

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 apply throughout this Circular, including this cover page.

ACTION REQUIRED BY SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", commencing on page 3
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
3. If you have disposed of all your Shares in Tsogo Sun Hotels, please forward this Circular and the attached Form of Proxy (grey) to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.

Tsogo Sun Hotels does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the matters dealt with in this Circular.



TSOGO SUN HOTELS LIMITED

(which is to be renamed Southern Sun Limited, subject to the requisite approval from Shareholders)

Incorporated in the Republic of South Africa

Registration number 2002/006356/06

Share code:TGO ISIN: ZAE000272522

("Tsogo Sun Hotels" or "the Company")

CIRCULAR TO SHAREHOLDERS

relating to:

- the approval of the Proposed Transactions, such Proposed Transactions constituting a Related Party Transaction in respect of Tsogo Sun Hotels, in terms of the JSE Listings Requirements;
- a change of the Company's name from "Tsogo Sun Hotels Limited" to "Southern Sun Limited",

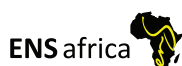
and incorporating:

- a Notice of General Meeting;
- an Electronic Participation Application Form;
- a Form of Surrender (blue) in respect of the change of name (for use by Certificated Shareholders only); and
- a Form of Proxy (grey) for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-Name Registration only).

Sponsor



Legal Advisor



Independent Reporting

Accountant



Independent Expert



Date of issue: Wednesday, 20 July 2022

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of Tsogo Sun Hotels, whose address is set out in the "Corporate Information" section of this Circular, from Wednesday, 20 July 2022 until Thursday, 18 August 2022 (both days inclusive). A copy of this Circular will also be available on Tsogo Sun Hotels' website www.southern.sun.com/investors/circulars.

CORPORATE INFORMATION

Directors

JA Copelyn[#] (Chairman)
MN von Aulock (CEO)
L McDonald (CFO)
MH Ahmed^{*#} (Lead Independent Non-executive Director)
SC Gina^{*#}
ML Molefi^{*#}
JG Ngcobo^{*#}
JR Nicoella[#]
CC September^{*#}

* Independent

Non-executive

Date and place of incorporation

18 March 2002
Johannesburg, South Africa

Company secretary and registered office

Southern Sun Secretarial Services Proprietary Limited
(Registration number 1969/001208/07)
Palazzo Towers West
Montecasino Boulevard
Fourways
Johannesburg, 2055
(Private Bag X200, Bryanston, 2021)

Transfer Secretaries

JSE Investor Services Proprietary Limited
(Registration number 2000/007239/07)
13th Floor,
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive,
Sandton, 2196
(PO Box 785700, Sandton, 2196)

Legal Advisor

Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
35 Lower Long Street
Foreshore
Cape Town, 8001
PO Box 2293, Cape Town, 8000

Auditor and Independent Reporting Accountant

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
4 Lisbon Lane, Waterfall City
Jukskei View
Johannesburg, 2090
(Private Bag X36, Sunninghill, 2157)

Independent Expert

Merchantec Proprietary Limited
(Registration number 2008/027362/07)
13th Floor, Illovo Point
68 Melville Road
Illovo, 2196
(PO Box 41480, Craighall, 2024)

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ACTION REQUIRED BY SHAREHOLDERS

This Circular is important and requires your immediate attention.

Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Shares in Tsogo Sun Hotels, please forward this Circular and the attached Form of Proxy to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

The General Meeting will be held on Thursday, 18 August 2022 at 10:00 (South African Standard Time) at which General Meeting Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

1. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

1.1 Voting at the General Meeting

1.1.1 Your Broker or CSDP should contact you to ascertain how you wish the voting rights attaching to the Shares in respect of which you are a beneficial interest holder to be voted at the General Meeting and should thereafter cast the vote in accordance with your instructions.

1.1.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.

1.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.

1.0.1 **You must not complete the attached Form of Proxy (grey).**

1.2 Attendance and representation at the General Meeting

1.2.1 In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

1.2.2 personally attend, speak and vote at the General Meeting; or

1.2.2.1 send a proxy to represent your interests at the General Meeting.

1.2.2.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting which should be submitted in conjunction with your Electronic Participation Application Form as set out in paragraph 3 below.

2. CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED SHAREHOLDERS

2.1 Voting and attendance at the General Meeting

2.1.1 You may attend the General Meeting in person and may vote at the General Meeting.

2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (grey) in accordance with the instructions contained therein. It is requested that the Form of Proxy (duly completed) be returned to the Transfer Secretaries and is received by them preferably by no later than **10:00** (South African Standard Time) on Tuesday, 16 August 2022.

Hand deliveries to:

JSE Investor Services Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein
Johannesburg, 2001

Postal deliveries to:

JSE Investor Services Proprietary Limited
PO Box 4844
Johannesburg, 2000
Email address: meetfax@jseinvestorservices.co.za

3. **ELECTRONIC PARTICIPATION AT THE GENERAL MEETING**

The Board has decided that the General Meeting will only be accessible through a remote interactive electronic platform as detailed below.

Any Shareholder (or representative or proxy for a Shareholder) who wishes to participate in the General Meeting by way of electronic participation, should complete the Electronic Participation Application Form and should email same to the Company's Transfer Secretaries, Link at meetfax@jseinvestorservices.co.za as soon as possible after receipt of this notice, but in any event no later than 10:00 on Tuesday, 16 August 2022. Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the General Meeting, as noted on the first page of Notice of General Meeting.

Upon receipt of a duly completed Electronic Participation Application Form together with an acceptable form of identification (described in paragraph 4 below), the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. On successful verification, such Shareholder or their duly appointed proxy will receive, on their nominated email, a Microsoft Teams meeting invitation, which will be required to access the General Meeting.

Shareholders who wish to exercise voting rights during the General Meeting must indicate this in the space provided on the Electronic Participation Application Form so as to allow the Transfer Secretaries to make the necessary arrangements in this regard. Should this not be done in accordance with the instructions herein, such Shareholders will not be able to exercise voting rights at the General Meeting other than by way of a proxy submitted in accordance with the instructions herein.

Meeting participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the Company or its Transfer Secretaries who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder or their proxy from participating in and/or voting at the General Meeting.

Further guidance on attending the General Meeting can be obtained from the Company's Transfer Secretaries.

If the Board in its sole discretion considers it appropriate also to afford Shareholders the opportunity to attend, participate and vote at the General Meeting in person, a SENS announcement will be released no less than 10 Business Days before the date of the General Meeting, setting out full detail regarding in person attendance, participation and voting at the General Meeting, including the venue at which the General Meeting can be attended in person. This will not in any way impact the notice given by the Company to convene the General Meeting in terms of the Notice of General Meeting attached to and forming part of this Circular or the ability of Shareholders to access the General Meeting by electronic communication, and those Shareholders who wish to attend the General Meeting by means of electronic communication and not in person will still be able to do so.

4. **IDENTIFICATION OF SHAREHOLDERS**

Shareholders are entitled to attend, speak and vote at the General Meeting. In terms of section 63(l) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate and vote at the General Meeting, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Acceptable forms of identification include certified copies of a valid identity document, driver's licence or passport, which should be submitted together with the Electronic Participation Application Form.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 apply to the section below.

Salient dates relating to the General Meeting

2022

Record date for Shareholders to be recorded in the Register in order to receive this Circular	Friday, 15 July
Circular incorporating the Notice of General Meeting and Form of Proxy (<i>grey</i>), distributed to Shareholders on	Wednesday, 20 July
Announcement of distribution of Circular and notice convening the General Meeting released on SENS on	Wednesday, 20 July
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 2 below) on	Monday, 8 August
Record date for a Shareholder to be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 12 August
Forms of Proxy (<i>grey</i>) in respect of the General Meeting to be lodged at the Transfer Secretaries, preferably by 10:00 on	Tuesday, 16 August
General Meeting held at 10:00 on	Thursday, 18 August
Results of the General Meeting published on SENS on	Thursday, 18 August
Change of Name special resolution lodged with CIPC for registration	Tuesday, 23 August
Name Change finalisation announcement on	Tuesday, 6 September
Fulfilment of suspensive conditions	Tuesday, 6 September
Last day to trade prior to Change of Name	Tuesday, 13 September
Termination date for trading under the name "Tsogo Sun Hotels Limited" and commencement of trading under "Southern Sun Limited" under the JSE share code "SSU", "ISIN ZAE000272522" from commencement of trade on	Wednesday, 14 September
Record date for change of name	Friday, 16 September
Issue of new securities. Certificates posted/ CSDPS and brokers updated	Monday, 19 September

Notes:

1. The above dates and times are subject to amendment at the discretion of Tsogo Sun Hotels. Any such amendment will be released on SENS, to the extent required.
2. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three South African Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Monday, 8 August 2022 will not be eligible to attend, participate in and vote at the General Meeting.
3. Share certificates may not be dematerialised or rematerialised after the last day to trade prior to the Change of Name being, Tuesday, 13 September 2022.
4. All dates and times indicated above are South African Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“Board” or “Directors”	the directors of Tsogo Sun Hotels from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the “Corporate Information” section of this Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in South Africa;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other Document of Title;
“Circular”	this bound document dated Wednesday, 20 July 2022 to Shareholders, including all annexures hereto;
“Companies Act”	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
“Company Secretary”	the company secretary of the Company, Southern Sun Secretarial Services Proprietary Limited, details of which are contained in the “Corporate Information” section of this Circular;
“Covid-19”	the infectious respiratory illness caused by a novel coronavirus which has been classified by the World Health Organization as a global pandemic;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share account;
“Dematerialise”	the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker;
“Dematerialised Shareholders”	those Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been Dematerialised and incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Tsogo Sun Hotels;
“Emnotweni Hotels”	collectively, the Southern Sun Emnotweni Hotel Property and Business and the StayEasy Emnotweni Hotel Property and Business, and “ Emnotweni Hotel ” shall mean any one of them as the context requires;
“Electronic Participation Application Form”	the application form to participate electronically in the General Meeting and attached to this Circular;
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (grey) for use only by Certificated Shareholders and Own-name Dematerialised Shareholders;

“General Meeting”	the general meeting of Shareholders to be held in electronic format only at 10:00 (South African Standard Time) on Thursday, 18 August 2022, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular; together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;
“HCI”	Hosken Consolidated Investments Limited (registration number 1973/007111/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE and a material shareholder of the Company and TSG;
“HCI Foundation”	the trustees for the time being of the HCI Foundation (Master Reference number IT 1408/93), an independent trust which is the corporate and social investment arm of HCI and which trust has been duly registered with the Master of the High Court;
“Hotel Sale Agreement”	the sale of hotel properties and businesses agreement signed on 25 May 2022 regulating the terms of the Hotel Sale Transaction;
“Hotel Sale Transaction”	the sale of hotel properties and businesses transaction between the Company and its wholly owned subsidiaries, HPF and SSHI and TSG and its wholly-owned subsidiaries, Listed Investments and TSC, in terms of which HPF will acquire the Emnotweni Hotels, on terms and conditions more fully described at paragraph 7 of the Circular;
“Hospitality”	Hospitality Property Fund Limited (registration number 2005/014211/06), a company incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Tsogo Sun Hotels;
“HPF”	HPF Properties Proprietary Limited (registration number 2005/020743/07) a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Tsogo Sun Hotels;
“Independent Expert’s Report”	the fairness opinion prepared by the Independent Expert on the Proposed Transactions, in accordance with the provisions of section 10.4(f) read with schedule 5 of the JSE Listings Requirements, a copy of which is annexed to the Circular as Annexure I ;
“Independent Expert”	Merchantec Proprietary Limited (registration number 2008/027362/07), a private company incorporated and registered in accordance with the laws of South Africa, acting as independent expert and appointed to provide a fairness opinion in relation to the Proposed Transactions, details of which firm are contained in the “Corporate Information” section of this Circular;
“IFRS”	the International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body, as adopted or applied in South Africa;
“Independent Reporting Accountant”	PricewaterhouseCoopers Inc. (registration number 1998/012055/21), registered auditors, a firm of Chartered Accountants (SA) and the independent reporting accountants to Tsogo Sun Hotels, details of which firm are contained in the “Corporate Information” section of this Circular;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa and which is licensed as an exchange in terms of the Financial Markets Act;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was Wednesday, 13 July 2022;

“Legal Advisor” or “ENSafrica”	Edward Nathan Sonnenbergs Incorporated (registration number 2006/018200/21), a private company duly incorporated in accordance with the laws of South Africa, details of which firm are contained in the “Corporate Information” section of this Circular;
“Listed Investments”	Listed Investments Proprietary Limited (registration number 1997/003059/07), a private company incorporated and registered in accordance with the laws of South Africa and a wholly owned subsidiary of TSG;
“Management Agreements”	management and license agreements (as amended) concluded between TSC and SSHI during the course of the year 2010 up to and including the year 2019, in relation to the operation of the TSG Hotels (including, where the context requires, the Emnotweni Hotels), and “Management Agreement” shall mean any one of them, as the context requires;
“MOI”	the memorandum of incorporation of Tsogo Sun Hotels;
“Notice of General Meeting”	the notice of the General Meeting of Shareholders, forming part of this Circular;
“Own-name Registration” or “Own Name Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“Proposed Transactions”	the related party transactions comprising the Hotel Sale Transaction and the Separation Transaction;
“Register”	the securities register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Related Party Transaction”	a related party transaction as defined in paragraph 10.1(a) of the JSE Listings Requirements;
“Related Party”	a related party as defined in paragraph 10.1(b) of the JSE Listings Requirements;
“SENS”	the Stock Exchange News Service of the JSE;
“Separation Agreement”	the agreement titled “separation agreement” regulating the terms of the Separation Transaction;
“Separation Transaction”	the separation transaction between Tsogo Sun Hotels, SSHI, TSG and the TSG Subsidiaries concluded between them on 25 May 2022 in terms of which the parties thereto agree to the termination of the various Management Agreements concluded between them in relation to the management by SSHI of the TSG Hotels, on terms and conditions more fully described at paragraph 6 of the Circular;
“Shareholders” or “Tsogo Sun Hotels Shareholders”	registered holders of Shares;
“Shares” or “Tsogo Sun Hotels Shares”	no par value ordinary shares in the Company’s share capital;
“South Africa”	the Republic of South Africa;
“South African Standard Time”	the time zone used by all of South Africa, Botswana, the kingdoms of Lesotho and eSwatini, which zone is 2 hours ahead of Coordinated Universal Time;
“Southern Sun Emnotweni Hotel Property and Business”	Erf 5, Riverside Park Extension I Township, situated in the Mbombela Local Municipality in the province of Mpumalanga, South Africa, commonly known as “ <i>Southern Sun Emnotweni</i> ”, measuring approximately 1,93445 hectares, together with all buildings, erections and improvements thereon and assets comprising the hotel business owned by TSC;

“Sponsor” or “Investec”	Investec Bank Limited (acting through its Corporate and Institutional Banking Division) (registration number 1969/004763/06), a public company incorporated under the laws of South Africa and conducting the business of a bank;
“StayEasy Emnotweni Hotel Property and Business”	Erf 3, Riverside Park Extension I Township, situated in the Mbombela Local Municipality in the province of Mpumalanga, South Africa, measuring 7,555 m ² commonly known as “ <i>StayEasy Emnotweni</i> ”, together with all buildings, erections and improvements thereon and the assets comprising the hotel business owned by TSC;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“Subsidiary”	a “subsidiary” as defined in the Companies Act;
“SSHI”	Southern Sun Hotel Interests Proprietary Limited (registration number 1969/001365/07) a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Tsogo Sun Hotels;
“Transfer Secretaries”	JSE Investor Services Proprietary Limited (registration number 2000/007239/07) a private company incorporated under the laws of South Africa, the particulars of which are set out in the “Corporate Information” section of this Circular;
“Treasury Shares”	Shares beneficially owned by Subsidiaries of the Company;
“TSC”	Tsogo Sun Casinos Proprietary Limited (registration number 1995/012674/07), a private company incorporated and registered in accordance with the laws of South Africa and a wholly owned subsidiary of TSG;
“TSG”	Tsogo Sun Gaming Limited (registration number 1989/002108/06), a public company incorporated and registered in accordance with the laws of South Africa, listed on the JSE;
“TSG Group”	TSG and all of its Subsidiaries;
“TSG Hotels”	the hotels owned by the TSG Group in respect of which the Management Agreements will be terminated, as more fully described in paragraph 6 of this Circular;
“TSG Subsidiaries”	the Subsidiaries of TSG listed in paragraph 6.2 of the Circular;
“Tsogo Sun Hotels Group” or “Group”	Tsogo Sun Hotels and its Subsidiaries;
“Tsogo Sun Hotels” or “the Company”	Tsogo Sun Hotels Limited (registration number 2002/006356/06), a public company duly incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE; and
“VAT”	value-added tax levied in terms of the Value Added Tax Act, 1991 (Act No. 89 of 1991).



TSOGO SUN HOTELS

TSOGO SUN HOTELS LIMITED

(which is to be renamed Southern Sun Limited, subject to the requisite approval from Shareholders)

Incorporated in the Republic of South Africa

Registration number 2002/006356/06

Share code: TGO ISIN: ZAE000272522

("Tsoغو Sun Hotels" or "the Company")

Directors:

JA Copelyn[#] (Chairman)

MN von Aulock (CEO)

L McDonald (CFO)

MH Ahmed^{*#} (Lead Independent Non-executive Director)

SC Gina^{*#}

ML Molefi^{*#}

JG Ngcobo^{*#}

JR Nicoella[#]

CC September^{*#}

* Independent

Non-executive

CIRCULAR TO SHAREHOLDERS

SECTION I: INTRODUCTION AND PURPOSE

1. Introduction

Shareholders are referred to the announcement released on SENS on Thursday, 26 May 2022, in terms of which Shareholders were advised of the terms and conditions of the Proposed Transactions. As detailed in the SENS announcement dated 26 May 2022:

- 1.1 the Company and its wholly owned subsidiaries, HPF and SSHI, entered into a Hotel Sale Agreement with TSG, and its wholly owned Subsidiaries, Listed Investments and TSC, in terms of which, HPF will acquire the Emnotweni Hotels from Listed Investments and TSC for an aggregate purchase consideration of R141,599,000 (VAT exclusive);
- 1.2 the Company and SSHI entered into the Separation Agreement with TSG and the TSG Subsidiaries, in terms of which the parties thereto agreed to the termination of the various Management Agreements concluded between them in relation to the management by SSHI of fifteen hotels owned by TSG, subject to payment by such TSG Subsidiaries to SSHI of an aggregate termination fee of R398,802,000 (VAT exclusive) ("**Termination Fee**"); and
- 1.3 the Company intends to change its name to "Southern Sun Limited".

2. Purpose of this Circular

The purpose of this Circular is to:

- 2.1 provide Shareholders with the relevant information relating to the Proposed Transactions so as to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of General Meeting enclosed with this Circular; and
- 2.2 convene the General Meeting of Shareholders in order to consider and, if deemed fit, approve the resolutions authorising the Proposed Transactions and the change of name of the Company.

SECTION 2: RATIONALE AND CATEGORISATION OF THE PROPOSED TRANSACTIONS

3. Rationale

During 2019, TSG (which was known as “Tsogo Sun Holdings Limited” at the time) unbundled its shares in the Company to its shareholders, which Company shares were then listed on the JSE. The unbundling resulted in all Tsogo Sun Holdings’ shareholders immediately before the transaction holding shares in both the Company (which would predominantly be the owner and operator of hotels) and TSG (which would predominantly be the owner and operator of various gaming and entertainment businesses, including thirteen casino and entertainment destinations with seventeen hotels associated therewith).

Shareholders were advised at the time that the Company’s subsidiary, SSHI, had been appointed to act as the manager of the seventeen hotels owned by TSG in terms of Management Agreements concluded in respect thereof.

TSG recently approached the Company with a view to negotiate a termination of the Management Agreements. Pursuant to discussions, subject to approval of the Company’s shareholders, SSHI agreed that it would be willing to terminate the Management Agreements previously concluded in relation to fifteen of the seventeen TSG hotels, against payment of the Termination Fee. The remaining two hotels currently managed by SSHI, being the Emnotweni Hotels, are to be purchased by the Company’s subsidiary, HPF from the owner thereof.

The effect of the implementation of the Proposed Transactions is that the Tsogo Sun Hotels Group will receive a net cash inflow of approximately R257,203,000 and acquire the two Emnotweni Hotels, which the Company believes to be a beneficial transaction for the Tsogo Sun Hotels Group and its Shareholders.

4. Value of the net asset and profits attributable

4.1 The value of the net assets of the two Emnotweni Hotels was R56.7 million as at 31 March 2022, being the date of TSG’s reviewed condensed consolidated financial statements for the year ended 31 March 2022. The headline profits attributable to the two Emnotweni Hotels for the year ended 31 March 2022 was R7.0 million based on the reviewed condensed consolidated financial statements of TSG published on SENS on 26 May 2022, which were prepared in terms of IFRS.

4.2 The headline profit attributable to Tsogo Sun Hotels in respect of the Management Agreements for the year ended 31 March 2022, was R27.2 million based on the reviewed condensed consolidated financial statements of TSH published on SENS on 26 May 2022, which were prepared in terms of IFRS.

5. Categorisation

5.1 TSG is controlled by HCI, which in turn controls an effective 40.6% shareholding interest in the Company and is therefore a material shareholder of the Company in terms of the JSE Listings Requirements. The value of the Proposed Transactions in aggregate exceed 5% of the Company’s market capitalisation as at the date of conclusion of the Hotel Sale Agreement and the Separation Agreement.

5.2 Accordingly, the Proposed Transactions constitute “Related Party Transactions” as contemplated in sections 10.1(a) and (b) of the JSE Listings Requirements and in terms of section 10.4 of the JSE Listings Requirements, each require a fairness opinion to be prepared by an independent expert and the approval of the Tsogo Sun Hotels Shareholders by an ordinary resolution of Shareholders, excluding HCI and its associates. The Independent Expert has prepared the Independent Expert’s Report in relation to the Separation Transaction and the Hotel Sale Transaction, which is annexed to the Circular as **Annexure I**.

SECTION 3: PARTICULARS OF THE PROPOSED TRANSACTIONS

6. THE SEPARATION TRANSACTION

6.1 Overview of the Separation Transaction

Subject to the successful fulfilment (or to the extent permitted, waiver by Tsogo Sun Hotels and TSG by agreement) of all of the suspensive conditions under the Separation Agreement, the Management Agreements shall be amended to grant the relevant TSG Subsidiary the right to terminate such Management Agreement on one calendar months’ notice. The termination shall take effect on the last day of the calendar month immediately following the calendar month during which TSG gives notice in writing to SSHI that the Management Agreement applicable to such TSG Hotel shall terminate. Pursuant to the delivery of such notice by the TSG Subsidiary, the Management Agreement(s) applicable to the relevant TSG Hotel(s) shall be terminated in their entirety and shall cease to be of any force or effect.

The aggregate Termination Fee payable by the TSG Subsidiaries to SSHI, in consideration for the early termination of the Management Agreements, shall be R398,802,000 (VAT exclusive).

6.2 Parties

The Separation Agreement has been entered into between the Company, SSHI, TSG, Tsogo Sun Proprietary Limited and each of the following TSG Subsidiaries:

- 6.2.1 TSC;
- 6.2.2 Akani Egoli Proprietary Limited;
- 6.2.3 Gold Reef City Theme Park Proprietary Limited;
- 6.2.4 Silverstar Casino Proprietary Limited;
- 6.2.5 Tsogo Sun KwaZulu-Natal Proprietary Limited;
- 6.2.6 Akani Msunduzi Proprietary Limited;
- 6.2.7 Tsogo Sun Newcastle Proprietary Limited;
- 6.2.8 Tsogo Sun Emonti Proprietary Limited;
- 6.2.9 Garden Route Casino Proprietary Limited; and
- 6.2.10 Tsogo Sun Caledon Proprietary Limited.

6.3 List of TSG Hotels and Termination Fee payable

The list of hotel businesses owned by the TSG Subsidiaries which are managed by the Tsogo Sun Hotels Group in terms of the Management Agreements, as well as the termination fee payable by the relevant TSG Subsidiary on the Effective Date is listed in the table below:

	TSG Hotel name	TSG Subsidiary	Termination Fee Payable (exclusive of VAT)
1	Palazzo Hotel	Tsogo Sun Casinos Proprietary Limited	R83,077,000
2	Southern Sun Montecasino	Tsogo Sun Casinos Proprietary Limited	R71,875,000
3	SunSquare Montecasino	Tsogo Sun Casinos Proprietary Limited	R40,712,000
4	Hi Hotel Montecasino	Tsogo Sun Casinos Proprietary Limited	R13,132,000
5	Southern Sun Gold Reef City	Akani Egoli Proprietary Limited	R13,107,000
6	Gold Reef City Theme Park Hotel	Gold Reef City Theme Park Proprietary Limited	R28,902,000
7	Southern Sun Silverstar	Silverstar Casino Proprietary Limited	R11,841,000
8	Suncoast Towers and SunSquare Suncoast	Tsogo Sun KwaZulu-Natal Proprietary Limited	R34,236,000
9	Southern Sun Pietermaritzburg	Akani Msunduzi Proprietary Limited	R25,521,000
10	Garden Court Blackrock	Tsogo Sun Newcastle Proprietary Limited	R16,591,000
11	Southern Sun Hemingways	Tsogo Sun Emonti Proprietary Limited	R8,872,000
12	Garden Court Mossel Bay	Garden Route Casino Proprietary Limited	R7,840,000
13	The Caledon Hotel and Spa	Tsogo Sun Caledon Proprietary Limited	R16,808,000
14	Southern Sun The Ridge	Tsogo Sun Casinos Proprietary Limited	R5,138,000
15	StayEasy Emalahleni Hotel	Tsogo Sun Casinos Proprietary Limited	R21,150,000

6.4 Suspensive Conditions

The Separation Agreement is subject to the fulfilment (or waiver by the parties thereto) of the following suspensive conditions:

- 6.4.1 the shareholders of Tsogo Sun Hotels having passed all such resolutions as may be required from them to approve:
- the conclusion and implementation of the Separation Agreement and the transactions contemplated therein as a “*related party transaction*” in terms of section 10.1(a) and (b) of the JSE Listings Requirements; and
 - the change of name of Tsogo Sun Hotels to “*Southern Sun Limited*”;
- 6.4.2 in respect of TSG:
- TSG providing the JSE with written confirmation from an independent professional expert acceptable to the JSE that the terms of the Proposed Transactions are fair as far as the shareholders of TSG are concerned; or
 - the shareholders of TSG having passed all such resolutions as may be required from them to approve the conclusion and implementation of the Separation Agreement and the transactions contemplated therein as a “*related party transaction*” in terms of section 10.1(a) and (b) of the JSE Listings Requirements; and
- 6.4.3 the Hotel Sale Transaction agreement becoming unconditional in accordance with its terms (save for any condition requiring the Separation Agreement to become unconditional).

In addition to the above, the termination of the Management Agreement in respect of the TSG Hotel currently operated under the name “*Southern Sun Hemingways*” (“**Emonti**”) is subject to the fulfilment (or waiver by the parties) of a further suspensive condition that the Eastern Cape Gambling Board have, to the extent required in terms of the relevant licence conditions, requirements from the Eastern Cape Gambling Board, memorandum of incorporation or other agreement or undertakings provided to the Eastern Cape Gambling Board, approved the cancellation or assignment of the Management Agreement in relation to Emonti (“**Emonti Condition**”). In this regard, TSG has the right to notify the Company that it does not wish to terminate the Management Agreement in respect of Emonti, but will rather take assignment of SSHI’s rights and obligations against payment of the Termination Fee applicable to Emonti.

6.5 **Effective Date**

The amendment of the Management Agreements shall take effect, and the Termination Fee shall become due and payable upfront on the Effective Date, being:

- 6.5.1 with regard to the TSG Hotels other than Emonti, the last day of the calendar month immediately following the calendar month during which the last of suspensive conditions in paragraph 6.4 above are fulfilled and/or waived, as the case may be; and
- 6.5.2 with regard to Emonti, the later of the date referred to in paragraph 6.5.1 and the date of fulfilment (or waiver by Tsogo Sun Hotels and TSG by agreement), of the Emonti Condition.

6.6 **Other significant terms of the Separation Transaction**

- 6.6.1 It is the shared intention of the parties to the Separation Agreement to rebrand the Tsogo Sun Hotels Group from “Tsogo Sun Hotels” to “Southern Sun” and for TSG to rebrand the TSG Hotels to exclude any trade marks which belong to Tsogo Sun Hotels (to the extent included in such names) and to no longer use the “Sunburst” mark or logo.
- 6.6.2 The Separation Agreement contains other provisions which record the terms upon which the handover of the management function shall be effected, as well as the allocation and treatment of trademarks, domains and social media handles containing the various names utilised by the Group and the TSG Group, respectively.
- 6.6.3 The Separation Agreement furthermore contains undertakings and breach provisions that are normal for a transaction of this nature.

7. **The Hotel Sale Transaction**

7.1 **Overview of the Hotel Sale Transaction**

- 7.1.1 With effect from the Effective Date (as defined in paragraph 6.5.1 above), Listed Investments shall sell the properties on which the Emnotweni Hotels are located, and TSC shall sell the assets utilised in respect of the hotel business conducted thereat, to HPF.

7.1.2 The aggregate purchase price payable by HPF to Listed Investments and TSC in consideration for the Emnotweni Hotel properties and businesses is R141,599,000 (excluding conveyancing fees and VAT), which price is payable by HPF to Listed Investments and TSC on the Effective Date.

7.2 **Parties**

The Hotel Sale Agreement has been concluded between the Company's wholly owned subsidiaries, HPF (as the purchaser) and SSHI, and the wholly owned subsidiaries of TSG (each a seller), Listed Investments (in respect of the properties on which the Emnotweni Hotels are located and its improvements) and TSC (in respect of the movable assets used in respect of the hotel businesses conducted thereon).

7.3 **Suspensive Condition**

The Hotel Sale Agreement is subject to the fulfilment (or waiver by the parties thereto), of the suspensive condition that the Separation Agreement becomes unconditional in accordance with its terms, save for any condition therein requiring the Hotel Sale Agreement to become unconditional.

7.4 **Other significant terms of the Hotel Sale Transaction**

The Hotel Sale Agreement contains certain limited warranties, and undertakings and breach provisions that are normal for a transaction of this nature.

8. **Independent Expert's Report**

In accordance with the JSE Listings Requirements, the Board has appointed the Independent Expert to compile fairness opinion reports on the Proposed Transactions. The Independent Expert has determined that the Proposed Transactions are fair to the Tsogo Sun Hotels Shareholders, for the reasons and on the basis set out in the Independent Expert's Report, which is annexed to the Circular as **Annexure I**, in compliance with the JSE Listings Requirements.

9. **Opinions and Directors' Recommendation**

9.1 The Board, after due consideration of the Independent Expert's Report, has determined that it will place reliance on the valuations performed by the Independent Expert for the purposes of reaching its own opinion regarding the Proposed Transactions, as contemplated in the JSE Listings Requirements.

9.2 The Board, taking into account the Independent Expert's Report on the Proposed Transactions, has considered the terms and conditions of the Proposed Transactions and all members of the Board who are entitled to vote on the matter are unanimously of the opinion that the terms and conditions thereof are fair to and in the interest of Shareholders and, accordingly, recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting relating to the approval of the Proposed Transactions.

9.3 The Directors, in their personal capacities, intend to vote the Shares beneficially owned by them in favour of the resolutions to be proposed at the General Meeting.

SECTION 4: CHANGE OF NAME

10. **Name Change**

10.1 During April 2022, the Company commenced rebranding its business operations from "Tsogo Sun Hotels" back to "Southern Sun". The Directors consider that it would be appropriate to also change the name of "Tsogo Sun Hotels Limited" to "Southern Sun Limited".

10.2 The name "Southern Sun Limited" has been reserved with the Companies and Intellectual Property Commission under tracking number 112191955 and the JSE has, subject to the requisite Shareholder approval being obtained, approved the name change.

10.3 Subject to the requisite Shareholder approval being obtained, the share code and ISIN following the name change of Tsogo Sun Hotels, will be amended as follows: share code and short name "SSU", and ISIN ZAE000272522 will remain unchanged.

- 10.4 In terms of section 16.30 of the Listings Requirements, the former name of Tsogo Sun Hotels will be reflected in brackets under the new name of the Company on any Company announcements and new share certificates in respect of Shares for a period of one year.
- 10.5 Certificated Shareholders must surrender their existing Tsogo Sun Hotels share certificates (or other documents of title) as soon as possible after the name change shall have been approved by the Shareholders, in order to receive replacement certificates in the new name of the Company. A Form of Surrender (*blue*) is attached of use by Certificated Shareholders.
- 10.6 Replacement share certificates reflecting the new name of the Company will be posted on or about Monday, 19 September 2022 by registered post in South Africa, to Certificated Shareholders, at their own risk, who have surrendered their documents of title by 12h00 on Friday, 16 September 2022 (expected record date for the name change), or within five Business Days of receipt of their existing documents of title, whichever is the later.
- 10.7 If any existing documents of title have been lost or destroyed and the Certificated Shareholder provides evidence to this effect to the satisfaction of the Directors, then the Company may dispense with the surrender of such documents of title against provision of an acceptable indemnity.
- 10.8 Receipts will not be issued for the surrender of existing documents of title. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the documents of title lodged.

11. **Amendments to the MOI**

The name change will require amendments to the MOI. These amendments have been marked-up for ease of reference on the copy of the MOI which will lie for inspection at the Company's registered office.

12. **Opinion and Recommendation**

The Directors are of the opinion that the name change and consequent amendments to the MOI are in the best interests of Shareholders and should be supported by Shareholders and unanimously recommend that the Shareholders vote in favour of the resolutions. Each of the Directors who holds Shares and is permitted to vote, intends to vote his or her Shares in favour of the resolutions.

SECTION 5: INFORMATION RELATING TO THE TSOGO SUN HOTELS GROUP

13. **The business of the Group**

Tsogo Sun Hotels Group owns, leases and manages hotels in South Africa as well as several sub-Saharan countries, the Seychelles and Abu Dhabi. Hospitality, which became a wholly owned subsidiary of Tsogo Sun Hotels during the 2021 financial year of the Company, also owns fifty four hotels in South Africa. Tsogo Sun Hotels holds a minority investment in RBH Hotel Group Limited, a leading independent hotel management company incorporated in the United Kingdom and International Hotel Properties Limited, a company incorporated in the British Virgin Islands. Prior to the implementation of the Separation Transaction, the Group also managed the hotels that were developed as part of the various casino complexes owned by TSG under the Management Agreements.

14. **Material loans**

The Proposed Transactions will not result in any change to the terms of the material loans of Tsogo Sun Hotels as disclosed in the Company's annual financial statements as at 31 March 2022. The net proceeds received pursuant to the implementation of the Proposed Transactions will be used to reduce the Group's borrowings.

15. Major Shareholders and interests

As far as the Directors are aware, as at the Last Practicable Date, the following persons are the direct or indirect beneficial owners of 5% or more of the Shares in issue:

Shareholder	Number of Shares Direct beneficial	Number of Shares Indirect beneficial	Percentage of total issued Share capital
TIHC Investments (RF) Proprietary Limited	415 182 027 ⁽¹⁾	–	28.09
HCI	128 297 782	Refer note ⁽¹⁾	8.68
Allan Gray	150 269 199	–	10.17
Coronation Fund Managers	173 960 718	–	11.83
Total	867 709 726	415 182 027	58.77

Notes:

1. These Shares are directly held by TIHC Investments (RF) Proprietary Limited, which is a wholly owned subsidiary of HCI. In addition, HCI controls the HCI Foundation, which holds an additional 54 675 666 Shares, comprising 3.70% of the issued Shares.
2. The Proposed Transactions will have no impact on the shareholding of any Shareholder.

16. Information relating to the Directors

16.1 Details of Directors

The full names, age as at the Last Practicable Date, capacity and business address of each of the Directors of Tsogo Sun Hotels, who are all South African citizens, are outlined below:

Name	Age	Capacity	Business Address
JA Copelyn	71	Chairman	Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005
MN von Aulock	48	CEO	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
L McDonald	40	CFO	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
MH Ahmed	57	Lead independent	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
SC Gina	63	Independent	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
ML Molefi	54	Independent	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
JG Ngcobo	71	Independent	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
CC September	63	Independent	Palazzo Towers West, Montecasino Boulevard, Fourways, Gauteng, 2055
JR Nicoletta	53	Non-executive	Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005

16.2 Directors' interests in the issued Shares

- 16.2.1 The table below sets out the direct and indirect beneficial interests of the Directors (and their associates), including any directors who may have resigned during the last 18 months, in Tsogo Sun Hotels' issued Shares, as at the Last Practicable Date or at the date of resignation, as applicable:

Director	Direct Beneficial	Indirect beneficial	Associates	Percentage of issued Shares held post the Proposed Transactions
MN von Aulock	–	5 691 081	–	0.39
L McDonald	46 377	260 188	–	0.02
JA Copelyn	–	14 855 338	–	1.01
JR Nicolella	–	–	59 479	0.00
Total	46 377	20 806 607	59 479	1.42

The Proposed Transactions will have no impact on the shareholding interest of any Director (and their associates).

16.3 Directors' remuneration

The remuneration of the Directors will not be varied as a result of the Proposed Transactions. The Directors' remuneration for the year ended 31 March 2021 is included on page 74 - 80 of Tsogo Sun Hotels' annual report which is available on Tsogo Sun Hotels' website, www.southern.sun.com/investors/financial-reports.

16.4 Directors' interests in the Proposed Transactions

Save to the extent that some Directors may be Shareholders in TSG, the Directors do not have any material beneficial interest, directly or indirectly, in the Proposed Transactions that were

16.4.1 effected by TSG during the current or immediately preceding financial year; or

16.4.2 during an earlier financial year and remain in any respect outstanding or unperformed

The table below sets out the direct and indirect beneficial interests of the Directors (and their associates), in the issued Shares of TSG, as at the Last Practicable Date:

Director	Direct Beneficial	Indirect beneficial	Associates	Percentage of issued Shares held post the Proposed Transactions
MN von Aulock	–	842 887	–	0.08
L McDonald	46 377	56 250	–	0.01
JA Copelyn	–	14 238 063	–	1.36
JR Nicolella	122 479	–	–	0.01
Total	168 856	15 137 200		1.46

16.5 Service contracts of executive Directors

Service contracts with executive Directors of Tsogo Sun Hotels as well as the Company Secretary were concluded on terms and conditions that are standard for such appointments and contain normal terms of employment. The service contracts are available for inspection as described in paragraph 26 of this Circular. There are no service contracts in place in respect of Non-Executive Directors of Tsogo Sun Hotels.

17. Litigation Statement

There are no legal or arbitration proceedings, including proceedings that are pending or threatened of which the Company is aware, that may have or have had, in the recent past, being the previous 12 months, a material effect on the Group's financial position.

18. Material Changes

There has been no material changes in the financial or trading position of the Company since the end of its last financial period on 31 March 2022.

19. Material Contracts

There have been no material contracts entered into either verbally or in writing by Tsogo Sun Hotels or its Subsidiaries, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by Tsogo Sun Hotels and/or its Subsidiaries, within the 2 years preceding the date of this Circular, or concluded at any time, and which contain an obligation or settlement that is material to Tsogo Sun Hotels and/or its Subsidiaries at the date of this Circular.

20. Pro forma financial information of Tsogo Sun Hotels

- 20.1 The consolidated *pro forma* financial effects of the Separation Transaction, as set out below, are the responsibility of the Directors. The consolidated *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Tsogo Sun Hotels has been prepared and in terms of Tsogo Sun Hotels' accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Tsogo Sun Hotels' financial position, changes in equity, results of operations or cash flows post the implementation of the Separation Transaction.
- 20.2 The *pro forma* financial information of Tsogo Sun Hotels has been prepared based on the published reviewed consolidated financial information of Tsogo Sun Hotels for the year ended 31 March 2022.
- 20.3 The consolidated *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* income statement, the consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* balance sheet as set out in **Annexure 2**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 2**.
- 20.4 The report of the Independent Reporting Accountant in respect of the *pro forma* financial statements referred to in paragraph 20.3 above, appears in **Annexure 3** to this Circular.

Pro forma financial effects (cents)	Reviewed results as at 31 March 2022¹	Pro forma after the Separation Transaction²	% Change
Basic and diluted (loss)/earnings per share (cents) ³	(10.6)	7.8	174
Basic and diluted headline (loss)/earnings per share (cents) ³	(8.2)	10.2	224
Basic and diluted adjusted headline loss per share (cents) ³	(8.0)	(8.9)	(11)
Net asset value per share (cents) ⁴	487.8	507.1	4
Tangible net asset value per share (cents) ⁴	440.4	467.3	6
Number of Shares in issue excluding Treasury Shares (m)	1 478	1 478	
Weighted average number of shares in issue (m)	1 478	1 478	

Notes and Assumptions:

1. The "Reviewed results as at 31 March 2022" column has been extracted from the reviewed condensed consolidated annual financial statements of the Tsogo Sun Hotels Group for the year ended 31 March 2022.
2. The "Pro forma after the Separation Transaction" column represents the impact of the Separation Transaction (as defined in the Circular).
3. *Pro forma* earnings and headline earnings per share are based on the principal assumption that the Separation Transaction was effective 1 April 2021.
4. *Pro forma* net asset value and net tangible asset value per share are based on the principal assumption that the Separation Transaction was effective 31 March 2022.
5. No adjustments are made for the Hotel Sale Transaction which is classified as a small related party transaction. The value of the net assets of the two Emnotweni Hotels subject to the Hotel Sale Transaction agreement was R56.7 million as at 31 March 2022, being the date of TSG's reviewed condensed consolidated financial statements for the year ended 31 March 2022. The headline profits attributable to the two Emnotweni Hotels for the year ended 31 March 2022 was R7.0 million based on the reviewed condensed consolidated financial statements of TSG published on SENS on 26 May 2022, which were prepared in terms of IFRS.
6. There are no other material subsequent events that require an adjustment to the *pro forma* financial information.

21. Working capital statement

The Directors are of the opinion that the working capital available to the Tsogo Sun Hotels Group is sufficient for the Group's present working capital requirements and will, post implementation of the Proposed Transactions, be adequate for at least 12 months from the date of issue of this Circular.

SECTION 6: GENERAL

22. Expenses

22.1 The estimated costs by Tsogo Sun Hotels of preparing and distributing this Circular, holding the General Meeting, implementing the Proposed Transactions and proposed name change, including the fees payable to professional advisors, are approximately R1 700 000.00, excluding VAT, and include the following:

		R'000
Sponsor	Investec	280
Legal advisor fees	ENSAfrica	600
Independent Expert fees	Merchantec	360
Independent Reporting Accountant fees	PWC	200
Printing and other costs	Various	49
JSE documentation fees	JSE	100
Miscellaneous costs	Various	111
TOTAL		1 700

23. General meeting and voting

23.1 The General Meeting of Shareholders will be held electronically at **10:00** (South African Standard Time) on Thursday, 18 August 2022, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required to give effect to the Proposed Transactions and the change of the Company's name.

23.2 A notice convening the General Meeting is attached hereto and forms part of this Circular and contains the resolutions to be considered at the General Meeting. Full details of the action required by Shareholders are set out in the "Action required by Shareholders" section of this Circular.

23.3 The ordinary resolution for the approval of the Proposed Transactions in terms of paragraph 9.20(b) of the JSE Listings Requirements, set out in the Notice of General Meeting, are subject to more than 50% of the votes cast by Shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof. The votes held by TSG and its associates (including HCI and HCI Foundation) will be taken into account in determining a quorum at the General Meeting, but their votes will not be taken into account in determining the results of the voting at such General Meeting in relation to the aforementioned ordinary resolution.

23.4 The special resolutions for the approval of the change of name from "Tsogo Sun Hotels Limited" to "Southern Sun Limited", and the consequent amendment of the MOI, set out in the Notice of General Meeting, are subject to at least 75% of the votes cast by Shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof.

24. Directors' responsibility statement

The Directors, whose names are listed in the "Corporate Information" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

25. **Advisors' consents**

Each of the advisors, whose name appears in the "Corporate Information" section of this Circular, has consented in writing to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

26. **Documents available for inspection**

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of Tsogo Sun Hotels and Tsogo Sun Hotels' website www.southern.sun.com/investors/circulars from the date of publication of this Circular until the date of the General Meeting (both days inclusive):

- 26.1 A copy of the MOI of Tsogo Sun Hotels with the proposed amendments thereto, marked-up for ease of reference;
- 26.2 the service contracts of the executive directors and the company secretary.
- 26.3 the Independent Expert's Report, as reproduced in **Annexure I**;
- 26.4 the Independent Reporting Accountant's report on the pro forma financial information of Tsogo Sun Hotels, as reproduced in **Annexure 3**;
- 26.5 the Separation Agreement;
- 26.6 the Hotel Sale Agreement;
- 26.7 the written consents from each of the advisors referred to in paragraph 25;
- 26.8 the published audited annual financial statements of Tsogo Sun Hotels for the preceding three financial years ended 31 March 2022, 31 March 2021 and 31 March 2020; and
- 26.9 a copy of this Circular and all annexures hereto.

SIGNED AT FOURWAYS ON 6 JULY 2022 BY MARCEL VON AULOCK ON BEHALF OF ALL THE DIRECTORS OF TSOGO SUN HOTELS

Marcel Van Aulock
Chief Executive Officer

INDEPENDENT EXPERT'S REPORT IN RESPECT OF THE SEPARATION AND THE HOTEL SALE TRANSACTION

Tsogo Sun Hotels Limited
 Palazzo Towers West
 Montecasino Boulevard
 Fourways
 Johannesburg
 2055

13 July 2022

Dear Sirs

FAIRNESS OPINION IN RESPECT TO A RELATED PARTY TRANSACTION IN RELATION TO THE SEPARATION TRANSACTION AND THE HOTEL SALE TRANSACTION

INTRODUCTION

Tsogo Sun Hotels Limited ("**TSH**" or the "**Company**") and its wholly-owned subsidiaries, HPF Properties Proprietary Limited ("**HPF**") and Southern Sun Hotel Interests Proprietary Limited ("**SSHI**"), entered into a Hotel Sale Agreement with Tsogo Sun Gaming Limited ("**TSG**"), and its wholly-owned subsidiaries, Listed Investments Proprietary Limited ("**Listed Investments**") and Tsogo Sun Casinos Proprietary Limited ("**TSC**") ("**TSG Subsidiaries**"), in terms of which, HPF will acquire the two hotel properties and business assets located thereon, currently trading as "Southern Sun Emnotweni" and "StayEasy Emnotweni" ("**Emnotweni Hotels**") in Mbombela, Mpumalanga province from Listed Investments and TSC for an aggregate purchase consideration of R141,599,000 (VAT exclusive) (the "**Hotel Sale Transaction**").

In addition, the Company and SSHI entered into the Separation Agreement with TSG and the TSG Subsidiaries, in terms of which the parties thereto agreed to the termination of the various Management Agreements and Licensing Agreements concluded between them in relation to the management by SSHI of fifteen hotels owned by TSG, subject to payment by such TSG Subsidiaries to SSHI of an aggregate termination fee of R398,802,000 (VAT exclusive) ("**Termination Fee**") ("**Separation Transaction**").

The Hotel Sale Transaction and the Separation Transaction are hereafter referred to as the "**Proposed Transactions**".

TSG is an associate of Hosken Consolidated Investments Limited ("**HCI**"), which in turn is a material shareholder of the Company and as such the Proposed Transactions are classified as related-party transactions in terms of section 10.1(a) and (b) of the Listings Requirements of the JSE ("**JSE Listings Requirements**"). In terms of section 10.4(f) of the JSE Listings Requirements, each proposed transaction requires a fairness opinion ("**Fairness Opinion**") from an independent professional expert acceptable to the JSE ("**Independent Expert**"), confirming that the terms of the Proposed Transactions are fair as far as shareholders of TSH are concerned.

Merchantec Proprietary Limited ("**Merchantec Capital**") has been appointed by the board of TSH ("**TSH Board**") as the Independent Expert to independently determine whether, by using the information and assumptions available, the terms of Proposed Transactions are fair to TSH shareholders unrelated to the Transaction.

DEFINITION OF THE TERM "FAIR"

The assessment of fairness is primarily based on quantitative issues. A transaction will typically be considered fair to a company's shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value ceded by a company.

For illustrative purposes, the Termination Fee of R398,802,000 received in connection with the Separation Transaction may be said to be fair if Termination Fee received is more than or equal to the fair value that can be attributed to Management Agreements or unfair if the Termination Fee received is less than the value attributed to Management Agreements.

The aggregate purchase consideration of R141,599,000 in connection with the Hotel Sale Transaction may be said to be fair if the purchase consideration paid is less than or equal to the fair value that can be attributed to the Emnotweni Hotels or unfair if the purchase consideration paid is more than the fair value attributed to the Emnotweni Hotels.

RESPONSIBILITY AND SCOPE

The responsibility of Merchantec Capital is to prepare a report in respect of the fairness of the Proposed Transactions and the report must at a minimum satisfy the requirements set out in schedule 5 of the JSE Listings Requirements.

Compliance with the JSE Listings Requirements is the responsibility of the directors of TSH. Our responsibility is to report on whether or not the terms and conditions of the Proposed Transactions, as they relate to the TSH shareholders not related to the Transaction, are fair.

FAIRNESS OPINION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

In terms of paragraph 10.4 of the JSE Listings Requirements the TSH Board is required to obtain a fairness opinion, prepared in accordance with Schedule 5 of the JSE Listings Requirements, and include such fairness opinion in the circular to TSH shareholders.

INFORMATION AND SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from TSH, together with other information available in the public domain. Our conclusion is dependent on such information being accurate in all material respects. The information has, however, been tested for reasonableness to market related inputs at the date of the opinion.

The principal sources of information used in formulating our opinion regarding the transaction which are relevant to TSH shareholders:

- Licence and Management Agreements made and entered into by and between SSHI and Silverstar Casino Proprietary Limited (“**Silverstar Casino**”);
- First and Second Addendums to the Management Agreement made and entered into by and between SSHI and Silverstar Casino;
- Licence and Management Agreements made and entered into by and between SSHI and Akani Egoli Proprietary Limited (“**Akani Egoli**”);
- First and Second Addendum to the Management Agreement made and entered into by and between SSHI and Akani Egoli;
- Licence and Management Agreements made and entered into by and between SSHI and Gold Reef City Theme Park Proprietary Limited (“**Gold Reef City Theme Park**”);
- First and Second Addendums to the Management Agreement made and entered into by and between SSHI and Gold Reef City Theme Park;
- Licence and Management Agreements made and entered into by and between SSHI and Akani Msunduzi Proprietary Limited (“**Akani Msunduzi**”);
- Addendum to the Management Agreement made and entered into by and between SSHI and Akani Msunduzi;
- Licence and Management Agreements made and entered into by and between SSHI and Tsogo Sun Newcastle Proprietary Limited (“**Tsogo Sun Newcastle**”);
- First, Second and Third Addendums to the Management Agreement made and entered into by and between SSHI and Tsogo Sun Newcastle;
- Licence and Management Agreements made and entered into by and between SSHI and Tsogo Sun Caledon Proprietary Limited (“**Tsogo Sun Caledon**”);
- First and Second Addendums to the Management Agreement made and entered into by and between SSHI and Tsogo Sun Caledon;
- Licence and Management Agreements made and entered into by and between SSHI and Garden Route Casino Proprietary Limited (“**Garden Route Casino**”);
- First and Second Addendums to the Management Agreement made and entered into by and between SSHI and Garden Route Casino;
- All licence and Management Agreements made and entered into by and between SSHI and TSC;
- All Addendums to the Management Agreements made and entered into by and between SSHI and TSC;
- Norman Griffiths valuation of the Emnotweni Hotels as at 31 March 2022;
- Forecast financial information in relation to the Management Agreements of the 17 TSG hotels for the financial years ending 31 March 2023 to 31 March 2028;

- Discussions with the directors and management of TSH on the rationale for the Transaction;
- The circular and notice sent to TSH shareholders for the general meeting to be held on 18 August 2022 (the “**Circular**”); and
- Publicly available information relating to TSH and the industry information that we deemed to be relevant.

PROCEDURES PERFORMED

In arriving at our opinion, amongst other things, we have undertaken the following procedures in evaluating the fairness of the Separation Transaction:

- Reviewed terms and conditions set out in the Separation Agreement and the Circular;
- Considered the underlying rationale for the Proposed Transactions;
- Analysed and reviewed all relevant financial information as set out above;
- Reviewed and obtained an understanding from management as to the assumptions in the forecast financial information of the management and licensing agreements and assessed the achievability thereof by considering historic information as well as macroeconomic and sector-specific data;
- Based on the above, we utilised an income approach (discounted cash flow) valuation methodology to value the cash flows that relates to the Management Agreements; The income approach indicates the fair value of the Management Agreements based on the value of the expected future cash flows generated under the current Management Agreements;
- For the discounted cash flow (“**DCF**”) we valued the cash flows of the management and licensing agreements using a five- and half-year forecast period. We assessed the margins, occupancy and growth assumptions in relation to the historical information and the industry and these were flexed as per the results below. We considered the forecast operating expenditure (“**OPEX**”) and discounted the Free Cash Flows (“**FCF**”) using a weighted average cost of capital (“**WACC**”) as the discount rate to capture the Company’s risks;
- Sensitivity analyses were performed considering key assumptions, key internal and external valuation drivers in arriving at a valuation range;
- Key internal valuation drivers to the DCF valuation include average room rates, occupancy rates and operating margins. A 1% increase in the average room rates across all years will result in a 1.70% increase in the value. A 1% decrease in the average room rates across all years will result in a 1.67% decrease in the value. A 1% increase in the occupancy rates across all years will result in a 0.27% increase in the value. A 1% decrease in the occupancy rates across all years will result in a 0.30% decrease in the value. Another key sensitivity for the DCF valuation is the discount rate where a 1% increase in the discount rate results in a 12.51% decrease in the value. A 1% decrease in the discount rate results in a 16.87% increase in the value.
- Key external valuation drivers for the DCF valuation include consumer confidence, disposable income and unemployment rates; lower unemployment rates will lead to an increase consumer confidence and disposable income; which will lead to increase in the value of Management Agreements. Higher unemployment rates will lead to lower consumer confidence and disposable income; which will lead to a decrease in the value of Management Agreements; and
- We considered the effect of Covid-19 on the valuation and given the nature of the business we were comfortable that we have used prudent occupancy rates and average room rates over the forecast period.

In arriving at our opinion, amongst other things, we have undertaken the following procedures in evaluating the fairness of the Hotel Sale Transaction:

- Reviewed and obtained an understanding from the Norman Griffiths Emnotweni Hotels Valuation Report as Fair Values of the Southern Sun Emnotweni and Stay Easy Emnotweni Hotels and assessed the reasonability of the assumptions used by considering historic information as well as macroeconomic and sector-specific data;
- Critically assessed the assumptions used by the Norman Griffiths, especially in terms of the revenue and operating profits realised on properties, coupled with the discount and capitalisation rates used;
- Performed a sensitivity analysis relating to the significant assumptions used to evaluate the extent of the impact on the fair values;
- Key internal valuation drivers to the fair value approach used to value the properties include the capitalisation rate, which is impacted by the location, property quality, star rating, long-term liability and interest rates. Other key internal valuation drivers include the discount rate and the deferred payment period; and

- A 1% decrease in the capitalisation rate results in a 12.50% increase in the value of Emnotweni Hotels, while a 1% increase in the capitalisation rate results in a 10.00% decrease in the value of the Emnotweni Hotels. A 1% increase in the discount rate, results in a 0.88% decrease in the value of the Emnotweni Hotels, while a 1% decrease in the discount rate, results in a 0.90% increase in the value of the Emnotweni Hotels. A 6-month extension in the deferred payment period results in a 5.51% decrease in the value of the Emnotweni Hotels while shortening the deferred payment by six-months results in a 5.83% increase in the value of the Emnotweni Hotels.

VALUATION RESULTS

In undertaking the valuation exercise of Separation Transaction above, we determined a valuation range of the Termination Fee of between R377,622,186.75 and R436,083,103.32 with a midpoint of R404,680,039.78.

In undertaking the valuation exercise of Hotel Sale Transaction above, we determined a valuation range of the Emnotweni Hotels of between R134,161,372.18 and R149,945,063.03, with a midpoint of R141,614,781.75.

ASSUMPTIONS

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions will not change materially;
- TSH is not involved in any other material legal proceedings other than what has been disclosed in the integrated annual report;
- There are no known undisclosed contingencies that could have a material effect on the value of management and licensing agreements or the Emnotweni Hotels;
- That the Proposed Transactions will have the legal, accounting and taxation consequences as described in discussions with, and materials furnished to us by the representatives and advisors of TSH; and
- Relied on the assumptions in the information available made by TSH's representatives during the course of forming this opinion.

LIMITING CONDITIONS

This report and opinion are provided to the board of directors of TSH in connection with and for the purposes of the Proposed Transactions. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of TSH's shareholders. Should any shareholder be in doubt as to what action to take, he or she should consult an independent advisor.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. While our work has involved an analysis of, *inter alia*, the historical financial information, financial forecasts and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with International Standards on Auditing, this information has, however, been tested for reasonableness.

Where relevant, forward-looking information on Management Agreements of the various TSG hotels relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We accordingly express no opinion as to how closely actual results will correspond to those forecasted.

We have also assumed that the Proposed Transactions will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of TSH and we express no opinion on such consequences. We have assumed that all agreements that have been entered into in regard to the Proposed Transactions will be legally enforceable.

None of the statements above invalidate the work done as per this opinion and the conclusion of the fairness opinions below.

INDEPENDENCE

In terms of Schedule 5.1(a) and 5.1(b) of the JSE Listings Requirements, we confirm that we have no material direct or indirect interest in the shares of TSH, TSG or the Proposed Transactions, nor do we have any relationship with any party involved in the Proposed Transactions.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Proposed Transactions.

OPINION

Merchantec Capital has considered the terms and conditions of the Separation Transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Separation Transaction are fair to TSH shareholders as the Consideration received for the termination of the various management and licensing agreements being R398,802,000, is within our fair valuation range of between R377,622,186.75 and R436,083,103.32.

Merchantec Capital has considered the terms and conditions of the Hotel Sale Transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Hotel Sale Transaction are fair to TSH shareholders as the Consideration Paid for the Emnotweni Hotels being R141,599,000, is within than our fair valuation range of between R134,161,372.18 and R149,945,063.03.

Subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

CONSENT

We consent to the inclusion of this letter and reference to our opinion in the Circular to be issued to shareholders of TSH in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Marcel Goncalves CA(SA)
Director

MERCHANTEC CAPITAL

Illovo Point 13th Floor
68 Melville Road
Illovo
Sandton
2196

PRO FORMA FINANCIAL INFORMATION OF TSOGO SUN HOTELS

The consolidated *pro forma* financial effects of the Separation Transaction, as set out below, are the responsibility of the Directors. The consolidated *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Tsogo Sun Hotels has been prepared and in terms of Tsogo Sun Hotels' accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present Tsogo Sun Hotels' financial position, changes in equity, results of operations or cash flows post the implementation of the Separation Transaction.

The *pro forma* financial information of Tsogo Sun Hotels has been prepared based on the published reviewed condensed consolidated financial information of Tsogo Sun Hotels for the year ended 31 March 2022.

T SOGO SUN HOTELS LIMITED
CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2022

Rm	Before	Separation Transaction	Transaction costs	Pro forma after the Separation Transaction
Notes	1	2	3	
Rooms revenue	1 641	–	–	1 641
Food and beverage revenue	731	–	–	731
Property rental income	90	–	–	90
Other revenue	246	(29)	–	217
Income	2 708	(29)	–	2 679
Property and equipment rentals	(16)	–	–	(16)
Amortisation and depreciation	(365)	–	–	(365)
Employee costs	(846)	–	–	(846)
Other operating expenses	(1 465)	(19)	(2)	(1 486)
Insurance proceeds received	191	–	–	191
Impairment of property, plant and equipment	(94)	–	–	(94)
Fair value adjustment of investment properties	55	–	–	55
Other gains and losses	–	399	–	399
Operating profit	168	351	(2)	517
Finance income	15	–	–	15
Finance costs	(373)	30	–	(343)
Share of profit of associates and joint ventures	26	–	–	26
Loss before income tax	(164)	381	(2)	215
Income tax credit/(expense)	8	(107)	–	(99)
Loss for the year	(156)	274	(2)	116
Loss attributable to:				
Equity holders of the company	(156)	274	(2)	116
Non-controlling interests	–	–	–	–
	(156)	274	(2)	116
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)				
Number of shares in issue (million)	1 478	–	–	1 478
Weighted number of shares in issue (million)	1 478	–	–	1 478
Basic and diluted (loss)/earnings per share (cents)	(10.6)	–	–	7.8

TSOGO SUN HOTELS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2022

Rm	Before	Separation Transaction	Transaction costs	<i>Pro forma</i> after the Separation Transaction
<i>Notes</i>	<i>1</i>	<i>2</i>	<i>3</i>	
(Loss)/Profit for the year	(156)	274	(2)	116
Other comprehensive income for the year, net of tax				
Items that may be reclassified subsequently to profit or loss:	13	–	–	13
Cash flow hedges	56	–	–	56
Currency translation adjustments	(27)	–	–	(27)
Income tax relating to items that may subsequently be reclassified to profit or loss	(16)	–	–	(16)
Items that may not be reclassified subsequently to profit or loss:	(1)	–	–	(1)
Remeasurements of post-employment defined benefit liability	(1)	–	–	(1)
Income tax relating to items that may not subsequently be reclassified to profit or loss	–	–	–	–
Total comprehensive (loss)/income for the year	(144)	274	(2)	128
Total comprehensive (loss)/income attributable to:				
Equity holders of the company	(144)	274	(2)	128
Non-controlling interests	–	–	–	–
	(144)	274	(2)	128
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings				
(Loss)/ profit attributable to equity holders of the company	(156)	274	(2)	116
Loss on disposal of property, plant and equipment	1	–	–	1
Impairment of property, plant and equipment	94	–	–	94
Fair value adjustment of investment properties	(55)	–	–	(55)
Share of associates' headline earnings adjustment	(11)	–	–	(11)
Total tax effect of adjustments	7	–	–	7
Tax effect of rate change	(1)	–	–	(1)
Total non-controlling interest effects of adjustments	–	–	–	–

Rm	Before	Separation Transaction	Transaction costs	Pro forma after the Separation Transaction
Notes	1	2	3	
Headline earnings	(121)	274	(2)	151
Transaction costs	–	–	2	2
Restructuring costs	4	–	–	4
Gain on implementation of the Separation Transaction	–	(399)	–	(399)
Share of associates' exceptional items	–	–	–	–
Total tax effects of other exceptional items	(1)	112	–	111
Total non-controlling interest effects of exceptional items	–	–	–	–
Adjusted headline earnings	(118)	(13)	–	(132)
Basic and diluted (loss)/earnings per share (cents)	(10.6)			7.8
Basic and diluted headline (loss)/earnings per share (cents)	(8.2)			10.2
Basic and diluted adjusted headline loss per share (cents)	(8.0)			(8.9)

NOTES TO THE PRO FORMA CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME:

- The "Reviewed results as at 31 March 2022" column has been extracted from the reviewed condensed consolidated annual financial statements of the Tsogo Sun Hotels Group for the year ended 31 March 2022.
- On 25 May 2022, Tsogo Sun Hotels and SSHI entered into the Separation Agreement with TSG and the TSG Subsidiaries, in terms of which the parties thereto agreed to the termination of the various Management Agreements concluded between them in relation to the management by SSHI of 15 hotels owned by TSG (refer to clause 6.3 of the Circular). Accordingly, management fee income of R29 million and central office cost recoveries of R19 million, earned by Tsogo Sun Hotels Group, from the gaming hotels for the 12-month period ended 31 March 2022 have been reversed from other revenue and other operating expenses respectively. Additionally, the Separation Agreement is subject to a Termination Fee of R399 million payable by such TSG Subsidiaries to SSHI. The Termination Fee is assumed to be settled on 1 April 2021 and is disclosed as an exceptional gain on the termination of the management contracts relating to the 15 gaming hotels. The Termination Fee proceeds are assumed to be applied in full towards the net debt balance of the Tsogo Sun Hotels Group at a weighted average interest cost of 7.5% which is the weighted average cost of the Group's ZAR-denominated debt, resulting in a finance cost saving of R30 million over the 12-month period. The Termination Fee is assumed to be revenue in nature from an income tax perspective and taxed at normal income tax rates. Since SSHI is in an assessed loss position as at 31 March 2022, the Termination Fee income is assumed to reduce this assessed loss and results in a deferred income tax expense of R112 million while the net expense resulting from the termination of the management fee income and rechange recoveries along with the finance costs savings results in a current income tax saving of R5 million.

Financial impact of the Separation Transaction	Rm
Reversal of management fee income	(29)
Reversal of central office cost recoveries	(19)
Termination fee	399
Interest savings	30
Tax on the above transactions	(107)
Deferred tax expense on reduction of tax losses	(112)
Current tax saving on implementation of the Separation Transaction	5
	274

- Once-off transaction costs, of R2 million, relating to the Proposed Transactions, as detailed in paragraph 22 of the Circular, will be borne by Tsogo Sun Hotels. Transaction costs have not been allocated between the Separation Transaction and the Hotel Sale Transaction.
- No adjustments are made for the Hotel Sale Transaction which is classified as a small related-party transaction. The headline profits attributable to the two Emnotweni Hotels subject to the Hotel Sale Transaction for the year ended 31 March 2022 was R7.0 million based on the reviewed condensed consolidated financial statements of TSG published on SENS on 26 May 2022, which were prepared in terms of IFRS.
- All adjustments are of a recurring nature except where otherwise stated.

T SOGO SUN HOTELS LIMITED
CONSOLIDATED BALANCE SHEET
as at 31 March 2022

Rm	Before	Separation Transaction	Transaction costs	<i>Pro forma</i> after the Separation Transaction
<i>Notes</i>	<i>1</i>	<i>2</i>	<i>3</i>	
ASSETS				
Non-current assets				
Property, plant and equipment	8 878	–	–	8 878
Right-of-use assets	984	–	–	984
Investment properties	1 450	–	–	1 450
Goodwill	354	–	–	354
Other intangible assets	48	–	–	48
Investments in associates	325	–	–	325
Investments in joint ventures	–	–	–	–
Post-employment benefit liability	2	–	–	2
Non-current receivables	14	–	–	14
Other financial assets	–	–	–	–
Deferred income tax assets	298	(112)	–	186
Total non-current assets	12 353	(112)	–	12 241
Current assets				
Inventories	69	–	–	69
Trade and other receivables	470	–	–	470
Other current assets	–	–	–	–
Other income tax assets	8	–	–	8
Cash and cash equivalents	707	–	(2)	705
Total current assets	1 254	–	(2)	1 252
Total assets	13 607	(112)	(2)	13 493
EQUITY				
Capital and reserves attributable to equity holders of the company				
Ordinary share capital and premium	5 333	–	–	5 333
Other reserves	1 828	–	–	1 828
Retained earnings	48	287	(2)	333
Total shareholders' equity	7 209	287	(2)	7 494
Non-controlling interests	97	–	–	97
Total equity	7 306	287	(2)	7 591

T SOGO SUN HOTELS LIMITED
CONSOLIDATED BALANCE SHEET (CONT)
as at 31 March 2022

Rm	Before	Separation Transaction	Transaction costs	Pro forma after the Separation Transaction
Notes	1	2	3	
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings	3 495	(399)	–	3 096
Lease liabilities	1 349	–	–	1 349
Derivative financial instruments	4	–	–	4
Deferred income tax liabilities	262	–	–	262
Deferred revenue	29	–	–	29
Provisions	67	–	–	67
Total non-current liabilities	5 206	(399)	–	4 807
Current liabilities				
Interest-bearing borrowings	42	–	–	42
Lease liabilities	11	–	–	11
Trade and other payables	838	–	–	838
Deferred revenue	58	–	–	58
Provisions	88	–	–	88
Current portion derivative financial instruments	9	–	–	9
Current income tax liabilities	49	–	–	49
Total current liabilities	1 095	–	–	1 095
Total liabilities	6 301	(399)	–	5 902
Total equity and liabilities	13 607	(112)	(2)	13 493
Number of shares in issue (million)	1 478	–	–	1 478
Net asset value ("NAV") (cents)	487.8			507.1
Tangible Net Asset Value ("TNAV") (cents)	440.4			467.3

NOTES TO THE CONSOLIDATED BALANCE SHEET

- The "Reviewed results as at 31 March 2022" column has been extracted from the reviewed condensed consolidated annual financial statements of the Tsogo Sun Hotels Group for the year ended 31 March 2022.
- Assumes the Separation Transaction will be implemented on 31 March 2022. Accordingly, the Termination Fee of R399 million for the 15 gaming hotels (refer to clause 6.3 of the Circular) is assumed to be settled on 31 March 2022. The Termination Fee proceeds are assumed to be applied in full towards the interest-bearing debt balance of the Tsogo Sun Hotels Group. The Termination Fee is assumed to be revenue in nature from an income tax perspective and taxed at normal income tax rates. Since SSHI is in an assessed loss position as at 31 March 2022, the Termination Fee income is assumed to reduce this assessed loss and results in a reduction of the deferred income tax asset balance of R112 million.

	Rm
Termination fee applied against interest-bearing debt	399
Deferred tax thereon	(112)
	287

- Once-off transaction costs, of R2 million, relating to the Proposed Transactions, as detailed in paragraph 22 of the Circular, will be borne by Tsogo Sun Hotels. Transaction costs have not been allocated between the Separation Transaction and the Hotel Sale Transaction.
- No adjustments are made for the Hotel Sale Transaction which is classified as a small related-party transaction. The value of the net assets of the two Emnotweni Hotels subject to the Hotel Sale Transaction agreement was R56.7 million as at 31 March 2022, being the date of TSG's reviewed condensed consolidated financial statements for the year ended 31 March 2022.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION FOR TSOGO SUN HOTELS

To the Directors of Tsogo Sun Hotels Limited

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in a Circular

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Tsogo Sun Hotels Limited (the "Company") by the directors. The *pro forma* financial information, as set out in paragraph 20 and Annexure 2 of the Circular, consists of the *pro forma* consolidated balance sheet as at 31 March 2022, the *pro forma* consolidated income statement and *pro forma* consolidated statement of comprehensive income for the year ended 31 March 2022 and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited (JSE) Listings Requirements and described in Annexure 2 of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed Separation Agreement entered into between the Company and Tsogo Sun Gaming Limited ("TSG") in terms of which the management and licensing agreements will be terminated. As part of this process, information about the Company's consolidated financial position and consolidated financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 March 2022, on which a review report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 2 of the Circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 2 of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 2 of the Circular.

PricewaterhouseCoopers Inc.
Director: Pietro Calicchio
Registered Auditor
Johannesburg, South Africa

13 July 2022



TSOGO SUN HOTELS LIMITED

which is to be renamed Southern Sun Limited, subject to the requisite approval from Shareholders)

Incorporated in the Republic of South Africa

Registration number 2002/006356/06

JSE share code:TGO

ISIN: ZAE000272522

("Tsogo Sun Hotels")

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached, shall bear the same meanings where used in this Notice of General Meeting.

The Board has decided to proceed with the General Meeting by way of electronic participation only and not by way of a physical meeting. The General Meeting will accordingly be accessible through electronic communication, as permitted by the JSE and in accordance with the provisions of the Companies Act and the MOI. **"Attendance" throughout this notice will refer to electronic attendance.**

The General Meeting will be hosted via Microsoft Teams, a remote interactive electronic platform.

NOTICE IS HEREBY GIVEN that a general meeting of Shareholders will be held electronically on Thursday, 18 August 2022 at **10:00** (South African Standard Time), to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

SPECIAL RESOLUTION NUMBER 1 – CHANGE OF NAME

"IT IS RESOLVED AS A SPECIAL RESOLUTION that the Company's name be and is hereby changed from "Tsogo Sun Hotels Limited" to "Southern Sun Limited" with effect from the date set out in the amended registration certificate to be issued by the Companies and Intellectual Property Commission."

SPECIAL RESOLUTION NUMBER 2 – AMENDMENT OF THE COMPANY'S MEMORANDUM OF INCORPORATION

"IT IS RESOLVED AS A SPECIAL RESOLUTION that, subject to Special Resolution Number 1 being passed and becoming effective:

1. the cover page of the Company's memorandum of incorporation ("**MOI**") be and is hereby amended by the deletion of the words "TSOGO SUN HOTELS LIMITED" appearing thereon and the substitution therefor of the words "SOUTHERN SUN LIMITED";
2. the definition of "Company" in clause 2.1 of the Company's MOI be and is hereby amended by the deletion of the words "Tsogo Sun Hotels Limited" and the substitution therefor of the words "Southern Sun Limited"; and
3. all remaining references to "Tsogo Sun Hotels Limited" in the Company's MOI be and are hereby amended by the deletion of the deletion thereof and the substitution therefor of the words "Southern Sun Limited".

The reason for and the effect of Special Resolutions Number 1 and 2 is to change the name of the Company and to effect the consequential amendments to the Company's MOI as a result thereof.

For Special Resolution Number 1 and 2 to be approved, it must be supported by at least 75% of the voting rights exercised on such resolution by Shareholders.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE PROPOSED TRANSACTIONS

“IT IS RESOLVED AS AN ORDINARY RESOLUTION that the Proposed Transactions, being:

1. the Company and its wholly owned subsidiaries HPF Properties Proprietary Limited (“**HPF**”) and Southern Sun Hotel Interests Proprietary Limited (“**SSHI**”) entering into a sale of hotel properties and businesses agreement with Tsogo Sun Gaming Limited (“**TSG**”), and its wholly owned subsidiaries, Listed Investments Proprietary Limited (“**Listed Investments**”) and Tsogo Sun Casinos Proprietary Limited, in terms of which, HPF will acquire the Emnotweni Hotels (as defined in the Circular) from Listed Investments; and
2. the Company and SSHI entering into a Separation Agreement with TSG and various subsidiaries of TSG (as more fully described in the Circular), in terms of which the parties thereto agreed to the termination of various Management Agreements concluded between them in relation to the management by SSHI of fifteen of the seventeen hotels owned by TSG, subject to payment by such TSG subsidiaries to SSHI of an aggregate termination fee of R398,802,000 (VAT exclusive),

on terms and conditions more fully set out in the Circular; read with the agreements regulating to the Proposed Transactions, be and are hereby approved as related party transactions in terms of paragraph 10.4(e) of the JSE Listings Requirements.”

The reason for Ordinary Resolution Number 1 is that the Proposed Transactions constitute Related Party Transactions in terms of the JSE Listings Requirements, which requires the approval of the Shareholders, excluding TSG and its associates, including HCI and HCI Foundation, by way of an ordinary resolution in accordance with paragraph 10.4(e) of the JSE Listings Requirements.

The effect of Ordinary Resolution Number 1, if passed, will be to grant the necessary approval for the conclusion and implementation of the Proposed Transactions, in terms of the JSE Listings Requirements.

For ordinary resolution number 1 to be approved, it must be supported by more than 50% of the voting rights exercised on such resolution by Shareholders. The votes held by TSG and its associates (including HCI and HCI Foundation) will be taken into account in determining a quorum at the General Meeting, but their votes will not be taken into account in determining the results of the voting at such General Meeting in relation to the aforementioned ordinary resolution.

ORDINARY RESOLUTION NUMBER 2 – DIRECTORS’ AUTHORITY

“IT IS RESOLVED AS AN ORDINARY RESOLUTION that any Director of the Company, be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to give effect to the resolutions set out above in this Notice of General Meeting and anything already done in this respect be and is hereby ratified.”

The reason for and effect of Ordinary Resolution Number 2 is to authorise each Director of the Company to do all such things and sign all such documents as are deemed necessary or desirable to implement the ordinary resolution set out above in the Notice of General Meeting.

For ordinary resolution number 2 to be approved, it must be supported by more than 50% of the voting rights exercised on such resolution by Shareholders.

VOTING AND PROXIES

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 15 July 2022.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 12 August 2022, with the last day to trade being Monday, 8 August 2022.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the General Meeting and must accordingly provide a certified copy of their identity document, passport or drivers' license, to be submitted together with the Electronic Participation Application Form. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder of Tsogo Sun Hotels. A Form of Proxy (grey), which sets out the relevant instructions for its completion, is enclosed for use by Certificated Shareholders or Own-name Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (grey) will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries, at the addresses given below, to be received by them preferably by no later than **10:00** (South African Standard Time) on Tuesday, 16 August 2022.

Dematerialised Shareholders, other than Own-name Dematerialised Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such Shareholders and the CSDP or Broker.

Dematerialised Shareholders, other than Own-name Dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

By order of the Board

M von Aulock

Chief Executive Officer

Company Secretary

Southern Sun Secretarial Services Proprietary Limited
(Registration number 1969/001208/07)
Palazzo Towers West
Montecasino Boulevard
Fourways
Johannesburg, 2055
(Private Bag X200, Bryanston, 2021)

Transfer Secretaries

JSE Investor Services Proprietary Limited
(Registration number 2000/007239/07)
13th Floor
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844 Johannesburg, 2000)



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Incorporated in the Republic of South Africa

Registration number 2002/006356/06

JSE share code: TGO

ISIN: ZAE000272522

("Tsogo Sun Hotels" or "the Company")

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

General Meeting Instructions

Shareholders or their proxies, have the right, as provided for in Tsogo Sun Hotels' MOI and the Companies Act, to participate in the General Meeting by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the General Meeting must complete this application form and email it (together with the relevant supporting documents referred to below) to the Transfer Secretaries at meetfax@jseinvestorservices.co.za by no later than 10:00 on Tuesday, 16 August 2022.

Upon receiving a completed Electronic Participation Application Form, the Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate electronically in and/or vote at the General Meeting. The Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a Microsoft Teams meeting invitation required to access the General Meeting.

Please note

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Neither the Company, nor the Transfer Secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such participant from participating electronically in and/or voting at the General Meeting.

By signing this Electronic Participation Application Form, the participant indemnifies and holds Tsogo Sun Hotels harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the General Meeting or any interruption in the ability of the participant to participate in the General Meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the participant or anyone else.

Information required for participation by electronic communication at the General Meeting

Full name of shareholder: _____

Identity or registration number of shareholder: _____

Full name of authorised representative (if applicable): _____

Identity number of authorised representative: _____

Email address: _____

*Note: this email address will be used by the Company to share the Microsoft Teams meeting invitation required to access the General Meeting electronically.

Cell phone number: _____

Telephone number, including dialling codes: _____

* Note: The electronic platform to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the proxy form found at page 26. Participants who indicate in this form that they wish to exercise their votes during the General Meeting will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

Indicate (by marking with an 'X') whether:

votes will be submitted by proxy (in which case, please enclose the duly completed proxy form with this form); or

the participant wishes to exercise votes during the General Meeting. If this option is selected, the Transfer Secretaries will contact you to make the necessary arrangements.

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in the General Meeting.

Signed at _____

on _____

2022

Signed: _____

Please read documents required to be attached to this application form overleaf

Documents required to be attached to this application form

In order to exercise their voting rights at the General Meeting, Shareholders who choose to participate electronically may appoint a proxy, which proxy may participate electronically in the General Meeting, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the General Meeting. A copy of the proxy form can be found on page 39. Documentary evidence establishing the authority of the Shareholder or duly appointed proxy, including any person acting in a representative capacity, who is to participate electronically in the General Meeting, must be attached to this application. This includes the Shareholder's full title to the shares issued by Tsogo Sun Hotels, in the form of share certificates (in the case of certified shares) and (in the case of dematerialised Shares) written confirmation from the Shareholder's Central Securities Depository Participant ('CSDP') confirming the Shareholder's title to the dematerialised Shares. A certified copy of the valid identity document/passport of the person attending the General Meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application. Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the Shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.



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("Tsogo Sun Hotels" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meanings when used in this Form of Proxy.

For use only by Shareholders holding Certificated Shares and Own-name Dematerialised Shareholders at the General Meeting to be held electronically on Thursday, 18 August 2022 at 10:00 (South African Standard Time).

Dematerialised Shareholders who are not Own-name Dematerialised Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions, in terms of the custody agreement entered into between them and their CSDP or Broker. Dematerialised Shareholders who are not Own-name Dematerialised Shareholders wishing to attend the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We (Full name in print) of (address)

Telephone: (work) area code ()

Telephone: (home) area code ()

Cell phone number:

E-mail address:

being the holder of Shares in Tsogo Sun Hotels, hereby appoint:

_____ or failing him/her

_____ or failing him/her

the chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instructions (see notes):

	In favour of*	Against *	Abstain *
Special Resolution Number 1 – Change of Name			
Special Resolution Number 2 – Amendment of the Company's Memorandum of Incorporation subject to Special Resolution Number 1 being passed and becoming effective			
Ordinary Resolution Number 1 – Approval of the Proposed Transactions			
Ordinary Resolution Number 2 – Directors' authority			

* One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the Form of Proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.

Signed at

on this day of

2022

Signature(s)

Capacity of signatory (where applicable)

Assisted by (where applicable) (state capacity and full name)

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s) of Tsogo Sun Hotels) to attend, speak and vote in his/her stead at the General Meeting.

Notes:

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of Tsogo Sun Hotels.

In the event of a poll, every Shareholder shall be entitled to that proportion of the total votes in Tsogo Sun Hotels which the aggregate amount of the nominal value of the Shares held by such Shareholder bears to the aggregate amount of the nominal value of all the Shares issued by Tsogo Sun Hotels.

Shareholders who have Dematerialised their Shares with a CSDP or Broker, other than Own-name Dematerialised Shareholders, must arrange with the CSDP or Broker concerned to provide them with the necessary authorisation to attend the General Meeting or the Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the CSDP or Broker concerned.

Instructions on signing and lodging the Form of Proxy:

A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries or Tsogo Sun Hotels.

The completed Form of Proxy must be lodged with, posted to or sent via e-mail to the Transfer Secretaries at the addresses set out below, to be received by them preferably by no later than **10:00** (South African Standard Time) on Tuesday, 16 August 2022.

Transfer Secretaries**Hand deliveries to:**

JSE Investor Services Proprietary Limited
(Registration number: 2000/007239/07)
13th Floor
19 Ameshoff Street
Braamfontein
Johannesburg, 2001

Postal deliveries to:

JSE Investor Services Proprietary Limited
PO Box 4844
Johannesburg
2000

Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.

The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.

The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to Tsogo Sun Hotels.

The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.

The chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.



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 Incorporated in the Republic of South Africa
 Registration number 2002/006356/06
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 ISIN: ZAE000272522
 (“**Tsogo Sun Hotels**” or “**the Company**”)

FORM OF SURRENDER (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

All terms defined in the Circular, to which this Form of Surrender is attached, shall bear the same meanings when used in this Form of Surrender.

Please read the following notes and instructions. Non-compliance with these instructions may result in the rejection of this Form. If you are in any doubt as to how to complete this Form, please consult your broker, banker, attorney, accountant or other professional adviser.

Note: A separate Form is required for each Certificated Shareholder.

To: **Tsogo Sun Hotels Limited, in the process of being renamed Southern Sun Limited**
 c/o JSE Investor Services Proprietary Limited
 13th Floor
 19 Ameshoff Street
 Braamfontein
 (PO Box 4844, Johannesburg, 2000)

PART A – TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS

I/We irrevocably and in rem suam authorise you to produce the signature of such documents that may be necessary to complete the replacement of the share certificates listed below in the name of Southern Sun Limited (the new name of Tsogo Sun Hotels Limited).

I/We hereby instruct you to forward the replacement share certificate(s) to me/us by registered post in South Africa, at my/our own risk, to the address below and confirm that, where no address is specified, the share certificate(s) will be forwarded to my/our address recorded in the share register of the Company.

My/Our signature(s) on this Form constitutes my/our authority to execute this instruction.

I/We surrender and enclose the under-mentioned share certificate(s):

Documents of title surrendered

Certificate number(s)	Number of shares covered by each certificate
Total	
Certified Shareholder Information	
Title:	Stamp and address of agent lodging this form (if any)
Surname:	
First name(s):	
Postal address to which new share certificates should be sent (if different from the address recorded in the Company’s share register):	
Signature of shareholder	
Assisted by (if applicable)	
State full name and capacity:	
Date:	
Telephone numbers:	
Home: ()	
Work: ()	
Cell: ()	

PART B – TO BE COMPLETED BY EMIGRANTS FROM AND NON-RESIDENTS OF THE COMMON MONETARY AREA

Nominated authorised dealer in the case of a shareholder who is an emigrant from or a non-resident of the common monetary area (see note 2 below):

Name of authorised dealer _____ Account Number _____

Address _____

_____ Postal Code _____

Notes:

1. *No receipts will be issued for share certificates lodged, unless specifically requested. In compliance with the requirements of the JSE Limited ("JSE"), lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form*
2. *Persons whose registered addresses in the register are outside the common monetary area, or whose shares are restrictively endorsed, should nominate an authorised dealer in Part B of this Form.*
3. *Any alteration to this Form must be signed in full and not initialled.*
4. *If this Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Form for noting (unless it has already been noted by the Company or its transfer secretaries).*
5. *Where the shareholder is a company or a close corporation, unless it has already been registered with the Company or its transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by the Company.*
6. *Note 4 does not apply in the event of this Form bearing a recognised JSE broker's stamp.*
7. *Where there are joint holders of any shares in the Company, only that holder whose name stands first in the register in respect of such shares need sign this Form.*

