

CORPORATE GOVERNANCE REPORT



SAM SITHOLE

Chairman

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

The governing body (the board) is the custodian of governance within the group, and we embrace the pillars of integrity, responsibility, fairness, transparency, honesty and accountability for all stakeholders. These pillars preserve the group's long-term sustainability so we can create and deliver value to all stakeholders. Good corporate governance ensures an ethical and cohesive culture, effective controls, compliance and accountability, responsive and transparent stakeholder engagement, performing to strategic expectations, and legitimacy and trust.

MESSAGE FROM THE CHAIRMAN

Dear stakeholders

I am honoured to have been re-appointed as Sun International's chairman, effective 1 January 2024 and look forward to leading the group, together with my board colleagues. During the past year, there were no changes to the board composition.

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

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

The Tourist Company of Nigeria Plc's (TCN) governance structure includes a statutory audit committee, finance and risk committee, and a nomination and governance committee that monitors remuneration and governance policies in Nigeria. Sun International's director: corporate services is a director of TCN and chairs the nomination and governance committee. He is also a member of the finance and risk committee. Sun International is TCN's operating manager and, where feasible, we have aligned Nigeria's governance framework with South Africa's regarding terms of reference, codes of good practice, mandates and policies. All TCN committees operate under approved mandates and terms of reference and all non-executive directors have letters of appointment. The non-executive directors' fees are recommended by the remuneration committee to the board for endorsement and to shareholders for approval.

Sun International's risk management committee is satisfied with the group's enterprise risk management approach. The risk management process is embedded throughout the group and has identified, assessed and reported the risks facing the group in all territories. The chairman of the risk committee reports to the board at each board meeting to provide assurance that the identified risks are being managed in accordance with principle 11 of King IV™. Each risk is assigned to risk owners within their areas of responsibility and expertise and are responsible for risk mitigation. While these risk owners are identified, the executive management team assumes collective responsibility through the executive committee for monitoring risk mitigation and providing the risk committee with regular progress reports.

The group's social and ethics committee focuses on environmental, health, safety and wellbeing, socio-economic development (SED), enterprise and supplier development (ESD), responsible gambling, ethics and the group's progress against broad-based black economic empowerment (B-BBEE) targets. Further, the policy revitalisation management sub-committee continues to review, update and consolidate group policies.

The group's IT governance structures remain resilient and responsive in securing the information stored across the group's various systems and aligning business objectives to the group's IT strategy. These structures continue to strengthen group-wide IT investment decision-making practices and enhance alignment with business needs.

Stewardship of customer information and data protection is paramount. We continue to enhance our controls to ensure compliance with the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR). During the year under review, Sun International received zero POPIA applications (2022: 26) and three applications (2022: 1) were received in terms of the Promotion of Access to Information Act, 2000 (PAIA).

Sun International's remuneration policy, which was adopted at the 2023 annual general meeting (AGM), outlines performance incentives and ensures that executive remuneration packages are aligned to shareholders' interests.

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

Looking ahead our key focus areas include:

- Continuing to embed an ethical culture, setting the tone at the top and leading the group ethically and effectively in pursuing sustainable growth, through regular ethics awareness campaigns and regularly monitoring incidents and providing feedback on findings.
- Governing technology, information, cybersecurity, disclosures, ensuring compliance with legislation and relevant regulations, including King IV™, JSE Listings Requirements and appropriate best practices.
- Ensuring fair, responsible and transparent people practices.
- Safeguarding the interests of the group's stakeholders.
- Continuing to improve corporate reporting practices and transparency around activities and performance in supporting the fight against corruption.
- Continuing to ensure that the board composition reflects the needs of the group as well as diversity.

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

I would like to thank the board and management for their confidence in me as chairman. The board is confident that the group's resilience, diversity, robust corporate governance and strong leadership will continue to guide and steer the group to explore new opportunities and grow the business.

SAM SITHOLE

Chairman

15 March 2024

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

The board acknowledges its responsibility to lead the group in an ethical, effective and sustainable manner through the mindful application of King IV™ with substance prevailing over form. This entails the integration of the King IV™ recommended 16 principles that culminate in specific outcomes mentioned below.



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

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

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

Governance value creation



GOVERNANCE FRAMEWORK

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



KING IV™ APPLICATION AND GOVERNANCE OUTCOMES

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

BOARD OVERVIEW

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

Board charter

The board operates under a formal and defined board charter that sets out specific responsibilities collectively discharged by board members and the roles and responsibilities of individual directors. This board charter is reviewed periodically and as and when necessary to ensure relevance. The board is satisfied that it has fulfilled its responsibilities in accordance with the charter for the reporting period.

Board and committee attendance: 1 January 2023 to 31 December 2023

	Board	Remuneration committee	Nomination committee	Audit committee	Social and ethics committee	Risk committee	Investment committee
Non-executive directors							
Graham Dempster (lead independent director)	5/5	–	4/4	–	–	3/3	7/7
Caroline Henry	5/5	–	4/4	3/3	–	2/3	–
Dawn Marole ¹	5/5	4/4	–	1/1	3/3	–	–
Sindi Mabaso-Koyana	5/5	4/4	4/4	3/3	–	–	7/7
Tapiwa Ngara ²	5/5	–	–	–	1/1	3/3	7/7
Nigel Payne	5/5	4/4	–	–	3/3	3/3	7/7
Sam Sithole (chairman)	5/5	4/4	4/4	–	–	–	6/7
Zimkhitha Zatu Moloji	5/5	–	–	2/3	3/3	3/3	–
Executive directors							
Norman Basthdaw	5/5	–	–	3/3	3/3	3/3	7/7
Anthony Leeming	5/5	4/4	3/4	3/3	3/3	3/3	7/7

¹ Dawn Marole was appointed to the audit committee with effect from 8 September 2023.
² Tapiwa Ngara resigned from the social and ethics committee with effect from 10 March 2023.

BOARD COMPOSITION

Sun International's unitary board structure comprises both executive and non-executive directors, with the latter being predominantly independent non-executive directors. The non-executive directors have the necessary skills, qualifications, industry experience and diversity to provide judgement independent of management on material board issues. The board skills matrix assesses what the future composition of the board should look like from a diversity perspective and is broader than just gender and race, and includes culture, age, field of knowledge, skills and experience which is in line with the JSE Listings Requirements. The board skills matrix aligns with the group's strategy and complies with best international corporate governance practices.

AGE (at 31 December 2023)



INDEPENDENCE

The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King IV™ and the JSE Listings Requirements. On and prior to the date of this report, the nomination committee agreed that the current six non-executive directors satisfied the independence criteria. These directors are Graham Dempster, Nigel Payne, Caroline Henry, Sindi Mabaso-Koyana, Dawn Marole and Zimkhitha Zatu Moloji. On and prior to this report date, the nomination committee agreed that Sam Sithole and Tapiwa Ngara are not classified as independent non-

executive directors as they represent a major shareholder of the group. Anthony Leeming and Norman Basthdaw are classified as executive directors.

Sam Sithole, Tapiwa Ngara and Zimkhitha Zatu Moloji, who retired from the board in accordance with articles 25.6.1 and 25.17 of the company's MoI were re-elected at the company's AGM held on 9 May 2023, while Dawn Marole, who retired from the board in accordance with articles 25.5 and 25.17 of the company's MoI, was elected at the company's AGM held on 9 May 2023.

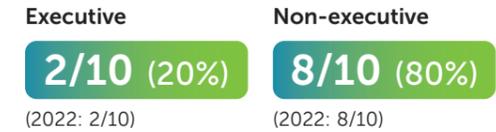
INDEPENDENCE

(at 31 December 2023)



EXECUTIVE AND NON-EXECUTIVE DIRECTORS

(at 31 December 2023)



TENURE OF DIRECTORS

(at 31 December 2023)

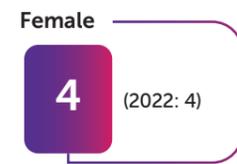


GROUP DIVERSITY

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

Factors considered in ensuring appropriate gender and race targets included the current composition and expected changes in the board, the B-BBEE Codes of Good Practice, the sectoral charter for the tourism industry, the gaming board licences and their respective requirements, and the group's employment equity plan. Black directors comprised 40% of the total directors serving on the board (Sam Sithole and Tapiwa Ngara being excluded per the B-BBEE Codes of Good Practice). The number of female directors equalled 40% of the total board composition.

GENDER (at 31 December 2023)



ETHNICITY (at 31 December 2023)



EFFECTIVE LEADERSHIP

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

Chairman and lead independent director

The board is chaired by Sam Sithole, a non-executive director appointed as board chairman effective 2 July 2021. The chairman of the board is responsible for, among others, ensuring the integrity and effectiveness of the board's governance processes. In terms of the company's board charter, the board chairman is subject to an annual appointment from its board members. During November 2023 the board approved the re-appointment of Sam Sithole as non-executive chairman of Sun International for a further 12 months, with effect from 1 January 2024.

The board charter, which is aligned with King IV™, requires the appointment of a lead independent director. This is particularly relevant where the board chairman is conflicted in relation to executive management, other directorships or stakeholders. During November 2023, the board confirmed the appointment of Graham Dempster, as lead independent director, for a further period of 12 months effective 1 January 2024. In terms of the board charter, the chairman, lead independent director and chief executive have separate responsibilities, as shown below.

Chairman's responsibilities	Lead independent director responsibilities
Responsible for providing ethical and effective board leadership by encouraging candid board debates; overseeing the group's strategy; board succession and performance; managing any conflicts of interest; actively engaging with the chief executive; and ensuring positive stakeholder relations are maintained.	Responsible for providing support and advice to the chairman as a trusted confidante. If the chairman has a conflict of interest, the lead independent director maintains ethical and effective leadership in the chairman's absence. The lead independent director is instrumental in leading and introducing discussion at board and committee meetings regarding the performance and evaluation of the board chairman including his remuneration.
Chief executive's responsibilities	
Responsible for effectively monitoring and managing the business and implementing the policies and strategies adopted by the board; ensuring appropriate internal control mechanisms are in place to maintain compliance with all relevant laws and best practice as well as safeguarding assets; and guiding and assessing executive management's performance against strategic objectives. The chief executive delegates the appropriate authority to his management team in terms of defined levels of authority and retains accountability to the board.	

Chief executive and delegation of authority

Anthony Leeming is Sun International's chief executive and the board's governance and management functions are linked through the chief executive. The chief executive's role and function is formalised, and the board, through the remuneration committee, annually evaluates his performance against specified key performance indicators. In addition, the chief executive's performance as a director is assessed by the chairman of the board in conjunction with the nomination committee. Following a performance assessment conducted in 2023 the chief executive was found to be adequately equipped and suitable to carry out the duties of his role.

Group company secretary

Andrew Johnston continued to serve as group company secretary during the year under review. Andrew holds the following qualifications: BA, LLB, FCIS PGDip in Environmental Law and a Certificate in Advanced Corporate and Securities Law. He was previously a member of the Accounting and Auditing Task Force of The King Committee responsible for implementing the second King Report on Corporate Governance for South Africa. He is a qualified and admitted attorney and has served as a senior executive and group company secretary of several large publicly listed companies in South Africa for more than 26 years. The appointment and removal of the group company secretary is a matter for the board as a whole.

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

Group company secretary responsibilities include the following:

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

ETHICAL LEADERSHIP

Code of ethics

The group subscribes to the highest standards of lawful, ethical and responsible business conduct, and requires that all stakeholders in their interaction with the group adhere to similar principles. The group seeks to achieve sustainable growth by recognising the vested interests of all stakeholders and the group's commitment to sustainable business practices in building and maintaining a sustainable ethical culture across the group, emphasising the role each of its stakeholders play by leading by example.

The group appreciates that it operates within a network of relationships that requires collaboration with all stakeholders being honest, acting with integrity and being accountable, fair and respectful, which ultimately protects its name and reputation. The code of ethics is premised on the 10 UNGC Principles, the SunWay culture aimed at identifying enabling and disabling behaviours across the group, our values (which helps to ensure that all employees always act ethically) and our CLEAR (connect, listen, engage, act and reconnect) customer principles and strategy.

www A copy of the group code of ethics can be accessed on the group's corporate website <https://corporate.suninternational.com/investors/investors-governance/code-of-ethics/>

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

Ethics advice facilities and whistle-blowing hotline

The group has a zero-tolerance policy towards ethical misconduct. Each employee is required to encourage colleagues to speak up about any ethical concerns they may have and to do what is right. Stakeholders have several avenues to report whistle-blowing incidents and/or ethical concerns or dilemmas. These include the group's 24-hour anonymous tip-off hotline independently run by Deloitte Tip-off Anonymous Pty Ltd (via the portal, email and toll-free number). Operators respond to calls in all South Africa's official languages and guide stakeholders through standardised questions in compliance with section 159(7) of the Companies Act. An in-house walk-in function is available at any of the ethics office representatives located at central office, and there is a dedicated, secure and confidential ethics office email address for reporting ethical concerns.

Deloitte & Touche are the group's auditors and Deloitte Tip-off Anonymous Pty Ltd provides tip-off hotline facilities to the group. While both being part of the Deloitte organisation, they operate independently with different teams handling their respective services. This ensures a level of independence and impartiality in dealing with sensitive matters, such as whistleblowing and auditing, within the organisation. Deloitte Tip-off Anonymous Pty Ltd facilitates the capturing of the tip-offs received from the group's stakeholders and provides same directly to the ethics office to review, investigate and close out. Therefore the risk of self-review by Deloitte's entities is limited.

The ethics office investigates all tip-offs received at every level of the organisation, and allows the company to take decisive action, reinforce our policies, and improve controls where necessary. Once a tip-off has been reported, the ethics office is notified and

all tip-offs reported are confidentially investigated, monitored and actioned accordingly. The ethics office liaises with whistleblowers through these avenues to obtain information to investigate. The chief executive is advised of any matter involving senior management and any of the ethics office's representatives. The chairman of the board and of the social and ethics committee are advised of any matter implicating the chief executive. There is ongoing commitment from management to ensure that all incidents reported are thoroughly investigated and that the relevant and appropriate remedial actions are taken.

Anonymity is always maintained to curb perceptions of victimisation or fear of intimidation or retaliation. All stakeholders are encouraged to report actual events or suspected events of bribery, corruption, improper inducement or influencing, or any other unlawful or unethical conduct, through these incident reporting channels.

The predominant category of incidents reported during 2023 were human resources-related incidents. Based on observations made by the ethics office, it appears that the incidents are being reported by both internal and external stakeholders (including customers) – this could indicate stakeholder confidence in the tip-off hotline process. The incidents reported were received through independent service provider hotline facilities, as well as directly to the group ethics office email address.

All reported incidents were investigated by management, and where necessary, corrective actions were taken. In addition, where possible, the ethics office directly interacted with the whistle-blowers or indirectly through the independent service provider hotline platform to obtain additional information. Sun International is legally bound by the Protected Disclosures Act 26 of 2000 and is committed to the protection of whistle-blowers. None of the incidents related to human rights abuses emanating from Sun International.

Ethics management

The board, through its social and ethics committee, manages organisational ethics and has an ethics office. The ethics office strategy and implementation plan is premised on its mandate as set out in the social and ethics committee mandate and terms of reference and aligned to legislation and industry best practices, including the Companies Act, the Protected Disclosures Act, the King IV™ Report, and the ethics management framework established by The Ethics Institute. The ethics office is an independent, active and dedicated department within the group, comprising of the group ethics officer, chief financial officer, director: corporate services and director of internal audit. Its duties include, among others:

- **Partnering** with management to facilitate the enhancement of an ethical culture across the group and discouraging unethical behaviour to promote a sound ethical tone at the top.
- **Contributing** towards ethics risk management group-wide.
- **Planning**, organising, directing and controlling of all formal ethics-related group activities, including creating awareness around and advising on standards of ethical behaviour and discouraging unethical behaviour.
- **Providing** oversight, management, coordination and reporting of whistle-blowing matters investigated through all incident reporting channels.
- **Promoting** ethics awareness group-wide through periodic training, campaigns and surveys.

Sun International has several processes, policies, codes and controls in place and supports several initiatives to ensure that a cohesive ethical culture is seamlessly applied group-wide. The code of ethics is supported by associated ethics related policies which include, among others, the group supplier

code of conduct, anti-fronting statement, the suite of group sustainability related policies, the suite of human resources related policies, the anti-corruption and economic crime policy, anti-money laundering, anti-terrorism and proliferation financing statement and the conflict of interest policy.

The code of ethics helps the group fulfil its responsibility to all stakeholders and proactively encourages all stakeholders to abide by, and operate within, the code of ethics, including through its contracting processes. All suppliers and service providers are required to abide by the group's supplier code of conduct. This supplier code is based on recognised international standards, principles and best practices, including the 10 UNGC Principles, relating to, among others, labour conditions, human rights, competitive conduct, occupational health and safety, environmental impacts and combating bribery and corruption.

The ethics office meets with members of senior executive management to discuss trends arising from the matters reported through the incident reporting facilities and material incidents of ethical misconduct reported to management group-wide. The ethics officer serves as a member of the combined assurance forum, which contributes to the group's enterprise risk management processes, and is also an invitee to the group risk working committee. Closed sessions are held between the social and ethics committee chairman, independent member directors, members, chief executive and the ethics officer after each social and ethics committee meeting, to discuss any material ethical issues reported group-wide and the investigation methodology utilised to close these out.

The executive committee signed a declaration confirming their personal commitment to the code of ethics as part of their commitment to ethical leadership and setting the ethical tone at the top.



ETHICAL LEADERSHIP continued

Group values

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

Teamwork | Customer first | Passion | Professionalism

SunWay

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

Conflicts of interest

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

United Nations Global Compact



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

Insider trading and dealing in securities

The following policies are in place:

Group disclosure policy

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

Dealing in securities policy

This policy regulates the dealings in securities of Sun International by directors, the company secretary, directors of major subsidiaries, prescribed officers and other employees of the group in compliance with this policy, the JSE Listings Requirements and the Financial Markets Act 19 of 2012. This policy is applicable to all employees and directors who may be deemed to be insiders for the purposes of dealing in the company's securities. Furthermore, this policy is binding on the immediate family members of all persons deemed to be insiders and any persons who may have acquired insider information from an insider.



Organisation for Economic Cooperation and Development

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

Equal pay for work of equal value

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



Sustainable Development Goals (SDGs)

Sun International embraces the United Nations SDGs, and we endeavour to contribute to achieving them through our operations and business strategies. The SDGs depicted below are the most relevant SDGs for the group and remained the key focus for 2023.



Responsible gambling

Being a responsible corporate citizen is part of the group's DNA and we fully support responsible gambling through the South African Responsible Gambling Foundation (SARGP), the entity that supervises the National Responsible Gambling Programme (NRGP) in cooperation with the gambling industry operators and governmental regulators. The NRGP integrates education, research and treatment into one programme. In 2023, Sun International contributed about R6.3 million (2022: R8 million) towards the NRGP in respect of casinos, sports betting and LPMs collectively.



The group also has various measures in place to promote responsible gambling at all our gambling properties and sites. These include responsible gambling brochures and posters on site and all gambling-related advertising complies with national and provincial gambling laws and contain the NRGP contact details. All surveillance and security departments continuously scan the gaming areas for problem gamblers and minors and if identified, they are warned and removed from the gaming areas. At a minimum all gaming employees receive responsible gambling training from the NRGP to identify possible problem gamblers. To register for a Sun International MVG card, the applicant's age is verified, and a copy of their identity document is retained.

Sun International offers a self-exclusion programme whereby any person with a gambling problem can exclude themselves from gambling at specific Sun International gambling operations, or all of them. Self-excluded persons are removed from the marketing mailing list, and they do not receive any gambling-related communication. The players' MVG cards are deactivated, and their cash desk profile is blocked. If a person wants to uplift their self-exclusion status, they are required to attend professional counselling sessions through the NRGP and are only reinstated upon receipt of a letter from a professional psychologist or psychiatrist. Any winnings accruing to self-excluded persons and minors are forfeited, with winnings donated to a charity supported by the gambling operation. Minors' winnings are remitted to the National Gambling Board.

BOARD PROCESSES

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

Board appointments and rotation of directors

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

In accordance with the company's MoI, one-third of the non-executive directors are required to retire at the AGM 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 AGM of the company, any non-executive director will have reached the age of 70 years or older and/or held office for an aggregate period of nine years since his or her first election or appointment, he or she shall retire at such meeting, either as one of the non-executive directors to retire in pursuance of the foregoing or additionally thereto and being eligible, may offer themselves for election or re-election. At the upcoming AGM in May 2024, Graham Dempster, Caroline Henry and Sindi Mabaso-Koyana retire from the board in accordance with articles 25.6.1 and 25.17 of the company's MoI while there are no directors who retire from the board in accordance with article 25.5 and 25.17 of the company's MoI.

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

A brief CV of each director offering themselves for re-election will form part of the annual statutory report as Annexure B.

Nomination and selection process for board appointments

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

Board induction

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

Ongoing director training and development

Keeping up to date with key legal, regulatory and business developments within the group and industry is essential to enhancing the board's effectiveness. During 2023, ongoing training was conducted including:

- Presentations from executives on matters of significance to the group.
- Engagement with the major investors on their market views.
- Circulation of articles, briefings and updates on the regulatory environment, from external specialists and the group company secretary.
- An update regarding the JSE's pro-active monitoring of financial statements.
- The Financial Intelligence Centre (FIC) Act, regarding the various risks the group's gambling activities may be exposed to in terms of money-laundering, terror financing and proliferation financing as well as the group's APEX Risk Management Compliance Programme. Directors receive ongoing training regarding Anti-Money Laundering (AML) contemplated in the FIC Act.

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

Succession planning

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

Board, directors and committee evaluations

The board, board chairman, lead independent director, board committees and board members are evaluated every other year, or more frequently as required, on their performance in relation to their governance of economic, environmental and sustainability issues, and board and committee processes and procedures. Every other year, the board reviews the performance of each of the board committees and the statutory audit committee to ensure that their composition, mandate and authority enable them to provide effective assistance to the board in the key areas in which they function. Board and committee evaluations were conducted towards the end of 2022, with no adverse findings and will take place again towards the end of 2024. An external board and committee evaluation is conducted every six years and took place in 2023. These evaluations revealed that the board and its committees are performing effectively, with most aspects of their performance meeting expectations. The members of the board and its committees have the necessary qualifications, expertise and independence to fulfill their responsibilities diligently, and there is effective communication and feedback between the committees and the board.

Sun International remains cognisant that the performance of the board, and its statutory and board committees is essential considering the increased focus on accountability, transparency and creating value.

Board meetings

A minimum of four board meetings are scheduled for each financial year. The board also reviewed and approved changes to the composition of the Sun International audit committee and Sun International social and ethics committee. Dawn Marole was appointed as a member of the Sun International audit committee effective 8 September 2023. Tapiwa Ngara resigned from the social and ethics committee effective 10 March 2023.

The board held its annual strategy session with the broader executive management team, to deliberate on the group's strategic direction and agree on the group's annual budget as proposed by management. The group's key strategic objectives were set at the strategy meeting and progress thereon is reported at each board meeting. The group's strategy and annual budget were approved by the board.

BOARD COMMITTEES AND ATTENDANCE

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

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

Each committee comprises three or more members, the majority of whom are independent, except for the risk committee of which 57% of the members are independent and 71% non-executive. All committees operate in accordance with their terms of reference, which are reviewed and updated annually where applicable, to ensure alignment with the latest developments in legislation, King IV™, the JSE Listings Requirements and business requirements. Key senior management members are invited to attend certain meetings as invitees and to provide input on matters for discussion.

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

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

Audit committee

COMMITTEE PURPOSE

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

Committee members	Number of meetings	Attendance
Caroline Henry	3	3
Sindi Mabaso-Koyana	3	3
Zimkhitha Zatu Moloi	3	2
Dawn Marole ¹	1	1

Right of attendance		
Anthony Leeming (CE) [^]	3	3
Muxe Mambana [^]	3	3
Norman Basthdaw (CFO) [^]	3	3
Graham Wood (COO) ^{2^}	2	2

Independence*

100%
(2022: 100%)

Attendance**

90%
(2022: 92%)

* Independence % is calculated as at 31 December 2023.

** Attendance % is calculated based on attendance throughout the year.

¹ Dawn Marole was appointed to the Sun International audit committee with effect from 8 September 2023.

² As of the 15 November 2023 audit committee meeting, Graham Wood was no longer required to attend audit committee meetings by right of attendance.

[^] Executive.

In addition to the above, Deloitte & Touche and certain key members of senior Sun International management attend the audit committee meetings by right of attendance.

FOCUS AREAS DURING 2023

- ▶ Reviewed group internal audit's opinion on internal financial controls, including the effectiveness of governance, risk management and control processes and implementation of the combined assurance framework.
- ▶ Reviewed the summary of audit findings and status update relative to the annual audit plan.
- ▶ Reviewed the information technology risks as they relate to financial reporting.
- ▶ Reviewed the adequacy of internal audit resources and expertise.
- ▶ Reviewed and approved the scope of the risk-based internal audit plan for the year ended 2023.
- ▶ Reviewed non-audit services.
- ▶ At the audit committee meeting in March 2023, it evaluated the performance of the external auditor and assessed the external audit firm and individual lead audit partner pursuant to the auditor accreditation model.
- ▶ Recommended the re-election of the external auditor to the board and shareholders.
- ▶ Reviewed the combined assurance policy and framework and implementation plan.

SATISFIED ITSELF AS TO THE:

- Fulfilment of the audit committee's duties pursuant to Section 94 of the Companies Act.
- Competence of the chief financial officer, who is an executive director, and was satisfied with his expertise and experience.
- Establishment of appropriate financial reporting procedures and that those procedures are operating, which included consideration of all entities in the consolidated group IFRS financial statements, to ensure that the audit committee has access to all Sun International's financial information to allow Sun International, to effectively prepare and report on the financial statements of Sun International.
- Chief executive's and chief financial officer's signed responsibility statement, which confirms that the company's annual financial statements are complete and an accurate reflection of the group's financial performance as well as confirming that adequate and effective internal controls are in place. [www](#) See the audit committee report for more detail.
- Information received from the external auditor in accordance with paragraph 22.15(h) of the JSE Listings Requirements (and following consultations with the external auditor in this regard) in the assessment of their suitability regarding the external auditor's reappointment, as well as the designated individual partner, and satisfied itself that the appointment and independence of the external auditor were as per the requirements of the Companies Act, and that the individual audit partner was an accredited auditor (as per the JSE Listings Requirements).
- Group's ability to satisfy the solvency and liquidity test as set out in Section 4(1) of the Companies Act immediately after the payment of the dividends declared during 2023.
- Group's ability to meet all obligations and operate as a going concern for the following 12-month period.
- Risk committee's overview of the top risks within the group.
- General IT controls across the group being satisfactory and the absence of material concerns in terms of cyber-attacks.
- Performance of audit committee functions required under Section 94(7) of the Companies Act on behalf of the company's subsidiaries and associate companies.
- Non-audit-related services performed by Deloitte & Touche not impairing the independence of Deloitte.
- Fact that the audit committee has executed its responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements.
- Amendment of the audit committee's terms of reference to exclude the chief operations officer, who is no longer required to attend meetings by right of attendance.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- ▶ Ensuring the group's financial systems, processes and internal financial controls operate effectively.
- ▶ Reviewing reports presented by the JSE regarding its proactive monitoring process.
- ▶ Reviewing changes to the JSE Listings Requirements.
- ▶ Monitoring accounting reporting standards, including IFRS S2 effective from 1 July 2024 in terms disclosure relating to climate-related risks and opportunities that could affect cash flows.
- ▶ Monitoring the Companies Amendment Bill, 2021.
- ▶ The group's combined assurance policy and framework and implementation plan.
- ▶ Obligations of an audit committee in terms of the Companies Act, JSE Listings Requirements and King IV™.

Stakeholders addressed



Top risks addressed

R1 R3 R4 R5 R6 R8 R9

CLICK HERE TO SEE EXPLANATION OF ICONS



Nomination committee

COMMITTEE PURPOSE

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

FOCUS AREAS DURING 2023

- ▶ Annual independence evaluation of each non-executive director.
- ▶ Re-appointment of Sam Sithole as non-executive chairman of Sun International and Graham Dempster as lead independent director of Sun International.
- ▶ Changes to board committee memberships.
- ▶ Assessed the qualifications, competency and expertise of Andrew Johnston, Sun International's company secretary.
- ▶ Nominated and approved trustee appointments to pension and/provident funds and their sub-committees.
- ▶ Assessed voluntary board diversity targets.
- ▶ Development of black employees for top and executive management positions, with particular focus on black females.
- ▶ Reviewed succession and developmental planning throughout the group and on the main board to ensure talent is retained and/or sourced, especially black talent, particularly black females.
- ▶ Considered executive committee, prescribed officers and general manager succession planning across the group as well as board and committee succession planning.
- ▶ Considered directors who retire in accordance with the MoI.
- ▶ Appointed Nwabisa Piki as Head of Investor Relations with effect from 1 January 2024.
- ▶ Development of the Nomination and Appointment of Directors Policy which was approved by the board.
- ▶ Management's engagement with the National Gambling board and the dti regarding aligning national key employee licence/probity application templates with POPIA and other data privacy laws.
- ▶ The external board and committee evaluation.

Committee members	Number of meetings	Attendance
Sam Sithole	4	4
Graham Dempster	4	4
Caroline Henry	4	4
Sindi Mabaso-Koyana	4	4
Invitee		
Anthony Leeming (CE) [^]	4	3

* Independence % is calculated as at 31 December 2023.
 ** Attendance % is calculated based on attendance throughout the year.
[^] Executive.

Independence*



(2022: 75%)

Attendance**



(2022: 100%)

Stakeholders addressed



Top risks addressed

R 1

CLICK HERE TO SEE EXPLANATION OF ICONS



SATISFIED ITSELF AS TO THE:

- Independence of each non-executive director categorised as independent.
- Appointment of Sun International's chairman and lead independent director.
- Proposed election and re-election of directors at the 2023 and 2024 AGMs.
- Competence, experience and qualifications of the group company secretary.
- Succession plan for Sun International's executive management, the group chairman, chief executive, chief financial officer and prescribed officers.
- Gaps identified on the board included IT/technology, marketing/sales and hospitality sector skills and experience (including gaming), as well as black female representation on the board.
- Fact that a diversity policy is in place and is on the company's website.
- Fact that there is a board skills matrix in place.
- Achievement of voluntary targets of black directors and female directors on the main board.
- Noted and confirmed the appointment of new employee elected trustees for the Sanlam Umbrella Fund.
- Noted that there had been zero changes to the board members' JSE schedule 13 declarations since their initial appointments to the boards.
- Positive results of the external board evaluation exercise with no material issues identified by members.
- Group's employment equity strategy is being well managed and that overall, the group meets and, in most cases, exceeds its EE targets and that the only areas the group needs to focus on and improve its EE targets was at senior/executive level.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- ▶ Monitoring the skills, experience and composition requirements of the main board and committees, with specific focus on increasing the black female, youth, sales and marketing, IT and international hospitality skills complement considering the group's gender, race and diversity policy and diversity requirements per the JSE Listings Requirements.
- ▶ Engaging with Sun International's social and ethics committee in terms of seeking its guidance and input around both gender and race diversity at board level.
- ▶ Monitoring of non-executive directors' independence and potential conflicts of interest.
- ▶ Succession and developmental planning throughout the group and on the main board.

Risk committee

COMMITTEE PURPOSE

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

Committee members	Number of meetings	Attendance
Tapiwa Ngara	3	3
Norman Basthdaw (CFO) [^]	3	3
Anthony Leeming (CE) [^]	3	3
Nigel Payne	3	3
Caroline Henry	3	2
Graham Dempster	3	3
Zimkhitha Zatu Moloji	3	3
Standing Invitees		
Verna Robson [^]	3	3
Graham Wood [^]	3	3
Pragasen Pather [^]	3	3
Muxe Mambana	3	3

Independence*

57%

(2022: 57%)

Attendance**

95%

(2022: 96%)

* Independence % is calculated as at 31 December 2023.
** Attendance % is calculated based on attendance throughout the year.
[^] Executive.

In addition to the above, certain other key executives and members of senior management (including the risk manager) attend the risk committee meetings by invitation.

Stakeholders addressed



Top risks addressed



CLICK HERE TO SEE EXPLANATION OF ICONS

FOCUS AREAS DURING 2023

- ▶ Reviewed the group's risks and opportunities identified the top 10 risks detailed in the risk management report.
- ▶ Ongoing impact of weak economic conditions, utility supply and efficiencies, as well as political and civil unrest.
- ▶ Reviewed water and electricity efficiencies and supply risk and focused on fast-tracking the group's renewable energy strategy.
- ▶ Reviewed the group's insurance programme before presentation to the board for approval.
- ▶ Reviewed cyber security controls as cyber threats increase.
- ▶ Finalisation of core information technology standards that align to the Control Objectives for Information Technologies 2019 (COBIT), to enhance information management and IT governance.
- ▶ Monitored legislation impacting the group.
- ▶ Monitored various legal matters.
- ▶ Focused on continued relationship building with minority shareholders.
- ▶ Reviewed risk control and internal audit management reports.
- ▶ Considered the monitoring of employee wellness, and retention as a risk to the group.
- ▶ Considered the risk of governments placing restrictions on operators' marketing activities.
- ▶ Considered market erosion impact of illegal gambling.
- ▶ Ensured management actively and adequately addressed the risks facing the group and the current risk environment.
- ▶ Reviewed the group's combined assurance framework underpinned by its four assurance layers – management, support functions, internal and external assurance.
- ▶ Potential Playtech implementation risks.
- ▶ Reviewed gaming and non-gaming compliance and group sustainability matters.
- ▶ Reviewed the group's Business Continuity Management Strategy and Policy.
- ▶ Approved Sun International's risk enterprise management strategy and framework (aligned with the ISO 31000:2018 international standard for risk management, King IV™ and the Companies Act) that supports the integration of risk management with strategy, combined assurance and across all business processes.
- ▶ Compliance with data protection laws, such as POPIA.
- ▶ Reviewed key matters and initiatives related to the promotion of responsible gambling practices.

SATISFIED ITSELF AS TO THE:

- Sun International's control processes around governance, risk management and controls had been adequately designed and effectively implemented to support the achievement of the strategic objectives.
- The third-party risk management framework that had been approved by executive management.
- 2023 evolved POPIA compliance into the management phase with the implementation of an established culture, continued monitoring of compliance and automated personal information inventories and third-party due diligence assessments.
- Sun International's approved ESG strategy.
- A dedicated enterprise risk management function had been established. The enterprise risk management strategy framework and policy had been approved by the board.
- Sufficient training had taken place regarding awareness of the provisions of the Code of Good Practice on Prevention and Elimination of Harassment in the Workplace.
- Sufficient APEX Risk Management controls were in place and sufficient training and Anti-Money Laundering training had been provided.
- Management remained focused on embedding controls in partnership with Internal Audit, in terms of King IV™ IT governance.
- Sustainability initiatives such as waste and utility management, health, safety and wellbeing received ongoing focus.
- The continued heightened risk of power outages was being monitored and the impact of this on group electrical infrastructure.
- Management had conducted a scenario planning exercise on a potential total electrical grid failure and defined various response plans for regional and country-wide outages.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- ▶ Monitoring the group's IT governance structure to ensure it addresses critical IT risk and IT investments, particularly retaining IT resources, and other critical skills.
- ▶ Organisational resilience in terms of market risk, any potential impact on revenue generation and the domestic leisure industry.
- ▶ Monitoring of cyber security controls as cyber-attacks increase.
- ▶ Monitoring of legislation impacting the group.
- ▶ Relationship building with minority shareholders.
- ▶ Employee wellness and retention.
- ▶ Assessing group risks from an environmental, social and corporate governance perspective.
- ▶ Ensuring that management implements the group's third-party risk management framework.
- ▶ Integrating the group's enterprise risk framework with the combined assurance framework to further enhance the group's risk management and assurance process.
- ▶ APEX Risk Management Compliance and Compliance Programme training and Anti-Money Laundering training.
- ▶ Ensuring that management implements Sun International's approved ESG strategy.
- ▶ Ensuring that management implements Sun International's enterprise risk management strategy and framework.
- ▶ Enhancing POPIA controls and practices.
- ▶ Climate-related risks and opportunities.
- ▶ Risks relating to the increasing role artificial intelligence (AI) is starting to play in the hospitality industry.

Social and ethics committee

COMMITTEE PURPOSE

- **monitors** the group's social, transformation, economic and environmental performance and the social impact of its reputational risk
- **reports** to the board and the group's stakeholders on social, transformation, economic and environmental developments and progress
- **oversees** the group's ethical conduct and confirms that it carries out its responsibilities in accordance with section 72 and Regulation 43 of the Regulations to the Companies Act as well as the JSE Listings Requirements
- **monitors** the group's prioritised SDGs
- **assists** the board in assessing aspects of governance applicable to the committee's function and terms of reference
- **ensures** that Sun International remains a socially committed and responsible corporate citizen
- **ensures** gaming promotions are ethical

Committee members	Number of meetings	Attendance
Zimkhitha Zatu Moloi	3	3
Anthony Leeming (CE) [^]	3	3
Dawn Marole	3	3
Nigel Payne	3	3
Tapiwa Ngara ¹	1	1
Standing Invitees		
Norman Basthdaw (CFO) [^]	3	3
Andrew Johnston [^]	3	3
Verna Robson [^]	3	3
Muxe Mambana [^]	3	3
Shruti Singh ^{^^}	3	2
Raveshni Naidoo ^{^^}	3	3
Lenny Reddy ^{^^}	3	3

Independence*

75%

(2022: 60%)

Attendance**

100%

(2022: 100%)

* Independence % is calculated as at 31 December 2023.
 ** Attendance % is calculated based on attendance throughout the year.

1 Tapiwa Ngara resigned from the Sun International social and ethics committee with effect from 10 March 2023.

[^] Executive.

^{^^} Shruti Singh is Sun International's Ethics officer. Raveshni Naidoo is Sun International's ESG manager. Lenny Reddy is Sun International's Gaming Compliance & Regulatory Manager.

In addition to the alongside, certain key members of senior management attend the social and ethics committee meeting by invitation.

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

Stakeholders addressed



Top risks addressed



CLICK HERE TO SEE EXPLANATION OF ICONS

FOCUS AREAS DURING 2023

- ▶ Reviewed the sustainability reports regarding the group's impact on the natural environment to ensure environmental sustainability, current SHE policies and the group's contribution to SED and CSI. Pertinent matters included energy and water consumption and zero-waste-to-landfill at certain operations.
- ▶ Satisfying itself in conjunction with the remuneration committee that the group's remuneration policies are fair and equitable.
- ▶ Monitored the group's diversity and inclusion strategy implementation and EPWEV to reduce the gender pay gap within the group and empowerment of women.
- ▶ Employment equity progress in accordance with the group's employment equity plan and the company's B-BBEE results as issued by the verification agency.
- ▶ Material matters arising from the group's ethics hotline and feedback received from the ethics office and whistle-blowing report.
- ▶ Group's social, health, safety and wellness and environmental and transformation performance in line with relevant codes and legislation, and the principles set out in the UNGC and SDGs, as well as the OECD recommendations regarding corruption and noted that this is dealt with in various group policies.
- ▶ Ongoing pressures being exerted on the group by various community forums.
- ▶ Group's engagement with stakeholders on the group's social, transformation, economic and environmental progress.
- ▶ Reviewed information governance.
- ▶ Considered consumer relationships including Sun International's advertising and public relations initiatives, as well as any other matter relating to the group's contribution to the development of communities, as well as the group's adherence to consumer laws.
- ▶ Reviewed responsible gambling reports submitted by management and monitored crèche usage and self-exclusion applications.
- ▶ Employment Equity Act: Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace.
- ▶ Reviewed initiatives around preventing gender-based violence.
- ▶ Reviewed the group's activities around responsible and transparent procurement and sustainable supply chain, including a review of the group's top suppliers, their B-BBEE ratings, and Sun International initiatives to procure locally within the communities.

SATISFIED ITSELF AS TO THE:

- Based on the committee's performance during the year, it had fulfilled its mandate in terms of Regulation 43 of the Regulations to the Companies Act, the JSE Listings Requirements and Mol.
- There were no known instances of material non-compliance with legislation or regulations, or non-adherence with codes of best practice in terms of the areas within its mandate during the year under review, or repeated regulatory penalties, fines, censures, or compliance orders.
- The group has operated as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development, and community upliftment.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- ▶ Monitoring the group's social, transformation, economic and environmental performance.
- ▶ Transparent and proactive engagement with communities where we operate.
- ▶ Sun International's approved ESG strategy.
- ▶ Monitoring the group's progress against and focus on sustainable development goals.
- ▶ Continued training and communication with employees through the Sun Talk platform, and engagement with employees in terms of their wellness through the employee wellness programme.
- ▶ Monitoring provisions relating to a social and ethics committee in the proposed Companies Amendment Bill, 2021.

Remuneration committee

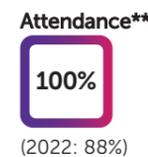
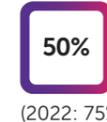
COMMITTEE PURPOSE

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

Committee members	Number of meetings	Attendance
Sindi Mabaso-Koyana	4	4
Sam Sithole	4	4
Dawn Marole	4	4
Nigel Payne	4	4
Invitees		
Anthony Leeming (CE) [^]	4	4
Verna Robson [^]	4	4

* Independence % is calculated as at 31 December 2023.
 ** Attendance % is calculated based on attendance throughout the year.
[^] Executive.

Independence*



Stakeholders addressed



Top risks addressed

R1

CLICK HERE TO SEE EXPLANATION OF ICONS

FOCUS AREAS DURING 2023

- ▶ Ongoing initiatives to evaluate and where necessary address EPWEV.
- ▶ Ensured that remuneration practices align with the remuneration policy.
- ▶ Monitored the fair remuneration framework for the group.
- ▶ Aligned with the principles of fairness and responsibility and continued to make inroads in terms of addressing the gender pay gap.
- ▶ Implemented the variable pay structure (following the Covid-19 pandemic years) as detailed in the Remuneration Policy tabled at the 2023 AGM.
- ▶ Continued to address the concept of a living wage in accordance with the Framework for Fair Remuneration Policy.
- ▶ Assessed talent requirements in conjunction with succession plans.
- ▶ Building on softer human capital remuneration issues, with continued focus on the Sun Star Award programme.
- ▶ Annual appraisal of performance of chief executive, executives, prescribed officers and unit general managers.
- ▶ Determined and agreed the executive committee members', prescribed officers' and unit general managers' key performance indicators (KPIs) for the year.
- ▶ Reviewed the remuneration report and required disclosures, plus remuneration policy. Reviewed feedback on the outcome of non-binding advisory vote of shareholders.
- ▶ Reviewed compulsory employee benefits – retirement funding and healthcare benefits.

- ▶ Reviewed the limits of authority of the chief executive and recommended to the board for approval.
- ▶ Noted the vested and unvested long-term share-based incentives awarded to executives and senior management in the last few years.
- ▶ Reviewed the proposed changes to the Companies Amendment Bill, 2021 which would impact remuneration committees and remuneration going forward.
- ▶ Engaged with Bowmans Reward Advisory Services, 21st Century and PricewaterhouseCoopers Inc. (PwC) remuneration consultants to advise on, among others, the benchmarks for certain non-executive directors' fees, as well as senior executives', general managers', and other senior managers' total cost of employment (TCOE) and total reward packages. Additionally, PwC reviewed the peer group of companies against which Sun International benchmarks its senior executives' TCOE packages and non-executive directors' fees.
- ▶ The non-executive directors' fees as approved by the shareholders at the AGM, be paid to the non-executive directors with effect from 1 July 2023 following a benchmark exercise conducted by 21st Century.
- ▶ Focused on ESG KPIs which form part of the senior executives', general managers' and senior managers' STIs.
- ▶ Examined the feasibility of paying non-executive directors who are permanently based in the UK or Europe their fees for services as directors in British pounds.

APPROVED THE:

- KPIs for executive committee members and general managers for FY2024 and confirmed the performance rating for the chief executive for the 2023 financial year.
- Performance metrics attaching to performance shares (conditional share plan) to include adjusted headline earnings per share (HEPs) and return on capital (ROC).
- Amended STI financial targets to differentiate between the group and unit financial performance. Adopted adjusted EBITDA and adjusted HEPs as the performance metrics in respect of the STI FY2023, as opposed to a single performance metric used during the Covid-19 years.
- Remuneration report (policy and implementation) for endorsement by shareholders at the 2024 AGM.
- Amended mandate and terms of reference to align with best practice.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

- ▶ Improving annual remuneration practices disclosure.
- ▶ Improving engagement with shareholders in accordance with the principles enunciated by King IV™.
- ▶ Dialogue with shareholders around evolving remuneration practices and policies.
- ▶ Continuing to evaluate fair and ethical remuneration practices and the concept of a living wage.
- ▶ Preparing for the anticipated enactment of the Companies Amendment Bill, 2021.

Investment committee

COMMITTEE PURPOSE

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

Committee member	Number of meetings	Attendance
Graham Dempster	7	7
Sam Sithole	7	6
Sindi Mabaso-Koyana	7	7
Tapiwa Ngara	7	7
Nigel Payne	7	7
Invitees		
Anthony Leeming (CE) [^]	7	7
Norman Basthdaw (CFO) [^]	7	7

* Independence % is calculated as at 31 December 2023.
 ** Attendance % is calculated based on attendance throughout the year.
[^] Executive.

In addition to the above, certain key members of senior management attend the investment committee meeting by invitation.

FOCUS AREAS DURING 2023

- ▶ Noted the capex budget for 2023 and capex budget for 2024.
- ▶ Reviewed potential acquisitions, including the Peermont Group.
- ▶ Reviewed the combined valuation of the group.

LOOKING AHEAD THE COMMITTEE WILL CONTINUE TO FOCUS ON:

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

Stakeholders addressed



Top risks addressed

R1 R2 R3

CLICK HERE TO SEE EXPLANATION OF ICONS

IT GOVERNANCE

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

Sun International's IT governance framework is aligned to COBIT (an international best practice framework for ICT governance). The IT steering committee is designed to drive the approval and execution of group-wide projects. It continues to strengthen group-wide IT investment decision-making has enhanced its alignment to business needs. This has positioned the group to better co-ordinate delivery of group-wide initiatives, and explore new and emerging technologies like AI and other digital capabilities.

The initiatives to execute our key business objectives are still relevant and will continue to be assessed as our business seeks to enhance our customer-centric omnichannel capabilities. We are cognisant of the increasing importance of a holistic IT strategy and constant re-alignment of the key strategic objectives to risk indicators. Our IT governance sub-committee is confident we have the right processes in place to adapt to changing business needs, as well as emerging technologies and risks.

Key 2023 focus areas included:

- Continuing maturity of our privacy controls and data governance practices.
- Enhancing our cyber security controls to address new and emerging threats.
- Reviewed the group's cyber insurance cover, including an approved first responder incident provision.
- Migrated our primary data centre to a new world class tier 4 location at Africa Data Centre.
- Continued driving human security training and awareness campaigns using various simulation scenarios.
- Defined a new third party risk management framework to better manage data privacy requirements.
- Successfully tested our disaster recovery and business continuity plans for critical systems, as well as defined crisis plans for various threat scenarios.
- Exploring new technologies, like AI and metaverse and defining opportunities and value drivers for our industry.

RISK GOVERNANCE AND COMBINED ASSURANCE FRAMEWORK

In line with King IV™, Sun International has adopted a combined assurance model which is an integral part of the group's enterprise risk management process. Our combined assurance approach ensures among others, the following:

- The group's assurance arrangements are executed in an integrated and holistic manner.
- That an adequate and correct level of assurance is provided by various assurance providers on key organisational risks.
- Any assurance gaps are identified and mitigated.
- Prevents duplication of efforts.



SUPPORTING SUSTAINABLE BUSINESS PRACTICES

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

Achieving the group's key strategic imperatives is underpinned by the group's sustainable business practices; and is often an enabler by ensuring that a sound corporate reputation and the group's brand are synonymous. Two strategic objectives, people and culture and ESG, ensure that sustainability remains at the heart of our business operations.

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

During 2023, the board engaged the services of an external assurance provider to provide an independent assurance statement on the group's ESG reporting. This external review assessed the processes and data reported in the integrated annual report for group's environmental, health, safety and wellness, as well as SED portfolios. The external review gives our stakeholders the assurance that the sustainability information we report on is accurate, relevant and transparent. The review also helps identify areas for improvement. The group uses the JSE Sustainability Disclosure Guidance as the basis for its integrated ESG reporting. No material issues were identified during the assurance audit that needed to be brought to the attention of the relevant committee, the board or other stakeholders.

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

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

What we comply with

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

What we choose to comply with

Carbon Disclosure Project (CDP) – water and climate	Sun International participates annually in the CDP.
International <IR> Framework (January 2021)	Sun International applies the IIRC's <IR> Framework in compiling its integrated annual report.
United Nations Global Compact (UNGC)	Sun International voluntarily embeds the 10 UNGC Principles as part of its business strategy, culture and day-to-day operations.
United Nations (UN) Sustainable Development Goals (SDGs)	Sun International supports the UN SDGs and focuses on the most relevant goals to the business.
JSE Sustainability Disclosure Guidance	Sun International has included the JSE Sustainability Disclosure Guidance as an annexure in its IAR report.
Task Force on Climate-Related Financial Disclosures (TCFD)	Sun International has included the TCFD as an annexure in its IAR report.
Sustainability Accounting Standards Board (SASB)	Sun International has included SASB as an annexure in its IAR report.