The Company has an authorised share capital of 800 000 000 (2021: 800 000 000) ordinary shares.

Further details regarding the authorised and issued share capital appear as note 24 to the group's financial statements and company financial statements in note 9.

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Directorate

Appointments:

During the period under review, Ms MLD Marole was appointed as an independent non-executive director on the Company's board, effective from 12 May 2022.

Retirements:

On 31 March 2022, Mr PD Bacon retired as an independent non-executive director of the Company.

On 11 March 2022, Ms BLM Makgabo-Fiskerstrand advised the market that she intended retiring from the Sun International board at the 2022 annual general meeting of the Company which took place on 10 May 2022 and did not stand for re-election.

In addition to the foregoing retirements during the year under review, Mr EAMMG Cibie retired as an independent non-executive director of Sun International on 31 December 2022.

In accordance with articles 25.5, 25.6.1 and 25.17 of the Company's memorandum of incorporation, Messrs NT Payne and GW Dempster, as well as Mesdames CM Henry and SN Mabaso-Koyana retired from the Board at the annual general meeting held on 10 May 2022, but being eligible for election / re-election, were duly elected / re-elected to the Company's Board.

In terms of the Company's memorandum of incorporation, Mesdames MLD Marole and ZP Zatu, as well as Messrs TR Ngara and S Sithole are required to retire in accordance with the company's memorandum of incorporation at the upcoming annual general meeting to be held on 9 May 2023 and being eligible, offer themselves for election / re-election, as the case may be.

Their profiles appear in the annual statutory report to be posted to shareholders on or about 31 March 2023 and which will be available on the Company's website at <http://www.suninternational.com/investors>

Secretaries

The secretaries' business and postal addresses appear in the annual statutory report to be posted to shareholders on or about 31 March 2023 and which will be available on the Company's website at <http://www.suninternational.com/investors>

Directors' interests

At 31 December 2022, the directors of the Company held interests in 65 516 913 of the Company's issued ordinary shares (31 December 2021: 60 955 354). Details of shares held per individual director and which includes restricted shares held through the various share schemes, as well as Sun International ordinary shares acquired by the directors and the Company on the open market during the year under review are listed below.

31 December 2022	Ordinary Shares Direct Beneficial		Ordinary Shares Indirect Beneficial
	Unrestricted	Restricted	Unrestricted
N Basthdaw	317 144	536 466	–
AM Leeming	816 736	1 136 961	–
GW Dempster	85 000	–	–
S Sithole/TR Ngara**	–	–	62 624 606
TOTAL	1 218 880	1 673 427	62 624 606

None of the directors' holdings were subject to security, guarantee, collateral or similar arrangement as envisaged in terms of paragraph 8.63 (c) (i) of the JSE Listings Requirements. There were no changes to the above number of shares between the end of the financial year and the date of approval of the annual financial statements.

2021 – 31 December	Ordinary shares direct beneficial		Ordinary shares indirect beneficial
	Unrestricted	Restricted	Unrestricted
N Basthdaw	111 815	338 821	–
AM Leeming	402 717	745 697	–
JA Mabuza ⁺	24 435	–	–
S Sithole/TR Ngara	–	–	59 331 869
TOTAL	538 967	1 084 518	59 331 869

⁺ Passed away as a non-executive director on 16 June 2021.

None of the directors' holdings were subject to security, guarantee, collateral or similar arrangement as envisaged in terms of paragraph 8.63 (c) (i) of the JSE Listings Requirements. There were no changes to the above number of shares between the end of the financial year and the date of approval of the group and company statements.

** Indirect shareholding via Venture Capital Partners.

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PUBLIC AND NON-PUBLIC SHAREHOLDERS (AS AT 31 DECEMBER 2022):

Ordinary shares	Number of shareholders	%	Number of shares	%
NON-PUBLIC SHAREHOLDERS	15	0.12	81 096 189	30.71
Directors and associates of the company	6	0.05	65 516 913	24.78
Sun International Employee Share Trust and Plans*	8	0.06	8 859 517	3.37
Dinokana Investments**	1	0.01	6 719 759	2.56
PUBLIC SHAREHOLDERS	12 872	99.88	180 956 006	69.29
Totals	12 887	100.00	262 052 195	100.00

* Sun International Employee Share Trusts and Plans have been adjusted by including the portion held via Dinokana and deducting the portion of shares allocated to directors.

** Dinokana Investments is a subsidiary of Sun International Limited, thus qualifying as Treasury shares.

Material shareholders

Beneficial shareholders (excluding directors) holding 5% or more of the Company's listed ordinary shares as at 31 December 2022 were the following:

	Number of shares	%
Allan Gray	28 983 874	11.06
Value Capital Partners H4 Q1 Hedge Fund	22 946 709	8.76
Old Mutual	22 380 365	8.54
PSG Konsult	20 512 808	7.83

Special resolutions

The Company passed 18 special resolutions during the period under review, which included the following:

- approving the acquisition by the Company or any of its subsidiaries of the Company's shares;
- approving the remuneration of the non-executive directors;
- approving the provision of financial assistance and / or the issue of securities to employee share scheme participants; and
- approving the provision of financial assistance to related or inter-related companies and corporations.

Except for the above, no other special resolutions, the nature of which might be significant to shareholders in their appreciation of the state of affairs of the Sun International group, were passed by the Company or its subsidiaries during the period covered by this directors' report.

Corporate governance

During the period under review, the Board endorsed and when applicable, applied the 16 Principles contained in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). The Board has satisfied itself that throughout the period under review, Sun International has complied in all material aspects with King IV and the Listings Requirements of the JSE as the case may be.

Sun International's compliance with paragraphs 3.84 and 8.63 (a) of the Listings Requirements of the JSE plus application of the Principles set out in King IV (as contained in a corporate governance register), form part of the integrated annual report which is made available on the Company's website on 31 March 2023 at: <http://www.suninternational.com/investors/governance/>

At the Company's annual general meeting held on 10 May 2022, shareholders endorsed the two ordinary resolutions pertaining to the Sun International group remuneration policy and the implementation of the Sun International remuneration policy.

The ordinary resolution in respect of the endorsement of the Sun International remuneration policy was passed by a 93.33% shareholder vote in favour of the resolution, while the ordinary resolution in respect of the endorsement of the implementation of the Sun International remuneration policy was passed by a 90.11% shareholder vote in favour of the resolution.

Laws of incorporation and MOI

The directors confirm that:

- Sun International adheres to and complies with the provisions of the Companies Act, the JSE Listings Requirements and its relevant laws of establishment, specifically relating to its incorporation; and
- Sun International is in compliance with the provisions of the Companies Act, specifically relating to its incorporation and operating in conformity with its MOI.

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Material risks

During the period under review and at each risk committee meeting held during the year and at board meetings held thereafter, the directors considered the material risks of Sun International. A description of these material risks relative to the Company and its securities including the hospitality and gaming industry in which Sun International operates can be found in the Company's integrated annual report which is made available on the Company's website on 31 March 2023 at: www.suninternational.com/investors

Director's emoluments

The individual directors' emoluments paid in respect of the financial period under review are contained in the audited financial statements in note 30.

Repurchased equity securities

During the period covered by this director's report, Sun International repurchased [1 853 465 (0.7%)] of its ordinary issued shares in accordance with the general authority granted to it by shareholders at its annual general meeting held on 10 May 2022 at an average price of R31.14 per share. All of these shares were cancelled by the Company and returned to authorised share capital. Refer to note 24.

Borrowing powers and restrictive funding arrangements

In terms of its memorandum of incorporation, Sun International has unlimited borrowing powers. At 31 December 2022, unutilised borrowing facilities amounted to R2.527 billion (31 December 2021: R2.196 billion).

No restrictive funding arrangements were undertaken by Sun International or any of its subsidiaries during the period covered by this directors' report.

Issues for cash

Sun International did not undertake any issues of securities for cash, whether general or specific, during the period covered by this directors' report.

Solvency and liquidity tests

The Directors have performed the required solvency and liquidity tests for Sun International as required by the Companies Act.