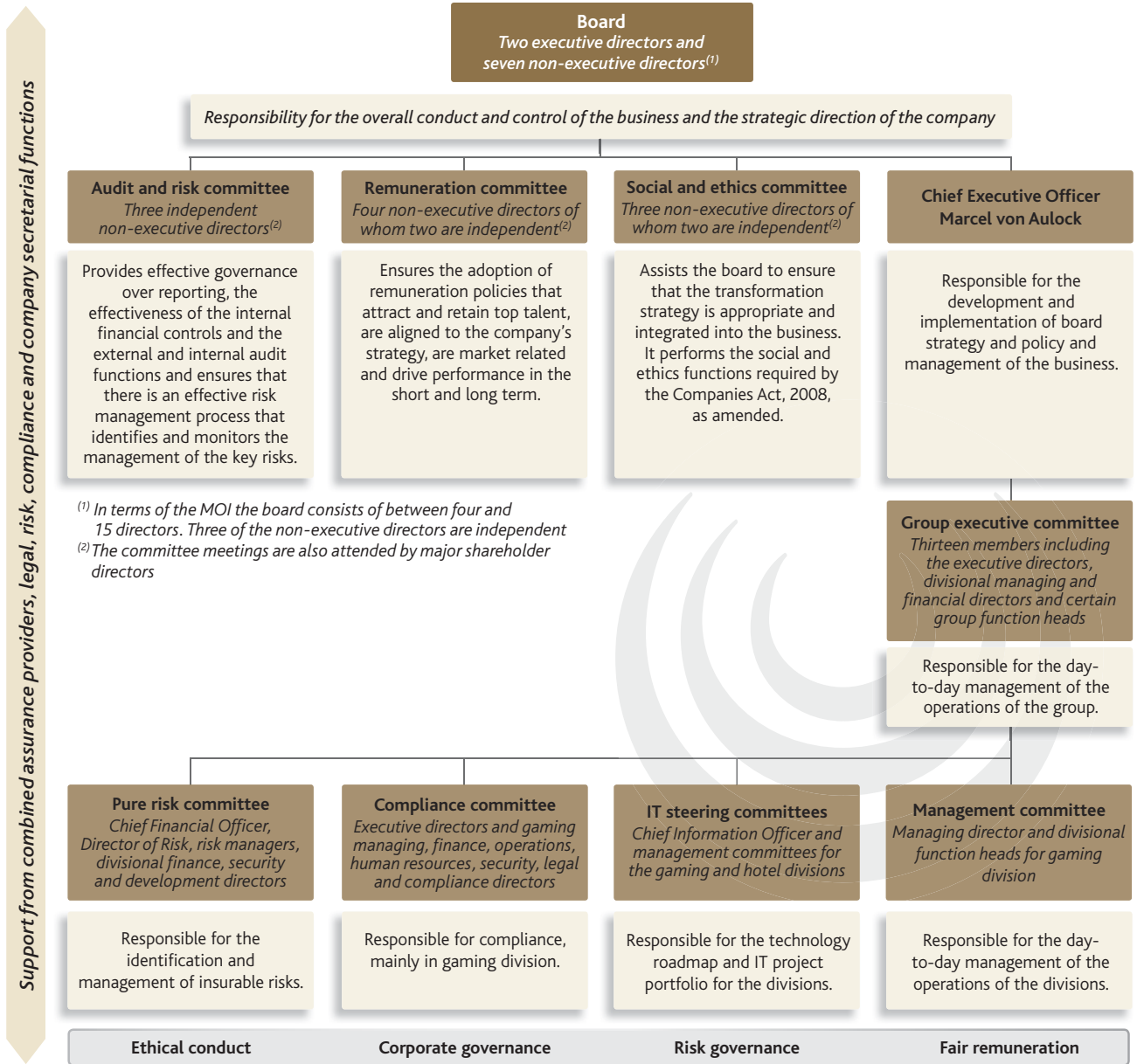


Corporate governance

Our governance framework



The board and board committees

The board maintains full and effective control over the company and is accountable and responsible for its performance and compliance. The board reviews the strategic priorities of the group, determines the investment policies and delegates to management the detailed planning and implementation of the objectives and policies in accordance with appropriate risk parameters. The board monitors compliance with policies and achievement against objectives by holding management accountable for its activities through quarterly performance reporting and budget updates.

The board charter codifies the board's composition, appointment, authorities, responsibilities and processes and sets out the fiduciary duties of the directors of the company. It provides the board with a mandate to exercise leadership, determine the group's vision and strategy and monitors operational performance.

The board governs through clearly mandated board committees. Each committee has specific written terms of reference approved by the board and adopted by the committee. All committee chairmen report orally on the proceedings of their committees at the board meetings. Evaluation of the board and the board committees is entrenched in the board charter and terms of reference and is carried out annually.

Corporate governance continued

Our board



1. MN VON AULOCK (41)

CA(SA)

Executive Director – Chief Executive Officer

Date appointed: 1 April 2009

Marcel von Aulock served his articles at PwC and joined Tsogo Sun as Group Financial Manager in 1999. In 2004 he was promoted to Group Strategic Planning Director. In 2009 he was appointed Chief Financial Officer and on 30 September 2011 he assumed the role of Chief Executive Officer.

2. RB HUDDY (46)

CA(SA)

Executive Director – Chief Financial Officer

Date appointed: 31 October 2011

Rob Huddy served his articles at PwC and joined Tsogo Sun in 1997. He held various management positions prior to being appointed Financial Director – Hotels Offshore in 2006 and Financial Director – Hotels South Africa in 2009. On 30 September 2011 he assumed the role of Chief Financial Officer.

3. JA COPELYN (65)

BA(Hons), BProc

Non-executive Chairman and member of the remuneration committee

Date appointed: 13 August 2003

John Copelyn joined HCI as Chief Executive Officer in 1997. He was previously General Secretary of the Southern African Clothing and Textile Workers Union from 1974 before becoming a member of parliament in 1994. He currently holds various directorships and is Non-executive Chairman of e.tv.

4. MA GOLDING (55)

BA(Hons)

Non-executive Director

Date appointed: 30 April 2004

Marcel Golding runs a family investment office. Prior to this he was Chairman of HCI and Chief Executive Officer of e.tv. He was a member of parliament and Deputy General Secretary of the National Union of Mineworkers. He is Chairman of KWV Holdings.

5. VE MPHANDE (57)

Elec Eng (Dip)

Non-executive Director

Date appointed: 3 February 2005

Elias Mphande has served as the National Organising Secretary of the Southern African Clothing and Textile Workers Union, Marketing Director of Viamax Fleet Solutions, Chief Executive Officer of AUTA and the Vukani Group and Chairman of Golden Arrow Bus Services. He was appointed to the HCI board in 2010 as a Non-executive Director and serves on the board of Vukani Gaming Corporation and e.tv.



6. **Y SHAIK (57)**

BA(Law), BProc

Non-executive Director, member of the social and ethics committee and Chairman of the remuneration committee

Date appointed: 15 June 2011

Yunis Shaik is an admitted attorney of the High Court of South Africa. He is a former Deputy General Secretary of the Southern African Clothing and Textile Workers Union and a director of Workers' College. He has served as a Senior Commissioner to the KwaZulu-Natal CCMA. He was appointed to the board of HCI in 2005 as lead independent non-executive director of HCI in 2010 and as Executive Chairman in 2014.

7. **RG TOMLINSON (52)**

BCom, HDip Personnel Management

Lead Independent Non-executive Director, Chairman of the audit and risk committee and the social and ethics committee and member of the remuneration committee

Date appointed: 24 February 2011

Rex Tomlinson was Human Resources Director of Illovo Sugar Limited, before joining Nampak, where he held numerous executive line management roles and was a member of the Nampak Limited board. He joined Liberty Holdings in 2004, was appointed Deputy Chief Executive in 2005 and to the Liberty Holdings board in 2006 where he served until his resignation in 2010. He is a director of Telkom SA SOC Limited and Chairman of three unlisted companies.

8. **BA MABUZA (51)**

BA MBA

Independent Non-executive Director, member of the audit and risk committee

Date appointed: 1 June 2014

Busi Mabuza has held various positions in the financial services and energy sectors and is currently a non-executive director at Development Bank of Southern Africa, Industrial Development Corporation and Nehawu Investment Holdings.

9. **JG NGCOBO (64)**

Independent Non-executive Director, member of the audit and risk committee, the social and ethics committee and remuneration committee

Date appointed: 24 February 2011

Jabu Ngcobo held the positions of General Secretary of the Southern African Clothing and Textile Workers Union from 1994 to 1999 and the Regional Secretary for Africa of the International Textile Garment and Leather Workers Federation from 1999 to 2006. He was appointed to the board of HCI in 2004 and serves as a director of HCI Coal.

Corporate governance continued

Our board continued

Segregation of duties

The roles of the Chairman and the Chief Executive Officer are separate, with responsibilities divided between them to ensure a balance of power and authority. The Chairman is responsible for providing overall leadership of the board and ensuring that the board performs effectively. The Chief Executive Officer is responsible for the execution of the strategic direction, which is approved by the board, through the delegation of authority.

The Lead Independent Director is Rex Tomlinson who chairs or serves on all of the committees of the board and is therefore well placed to influence the governance of the company and meet his obligations as Lead Independent Director.

The Company Secretary ensures that board procedures and relevant regulations are fully adhered to. The Company Secretary is not a director of the company. The directors have unlimited access to the advice and services of the Company Secretary. The board is satisfied that the Company Secretary is competent and has the appropriate qualifications and experience required by the group. The Company Secretary also acts as secretary for the committees of the board.

All directors have unrestricted access to company records, information, documents and property and unfettered access to

management at any time. All directors are entitled, at Tsogo Sun's expense, to seek independent professional advice on any matters pertaining to the group where they deem this to be necessary.

Board composition and attendance

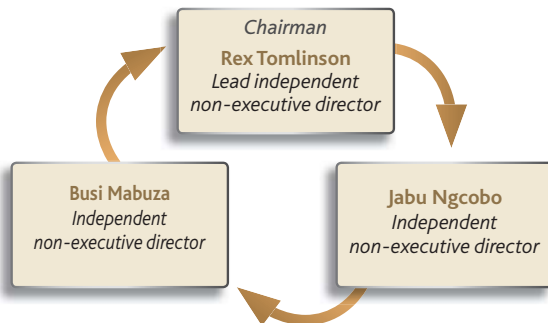
The composition of the board and of the audit and risk, remuneration and the social and ethics committees is determined by the majority shareholder. Following the disposal of SABMiller of its shareholding, J Davidson, JS Wilson, MI Wyman and JA Mabuza resigned and BA Mabuza was appointed as a director. No independent director has served for more than nine years and the average length of service of independent directors is three years. The board considers that there is an appropriate balance of skills, experience, independence and knowledge among the independent directors. One third of the directors retire by rotation each year in line with the memorandum of incorporation.

During the year there were six board meetings. Individual directors' attendance at the board and board committee meetings and at the AGM is set out in the table below:

	Board	Audit and risk committee	Remuneration committee	Social and ethics committee	AGM
Executive directors					
Marcel von Aulock	6/6				✓
Rob Huddy	6/6				✓
Non-executive directors					
Chairman					
John Copelyn	6/6		2/2		✓
Deputy Chairman					
Jabu Mabuza	3/3				
Lead independent					
Rex Tomlinson	6/6	3/3	2/2	2/2	
Independent					
Busi Mabuza	5/5	2/2			
Jabu Ngcobo	6/6	3/3	2/2	2/2	
Non-independent					
John Davidson	3/3		1/1		
Marcel Golding	5/6				
Elias Mphande	6/6				
Yunis Shaik	6/6	1/1	2/2	2/2	✓
Jamie Wilson	2/3				
Malcolm Wyman	3/3				

In addition, the divisional Managing Directors and the Group Human Resources Director attend board meetings, enabling the board to explore specific issues and developments in greater detail.

Audit and risk committee



Key objective:

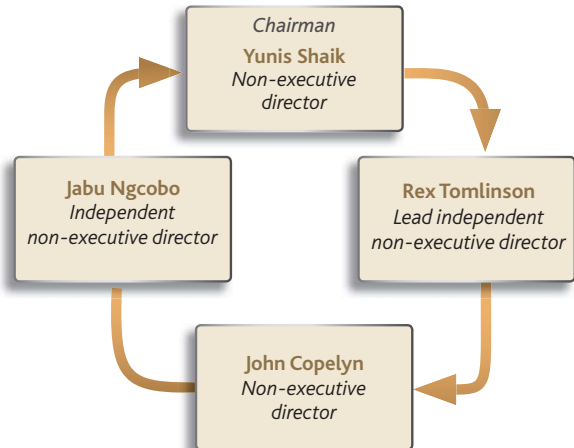
The provision of effective governance over the appropriateness of the group's financial and integrated reporting including the adequacy of related disclosures, the performance of both the internal audit function and the external auditor, and the management of the group's systems of internal control, business risks and related compliance activities.

The committee met three times during the year. The Chief Executive Officer, the Chief Financial Officer, the group's Director of Risk, the Chief Information Officer and directors from the majority shareholder attend the meetings as permanent invitees, along with external audit and the outsourced internal audit. Other directors and members of management attend as required.

The work of the audit and risk committee during the year focused on:

- ❖ review of the risk landscape to which the group is exposed in relation to the group's risk tolerance and risk appetite levels and evaluation of the appropriateness of management's responses to the risks;
- ❖ oversight of the implementation of the combined assurance model;
- ❖ review of IT risks in relation to core operational systems, systems projects and security initiatives;
- ❖ review of material legal, legislation and regulatory developments;
- ❖ review of and recommendation to the board for approval of the interim and annual results announcements and the annual financial statements and integrated annual report;
- ❖ approval of the external audit and internal audit plans;
- ❖ evaluation of the independence and effectiveness of, and the fees and terms of engagement of the external auditors;
- ❖ evaluation of the effectiveness of the outsourced internal audit function;
- ❖ assessment of the internal control environment, particularly in relation to the group's system on internal financial controls;
- ❖ evaluation of the group's whistle-blowing systems; and
- ❖ assessment of the expertise and experience of the Chief Financial Officer.

Remuneration committee



Key objective:

The committee is empowered by the board to assess and approve the broad remuneration strategy for the group, the operation of the company's short-term and long-term incentives for executives across the group, and set short-term and long-term remuneration for the executive directors and members of the executive committee.

The committee met twice during the year. The Chief Executive Officer and the group's Human Resources Director attend the meetings as permanent invitees, except when issues relating to their own compensation are discussed.

The scope of the remuneration committee's work during the year included the following matters:

- ❖ monitoring and providing guidance in matters relating to organisational culture, structures and processes that support the development and retention of people, and the optimisation of their potential;
- ❖ ensuring that the priorities of employment equity and skills retention form part of the business plans of the group – enforcing, monitoring and auditing development and progress;
- ❖ determining the group's general policy on executive and senior management remuneration and the specific remuneration packages for the executive directors and other senior executives of the group, and to ensure that they are fairly, competitively but responsibly rewarded for their individual contributions and performance; and
- ❖ determining any criteria necessary to measure the performance of executive directors and other senior executives and approving targets for any performance-related pay schemes.

Further details of the group's remuneration policy and the work of the remuneration committee can be found in the remuneration section on page 71 to page 76.

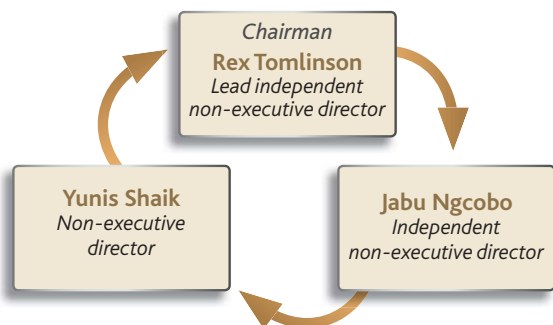


Refer to the report of the audit and risk committee on page 3 of the consolidated financial statements for the year ended 31 March 2015.

Corporate governance continued

Our board continued

Social and ethics committee



Key objective:

The purpose of the committee is to regularly monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice and, in particular, to monitor the group's compliance with the applicable requirements of Regulation 43 of the South African Companies Act in relation to matters pertaining to social and economic development, good corporate citizenship, environment, occupational health and public safety, labour and employment and the group's code of ethics and sustainable business practice.

The committee met twice during the year. The Chief Executive Officer, the Chief Financial Officer, the group's Director of Risk, the group's Human Resources Director and directors from the majority shareholders attend the meetings as permanent invitees, along with other directors and members of management who attend as required.

The work of the social and ethics committee during the year focused on:

- ❖ the revisions to the BBBEE codes;
- ❖ disputes with government or legislation;
- ❖ compliance with regulations;
- ❖ socio-economic development and enterprise development;
- ❖ environmental management and certification;
- ❖ customer satisfaction, loyalty and health and safety and consumer protection;
- ❖ job creation, employee health and safety, employee development and employment equity; and
- ❖ preferential procurement.

The matters considered during the year are included in the deliver to our beneficiaries section on page 37 to page 45, the product relevance to customer experience section on page 47 to page 50, the regulatory compliance section on page 51 and the human resources section on page 52 to page 54.

The main area of concern discussed by the committee during the year was on the potential impact of the revisions to the BBBEE codes on the current achievements and potentially on casino licences. Refer to the transformation section on page 45 for more information. The committee discussed matters of dispute with various regulatory bodies and there were no other significant matters of concern raised during the year.

Ethics

The group has an ethics policy and a code of conduct which guides its business practices. It provides guidance on matters such as conflicts of interests, acceptance and giving of donations and gifts, compliance with laws and the dissemination of confidential information.

Internal control

The directors are responsible for the group's systems of internal control. The systems of internal control are designed to manage rather than eliminate risk, and provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements, the compliance with statutory laws and regulations, and to safeguard and maintain accountability of the group's assets.

The directors have satisfied themselves that adequate systems of internal control are in place to mitigate significant risks identified to an acceptable level. Nothing has come to their attention to indicate that a material breakdown in the functioning of these systems within the group has occurred during the year.

King III application

The King III gap analysis, to review the company's application of the various principles of King III, was updated during the year. A copy of the full gap analysis is available on the company's website.

The principles required by King III where application is currently 'in progress' are as follows:

- ❖ a regulatory universe has been defined and a compliance framework is in the process of being incorporated into the combined assurance plan; and
- ❖ adoption of the group governance framework will be minuted at subsidiary board meetings.

The principles required by King III where application is 'applied differently' are as follows:

❖ The board should elect a Chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of Chairman of the board.	The major shareholder exercised their prerogative to appoint John Copelyn as the Chairman, representing their interests. As a compensating control, a Lead Independent Director was appointed, namely Rex Tomlinson.
❖ The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	The major shareholder exercised their prerogative to appoint the directors representing their interests. The majority of the directors are non-executive with three of the non-executive directors being independent.
❖ Directors should be appointed through a formal process.	Directors are nominated by the major shareholder and appointed at the Annual General Meeting. Formal letters of appointment including the required roles and responsibilities are, however, not issued.

Group executive committee

The board delegates responsibility for determining and implementing the group's strategy and managing the group to the Chief Executive Officer who is supported by the GEC. The committee coordinates operational execution of the strategy, ensures effective internal controls are functioning and that there is an effective risk management process in operation throughout the group. The members of the GEC at 31 March 2015 were:



IT governance

The board of directors is accountable for IT governance. An IT governance charter has been adopted and approved by the board and takes into account the requirements of King III, globally accepted standards and good practice, together with the performance and sustainability objectives of the group. This charter outlines the decision-making rights and accountability framework for IT. The Chief Information Officer reports directly to the Chief Executive Officer and has responsibility for the ownership and execution of IT governance.

All IT strategies in support of business objectives are debated in divisional management and IT steering committees prior to being presented to the GEC. Once agreed and prioritised these are motivated to the board for approval. All approved investments are tracked through the divisional management and IT steering committees to ensure delivery of business benefit.

Corporate governance continued

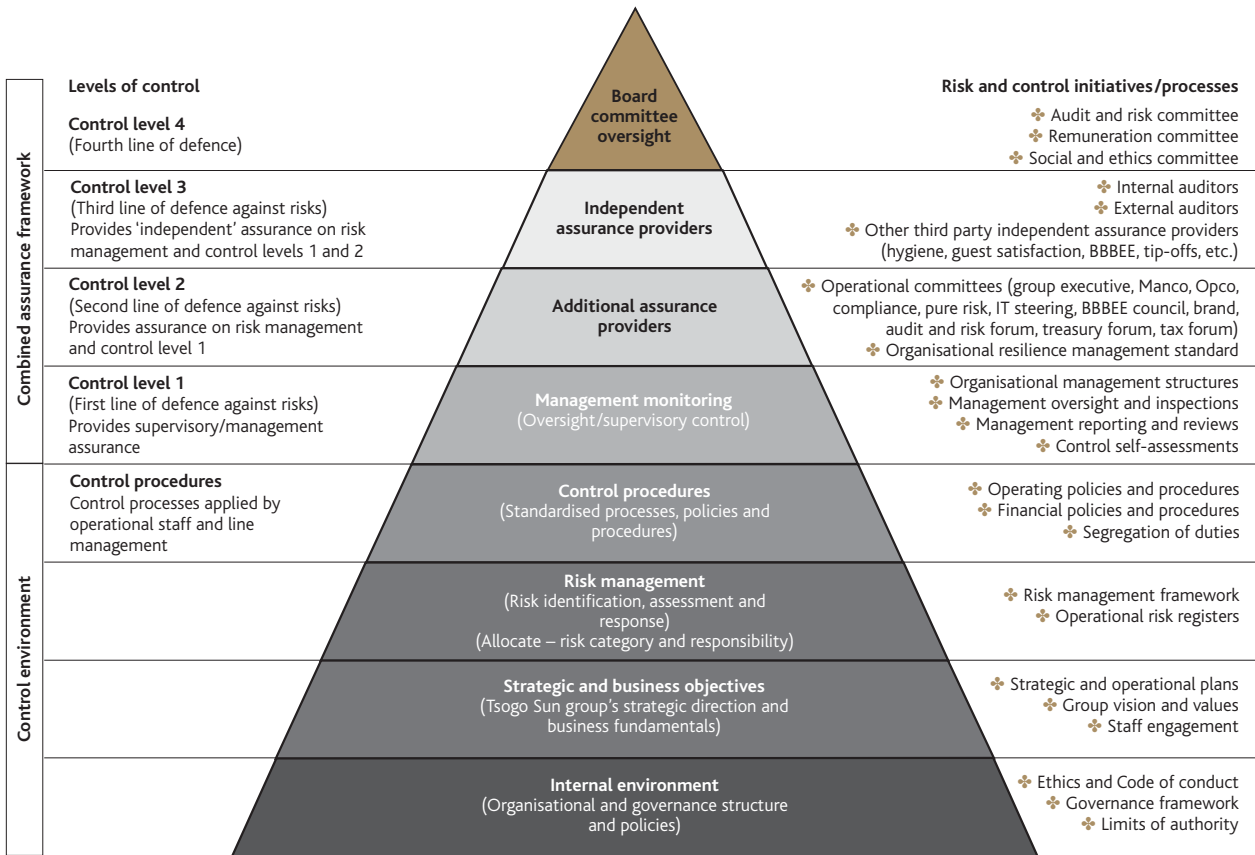
Risk management process

The Tsogo Sun board recognises that the management of business risk is crucial to our continued growth and success and this can only be achieved if all three elements of risk – namely threat, uncertainty and opportunity – are recognised and managed in an integrated fashion.

The audit and risk committee is mandated by the board to establish, coordinate and drive the risk process throughout the group. It has overseen the establishment of a comprehensive risk management system to identify and manage significant risks in the operational divisions, business units and subsidiaries. Internal financial and other controls ensure a focus on critical risk areas, are closely monitored and are subject to management oversight and internal audit reviews.

The systems of internal control are designed to manage rather than eliminate risk, and provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements, the compliance with statutory laws and regulations, and to safeguard and maintain accountability of the group’s assets. The board and executive management acknowledge that an integrated approach to the total process of assurance improves the assurance coverage and quality in addition to being more cost-effective and the combined assurance framework is as follows:

Tsogo Sun combined assurance framework



In addition to the risk management processes embedded within the group, the group executive committee identifies, quantifies and evaluates the group’s risks annually utilising a facilitated risk assessment workshop. The severity of risks is measured in qualitative as well as quantitative terms, guided by the board’s risk tolerance and risk appetite measures. The scope of the risk assessment includes risks that impact shareholder value or that may lead to a significant loss, or loss of opportunity. Appropriate risk responses to each individual risk are designed, implemented and monitored.

The risk profiles, with the risk responses, are reviewed by the audit and risk committee at least once every six months. In addition to the group risk assessment, risk matrices are prepared and presented to the audit and risk committee for each operational division. This methodology ensures that identified risks and opportunities are prioritised according to the potential impact on the group and cost-effective responses are designed and implemented to counter the effects of risks and take advantage of opportunities.

Remuneration report

Remuneration philosophy and policy

Key tenets of our remuneration philosophy are that we act fairly and responsibly in our approach to employee remuneration and benefits at all times, ensuring our actions are sustainable, that they underscore our objective of being an employer of choice, and are aligned with the strategic and operational requirements of the business.

The objective of the group's remuneration policy is to ensure that we attract and retain employees of the right calibre and skills and motivate them to achieve exceptional performance aligned with our strategic priorities. We aim to reward employees fairly and equitably through both financial rewards and non-financial benefits such as performance recognition, development and career opportunities. We believe our employees and their representative trade unions, where relevant, value the consistency and predictability of how the terms and conditions of employment are determined, both in times of economic growth and in difficult economic conditions.

Total rewards are set at levels that are competitive within the gaming, entertainment and hospitality sectors and the group utilises market surveys to ensure that the components of the remuneration structure are appropriate. The fixed and variable element mix of the remuneration structure differ depending on the employee grade.

The remuneration committee considers each element of remuneration relative to the market and takes into account the performance of the group and the individual executive in determining both quantum and design. The remuneration committee also considers the total remuneration (fixed pay plus short-term and long-term incentives) that may be earned at various levels of performance.

Senior management and executive remuneration



Short-term incentives reflect a balance between annual financial performance and other specific strategic priorities over which the participant has influence in order to ensure that achievement of short-term financial performance is not at the expense of future opportunities. Performance is measured at Ebitda and adjusted earnings against budget to ensure that both trading and profit post the financing cost of capital allocation decisions are considered. Between 15% and 40% of the potential award is based on the achievement of non-financial strategic priorities dependent on the employee grade. Where relevant and if the information is publicly available, an additional 25% of the potential award is linked to the relative performance of a business unit against a regional or national market set.

The group seeks to ensure an appropriate balance between fixed and performance-related elements of remuneration, and those aspects of the package linked to short-term financial performance and to those linked to longer-term shareholder value creation. The combination of the components ensures that high pay is achieved only for high performance and high shareholder returns. Senior executives have a larger proportion of their potential total remuneration subject to the achievement of performance-based targets. Long-term incentives are either cash-settled, resulting in income statement volatility but no dilutionary impact to shareholders, or, in the case of nominated senior executives, structured as an interest-free facility for the purpose of acquiring shares in the company. The value for the executives arising from the facility is derived from the shares acquired in the market and there will not be a cash cost to the group, as per the existing share appreciation scheme, nor a dilutionary impact to shareholders.

Remuneration report continued

Key elements of remuneration

	Fixed pay			
	Base salaries	Non-executive directors' fees	Retirement benefits	Other benefits
Purpose and link to strategy	Provides a fixed level of earnings appropriate to the requirements of the role	Remunerates non-executive directors for their responsibilities and time commitment	Provides the basis for retirement savings	Provides benefits appropriate to the market and the role
Application dependent on employee type and level	All employees	Non-executive directors	All employees entitled to benefits are required to belong to an approved pension/provident fund	All employees entitled to benefits are eligible for membership of an approved medical scheme and other benefits
Operation and performance measures	<p>Base salaries</p> <p>Base salaries are subject to annual review. Tsogo Sun's policy is to be competitive at the median level with reference to market practice in companies comparable in terms of size, market sector, business complexity and international scope. However, base salaries of individuals and incumbents in key roles are aligned with the upper quartile level of the market. Group performance, individual performance and changes in responsibilities are also taken into consideration when determining increases to base salaries</p>	<p>Non-executive directors' fees</p> <p>The fees for the non-executive directors have been recommended by the remuneration committee to the board for their approval, taking into account fees payable to non-executive directors of comparable companies and the importance attached to the attraction and retention of high-calibre individuals as non-executive directors. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing the board and in chairing or participating in its committees</p>	<p>Retirement fund membership</p> <p>Retirement funding for management, who are remunerated on a total package basis, is non-contributory and is included in their total cost of employment. For staff, retirement funding consists of employer and employee contributions dependent on fund membership. The group offers a pension fund (Tsogo Sun Group Pension Fund) and two provident funds (Alexander Forbes Retirement Fund (Provident Section) and Gold Reef Resorts Provident Fund). Other approved funds include union-negotiated funds and funds to which members have historically belonged</p>	<p>Healthcare</p> <p>The majority of employees with medical cover belong to the Tsogo Sun Group Medical Scheme, a restricted membership scheme administered by Discovery Health. The scheme offers hospital, chronic illness and day-to-day cover for 4 660 principal members (10 188 beneficiaries)</p> <p><i>Risk and insured benefits</i></p> <p>Arising through membership of the group's pension and provident funds, competitive death, disability and funeral benefits are made available to employees</p> <p><i>Long-service awards</i></p> <p>Full-time employees of the organisation receive long-service awards calculated based on the tenure of the employee linked to their guaranteed package. Employees receive an award for every 10 years of continued service with the group</p>

Short-term incentives	Long-term incentives												
Annual bonus plan	Executive facility and share appreciation plan Share appreciation plan												
<p>Rewards the achievement of annual financial performance balanced with other specific strategic priorities and ensures that above-market pay cannot be achieved unless challenging performance targets are met. The non-financial element ensures that the achievement of short-term financial performance is not at the expense of future opportunities</p>	<p>Long-term incentives are utilised to reward long-term sustainable group performance improvement, retain senior management expertise and ensure that executives and key talent share a significant level of personal risk and reward with the company's shareholders to align executive pay and long-term value creation for shareholders</p>												
<p>All executives and senior management and selected middle management</p>	<p>Senior executives</p>	<p>Tsogo Sun and ex-Gold Reef (post-merger) executives and selected managers</p>	<p>Pre-merger Gold Reef executives and selected senior managers</p>										
<p>Annual cash incentive Potential bonus earnings are reviewed periodically by the remuneration committee with minimum and maximum bonus percentages of total package set for each broadband level for the achievement of 'threshold', 'on-target' and 'stretch target' performance, based on or above the median being paid in the marketplace. Financial 'threshold' target is set at 90% of target with a payout of 0%, 'stretch target' is set at 115% of target with a payout of 100%, with interpolation between the points. Bonus awards are based on individual ratings achieved against the targets set for financial performance, relative growth against the market, where relevant, and personal performance. The remuneration committee approves the scheme's targets and hurdles annually</p>	<p>On 12 August 2014, a R200 million facility was made available to senior executives for the sole purpose of acquiring shares in the company at R25.75 per share</p> <p>The board determined the allocation of the facility as follows:</p> <table border="0"> <tr> <td>MN von Aulock</td> <td>R86 million</td> </tr> <tr> <td>J Booysen</td> <td>R47 million</td> </tr> <tr> <td>RB Huddy</td> <td>R27 million</td> </tr> <tr> <td>FV Dlamini</td> <td>R20 million</td> </tr> <tr> <td>GD Tyrrell</td> <td>R20 million</td> </tr> </table> <p>The facility is interest-free and has no fixed repayment date but must be repaid if the shares are sold or if the executive leaves the employ of the company. The executives are subject to fringe benefits tax on the facility</p> <p>The executives are not eligible for any new allocations under the existing share appreciation scheme until the loan is repaid in full. Allocations of appreciation units made prior to the provision of the facility remain unaffected</p>	MN von Aulock	R86 million	J Booysen	R47 million	RB Huddy	R27 million	FV Dlamini	R20 million	GD Tyrrell	R20 million	<p>Tsogo Sun, and historically Gold Reef (in addition to the equity-settled share scheme), have in operation phantom share schemes with cash settlement designed to align the interests of participants with those of the company's shareholders. The essential elements of these schemes are that the plan is essentially a 'phantom' version of a share scheme where each unit (whether an appreciation unit, performance unit or a bonus unit) is in effect linked to an underlying share in Tsogo Sun</p> <p>Appreciation units Annual allocations of appreciation units at market price are made to executives and selected managers. They are available to be settled on the third anniversaries of their allocation, but must be exercised by the sixth anniversary, or they will lapse. On settlement, the value accruing to participants will be the full appreciation of Tsogo Sun's share price over the allocation price plus dividends declared and paid post-grant date, which value will be settled in cash.</p> <p>Vesting during the 2015 financial year resulted in a charge of R76 million with a R1 change in the Tsogo Sun share price impacting the charge by R24 million</p>	<p>Share appreciation units and Gold Reef Share Scheme The pre-merger Gold Reef long-term incentive plans are in the process of winding down. No options have been granted to existing executive directors or key management</p> <p>The liability for the share appreciation units as at 31 March 2015 is reflected on page 74. Refer to note 36.2 on page 54 of the annual financial statements for further information on this scheme</p> <p>All of the options in terms of the Gold Reef Share Scheme were exercised by 31 March 2015. Refer to note 36.1 on page 53 of the annual financial statements for more information on this scheme</p>
MN von Aulock	R86 million												
J Booysen	R47 million												
RB Huddy	R27 million												
FV Dlamini	R20 million												
GD Tyrrell	R20 million												

Remuneration report continued

Long-term incentive liability – cash-settled

The following table reflects the liability for long-term incentives and summarises details of the bonus units awarded to participants per financial year, the units vested at the end of the period and expiry dates of each allocation for the Tsogo Sun Share Appreciation Bonus Plan:

Tsogo Sun Share Appreciation Bonus Plan

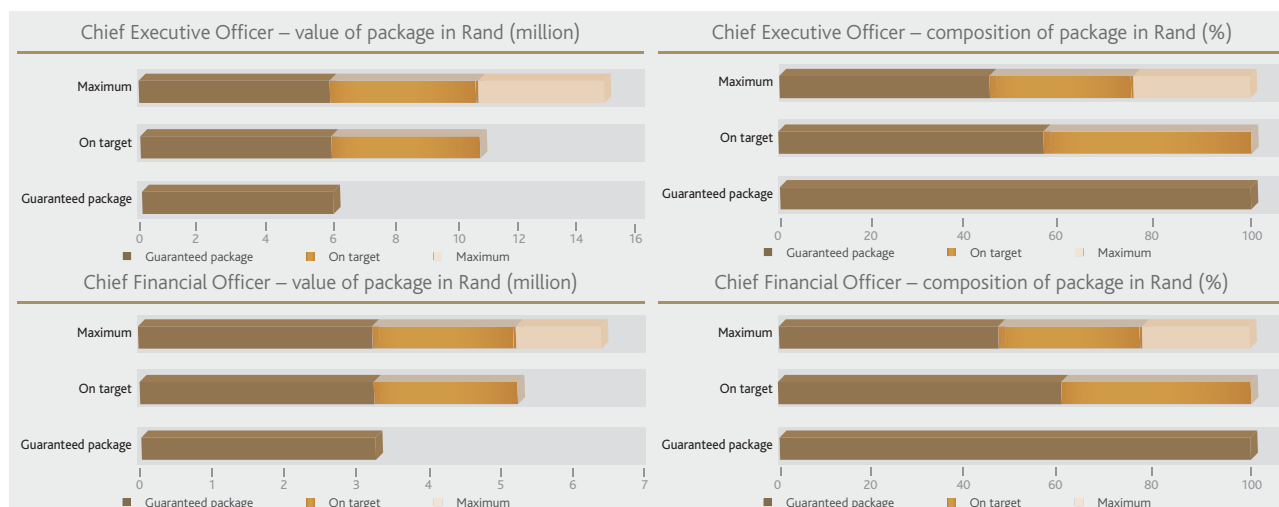
Grant date	Appreciation units granted and still outstanding		Strike price ⁽¹⁾ R	Appreciation units vested and still outstanding		Expiry date	Liability	Liability
	2015	2014		2015	2014		2015 Rm	2014 Rm
1 April 2007	–	307 452	19.87	–	307 452	31 March 2015	–	10
1 April 2009	–	922 643	15.10	–	922 643	31 March 2015	–	46
1 April 2010	935 811	1 545 064	15.08	935 811	1 545 064	31 March 2016	52	77
1 April 2011	3 403 053	4 731 076	15.06	3 403 053	4 731 076	31 March 2017	53	67
1 October 2011	1 783 841	1 890 337	18.78	1 783 841	–	30 September 2017	20	15
1 April 2012	7 245 201	7 726 516	17.66	7 245 201	–	31 March 2018	89	56
1 October 2012	253 678	263 825	19.71	–	–	30 September 2018	2	1
1 April 2013	7 964 198	8 401 905	24.56	–	–	31 March 2019	25	9
1 October 2013	221 480	221 480	25.51	–	–	30 September 2019	1	*
1 April 2014	8 903 555	–	25.72	–	–	31 March 2020	8	–
1 October 2014	154 738	–	25.85	–	–	30 September 2020	*	–
Liability at 31 March							250	281
Gold Reef Share Appreciation Bonus Plan							8	12
Total long-term incentive liabilities as at 31 March							258	293
Share price utilised to value the liability at 31 March							R27.60	R27.00

⁽¹⁾ Grants prior to merger (24 February 2011) converted based on swap ratio of 3.553 Gold Reef shares for each TSH share

* Amount less than R1 million

Composition of total remuneration package – executive directors

The charts below provide an indication of the remuneration outcomes for executive directors showing potential total remuneration of maximum on target, and minimum performance levels.



The scenario charts assume:

- ❖ Guaranteed package – fixed pay and benefits for the year ended 31 March 2015
- ❖ Short-term incentives – based on scheme rules with maximum bonus paid at maximum performance and nil bonus below threshold performance
- ❖ Long-term incentives – excluded from the charts as issued at market price and participants are rewarded through variable share price increases

Employment agreements

Mr JA Mabuza retired from his position as Chief Executive Officer on 30 September 2011. The group entered into a three-year restraint of trade contract that expired on 30 September 2014. In terms of this contract, Mr Mabuza was paid an amount of R8.5 million per annum, in quarterly instalments. In terms of the restraint, Mr Mabuza was prohibited from acting for, consulting to, or advising any other party in the hotel or gaming industry and made himself available to the group for consultation and assistance where required. In addition, although no further long-term incentive allocations were made, his existing allocations vested over that period. There are no other contracts with senior executives with fixed durations.

Non-executive directors

Non-executive directors receive fees for services on board and board committees. Non-executive directors do not receive short-term incentives and do not participate in any long-term incentive scheme, with the exception of Mr JA Mabuza whose existing share appreciation rights vested over the shorter of the vesting period or his restraint of trade ending on 30 September 2014.

Any increases will be presented to the shareholders at the company's AGM and reflect the market dynamics and the increasingly heavy demands being made on the individuals. Proposed non-executive directors' fees, for shareholder approval, appear in the table below:

	Actual 2014 R'000	Proposed 2015 R'000
Chairman of the board	855	905
Chairman of the audit and risk and social and ethics committees	490	535
Chairman of the remuneration committee	375	400
Non-executive director and member of a board committee	310	330
Non-executive director	245	260

Non-executive directors' remuneration for the year ended 31 March

	Directors' fees (R'000)	Other benefits (R'000)	2015 Total (R'000)	Directors' fees (R'000)	Other benefits (R'000)	2014 Total (R'000)
Fees and services						
Paid by subsidiaries						
JA Copelyn	814	–	814	762	–	762
J Davidson ⁽¹⁾	145	–	145	–	–	–
JA Mabuza ⁽²⁾	–	28 198	28 198	–	21 526	21 526
BA Mabuza ⁽³⁾	135	–	135	–	–	–
MJA Golding	234	–	234	219	–	219
EAG Mackay ⁽⁴⁾	–	–	–	275	–	275
JS Wilson ⁽⁵⁾	115	–	115	111	–	111
VE Mphande	234	–	234	219	–	219
MI Wyman ⁽²⁾	115	–	115	219	–	219
RG Tomlinson	468	–	468	438	–	438
JG Ngcobo	295	–	295	275	–	275
Y Shaik	356	–	356	331	–	331
	2 911	28 198	31 109	2 849	21 526	24 375

⁽¹⁾ Appointed 17 January 2014 and resigned 28 August 2014

⁽²⁾ Resigned 28 August 2014

⁽³⁾ Appointed 3 June 2014

⁽⁴⁾ Deceased 18 December 2013

⁽⁵⁾ Appointed 2 April 2013 and resigned 28 August 2014

Remuneration report continued

Directors and senior management

Executive directors' remuneration for the year ended 31 March

	Basic remuneration (R'000)	Benefits (R'000)	Short-term incentives ⁽¹⁾ (R'000)	Long-term incentives (R'000)	2015 Total (R'000)
Paid by subsidiaries					
MN von Aulock	5 114	1 100	4 768	7 877	18 859
RB Huddy	2 663	610	2 033	4 649	9 955
	7 777	1 710	6 801	12 526	28 814

	Basic remuneration (R'000)	Benefits (R'000)	Short-term incentives ⁽²⁾ (R'000)	Long-term incentives (R'000)	2014 total (R'000)
Paid by subsidiaries					
MN von Aulock	4 798	1 033	5 313	3 048	14 192
RB Huddy	2 500	574	2 175	329	5 578
	7 298	1 607	7 488	3 377	19 770

⁽¹⁾ Short-term incentives paid relate to the achievement against target for 2014

⁽²⁾ Short-term incentives paid relate to the achievement against target for 2013

Other key management and prescribed officers' remuneration for the year ended 31 March

	Basic remuneration (R'000)	Benefits (R'000)	Short-term incentives ⁽¹⁾ (R'000)	Long-term incentives (R'000)	Termination benefits (R'000)	2015 Total (R'000)
Paid by subsidiaries						
J Booyesen	3 139	899	2 085	2 255	–	8 378
RF Weilers	4 078	915	1 700	6 289	–	12 982
	7 217	1 814	3 785	8 544	–	21 360

	Basic remuneration (R'000)	Benefits (R'000)	Short-term incentives ⁽²⁾ (R'000)	Long-term incentives (R'000)	Termination benefits (R'000)	2014 Total (R'000)
Paid by subsidiaries						
J Booyesen	3 092	526	2 706	347	–	6 671
RA Collins ⁽³⁾	1 381	247	2 841	21 716	22 315	48 500
RF Weilers	4 241	456	2 411	3 422	–	10 530
GI Wood ⁽³⁾	1 180	190	2 148	11 861	16 363	31 742
	9 894	1 419	10 106	37 346	38 678	97 443

⁽¹⁾ Short-term incentives paid relate to the achievement against target for 2014

⁽²⁾ Short-term incentives paid relate to the achievement against target for 2013

⁽³⁾ Resigned 31 August 2013

IFRS 2 Share-based Payment charge expensed during the year ended 31 March

	2015 (R'000)	2014 (R'000)
MN von Aulock	53 859	–
J Booyesen	26 348	–
RB Huddy	15 415	–
FV Dlamini	13 118	–
GD Tyrrell	9 060	–
	117 800	–

Refer note 36.1 on page 53 of the annual financial statements for further information.