

12 March 2018

Attention: Sun International Shareholders

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Dear Sun International Shareholders

Sun International Limited: Special General Meeting of Shareholders: Friday, 23 March 2018

You are referred to the special general meeting of shareholders which has been convened for Friday, 23 March 2018 at 09h00 (South African time) at The Maslow Hotel, corner Grayston Drive and Rivonia Road, Sandton, Johannesburg, Republic of South Africa.

In terms of a circular which was issued by the company on Friday, 16 February 2018 and delivered to shareholders thereafter, two of the resolutions contained in the circular seek shareholder approval to amend certain provisions of the rules of Sun International's long-term share based incentive schemes, namely the Equity Growth Plan 2005 ("EGP") and the Bonus Share Matching Plan (collectively "the Share Plans").

Contained within the aforementioned circular are the salient features of the proposed amendments to the Share Plans, which can be found on the following link:-

<https://corporate.suninternational.com/investors>

The proposed amendments to the Share Plans follow on from an open letter which was addressed and posted to shareholders on 5 July 2017 and a copy of which is attached hereto for your ease of reference.

On 8 March 2018, Sun International received ISS's proxy analysis and voting recommendations on the resolutions to be put to shareholders at the special general meeting to be held on 23 March 2018.

In terms thereof and while ISS recognise that the proposed amendments to be made to the rules of the Share Plans are generally positive, they believe that certain underlying structural concerns remain.

These include:-

- the Bonus Matching Shares are not performance related;
- no specific targets have been disclosed in the EGP rules; and
- the Share Plans continue to feature relatively high share usage limits (c. 9.9% of the issued share capital in aggregate),

and accordingly recommended that shareholders vote against ordinary resolutions numbers 2 and 3 pertaining to the proposed amendments to the Share Plans rules.

In response thereto, the Remuneration Committee believes that it is important for shareholders to be provided with further information and insight regarding these proposed amendments to the Share Plans and particularly before shareholders cast their votes.

SUN INTERNATIONAL LIMITED

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Directors: MV Moosa (Chairman) PL Campher (Lead Independent Director) AM Leeming (Chief Executive)* N Basthdaw (Chief Financial Officer)*
PDS Bacon ZBM Bassa E Cibie GW Dempster Dr NN Gwagwa CM Henry BLM Makgabo-Fiskerstrand DR Mokhobo* GR Rosenthal
Company Secretary: AG Johnston
(*Executive)

Registration Number: 1967/007528/06



Accordingly, the Remuneration Committee wishes to highlight to shareholders the following pertinent facts:-

- the resolutions tabled before shareholders in the circular issued on 16 February 2018, are seeking to amend the existing Share Plan rules, previously approved by shareholders in general meeting, as opposed to seeking shareholder approval on the adoption of completely new Share Plans. This is important to bear in mind as all three of the points of concern raised by ISS in their report are not the subject of amendment at this special general meeting on 23 March 2018 and remain unchanged from the Share Plans rules previously approved by shareholders;
- the proposed amendments to the Share Plan rules which the company is seeking shareholder approval on need to be read holistically and in the context of the overall re-design of Sun International's short term and long-term share based incentive plans (as set out in the open letter to shareholders dated 5 July 2017), and not in isolation;
- the proposed amendments to the Share Plan rules are overwhelmingly favourable to shareholders as opposed to the employees, when compared to the rules of the existing Share Plans. By way of example, the proposed amendments include the introduction of malus on unvested awards and grants, the suspension of vesting and settlement of awards and grants where disciplinary action for poor performance is pending, the repayment of certain dividends by employees where there has been fault terminations prior to the vesting date and general alignment with the JSE Listings Requirements and Companies Act, where appropriate. In the case of the EGP rules, certain historical provisions allowing for repricing have also been deleted and aligned with the current JSE Listings Requirements;
- both the overall limit on the number of shares to be utilised for the Share Plans, as well as the individual limit have not been amended and remain as per the previous limits approved by shareholders. Furthermore and in the event that shareholders approve the remaining two resolutions in the circular issued on 16 February 2018, pertaining to the proposed rights offer, any subsequent rights offer will inevitably result in further Sun International shares being issued, which will dilute the percentage of shares available for the Share Plans and individual participants;
- the current EGP rules as approved by shareholders in 2011 (including previous versions thereof) have never included specific targets in the rules – indeed it is unusual for companies to specify targets in rules. The financial performance criteria and targets set by remuneration committees are usually dealt with in award and/or grant letters to participants. Consequently, the rules need to be read in conjunction with the company's remuneration report published annually along with the open letter to shareholders dated 5 July 2017; and
- while the Bonus Share Matching Plan does not impose performance related conditions between the award date and the vesting date (the remaining in employment with the group during this period being the only criteria for vesting), minimum financial performance during the prior year does determine the quantum, if any, of the Bonus Matching Shares to be awarded to participants in any one year. As indicated in the letter to shareholders dated 5 July 2017, in future senior executives of Sun International will only receive half the number of Bonus Matching Shares which they received in the past, but instead will be granted a larger tranche of EGP Rights which are linked to share price appreciation and financial performance conditions. This, when assessed holistically in conjunction with the changes made to the short-term incentive scheme and the other long-term share based incentive schemes, plus changes made to the financial performance conditions, is considerably more aligned to shareholders' interests than what has historically been the case. In addition, senior executives will, except in extremely limited circumstances, no longer be eligible to receive Restricted Shares under the rules of the Bonus Share Matching Plan.

Taking all of the above factors into consideration, the Remuneration Committee believes that it remains in the best interests of shareholders to vote in favour of ordinary resolutions numbers 2 and 3 regarding the proposed amendments to the Share Plans rules, which will more closely align the Sun International senior executives and senior managers' interests with those of shareholders.



It is our understanding that the other leading international proxy advisory firm recommends voting in favour of ordinary resolutions numbers 2 and 3, which highlights the importance of making your own voting decision.

We trust that when deciding how to vote your Sun International shares at the special general meeting, you will factor the above important considerations into your decisions.

Kind regards

A handwritten signature in black ink, appearing to read 'L. Campher', written over a horizontal line.

Leon Campher

Chairman: Sun International Remuneration Committee