

Tsogo Sun Hotels Limited
(previously known as Southern Sun Hotels Proprietary Limited)
Incorporated in the Republic of South Africa
Registration number 2002/006356/06
Share Code: TGO ISIN:ZAE000272522
("Tsogo Sun Hotels" or "the Group" or "the Company")



SUBMISSION OF PROPOSED RESOLUTIONS TO THE SHAREHOLDERS OF TSOGO SUN HOTELS TO BE ADOPTED IN TERMS OF SECTION 60 OF THE COMPANIES ACT, NO 71 OF 2008 (THE "COMPANIES ACT")

Tsogo Sun Hotels is, subject to Sections 9 and 10 of the JSE Listings Requirements, considering acquiring additional ordinary shares in Hospitality Property Fund Limited ("Hospitality") as Hospitality has consistently traded at a substantial discount to its net asset value.

To preserve cash resources in order to withstand the impact of the COVID-19 pandemic, the board of directors of the Company ("Board") considers it prudent to use ordinary shares in the Company, as opposed to cash, for the purposes of the potential acquisition of additional Hospitality shares. Furthermore, the nature of the business of Tsogo Sun Hotels and Hospitality are substantially similar and have in-principle the same economic drivers. Hotels owned by Hospitality and operated by Tsogo Sun Hotels make up the majority of both Groups' economic value and therefore the acquisition of Hospitality shares in exchange for the issue of shares in the Company results in the new Tsogo Sun Hotels shareholders being exposed to substantially the same industry risks and rewards

In terms of the Company's Memorandum of Incorporation the Board requires the prior approval of an ordinary resolution supported by more than 50% of the voting rights exercisable by shareholders of the Company ("Shareholders"), in order to allot and issue ordinary shares in the authorised and unissued share capital of the Company for the purpose of an acquisition issue in terms of the JSE Listings Requirements. Accordingly, an ordinary resolution is being proposed to allow the board to acquire Hospitality shares in exchange for shares in the Company, subject to compliance with the JSE Listings Requirements.

In order to acquire additional Hospitality shares, the Company may have to issue ordinary shares in the Company to persons related or inter-related to Tsogo Sun Hotels and/or directors, future directors, prescribed officers, or future prescribed officers of the Company (or persons related to them) who hold shares in Hospitality, subject to section 41(1) of the Companies Act.

By way of example, the HCI Foundation is a Hospitality shareholder and controlled by Hosken Consolidated Investments Limited, Tsogo Sun Hotels' controlling shareholder. In terms of the Companies Act, the HCI Foundation is therefore related and/or inter-related to Tsogo Sun Hotels. In addition, certain directors and/or prescribed officers (or persons related to them) of Tsogo Sun Hotels hold shares in Hospitality and may wish to dispose of their shares to the Company.

In order to allow the Company to acquire Hospitality shares held by the HCI Foundation and any directors or prescribed offices (or persons related to them) of the Company in exchange for ordinary shares in the Company, the Board requires the authority of a special resolution in terms of section 41(1) of the Companies Act. To cater for this eventuality, a special resolution requiring the support of more than 75% of the voting rights exercisable by Shareholders is being proposed.

In terms of section 60 of the Companies Act, a resolution that could be voted on at a shareholders' meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to the

resolution and be voted on in writing by shareholders entitled to exercise voting rights in relation to the resolution, within 20 (twenty) business days after the resolution was submitted to them.

Section 60(2) of the Companies Act further provides that a resolution contemplated in section 60(1) of the Companies Act will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted shareholders meeting, and, if adopted, such resolution will have the same effect as if it had been approved by voting at a meeting.

Section 65(2) of the Companies Act provides that the Board may propose any resolution to be considered by shareholders, and may determine whether that resolution will be considered at a meeting, or by vote or written consent in terms of section 60 of the Companies Act. The Board has resolved that the resolutions be considered by the Shareholders by written consent in terms of section 60 of the Companies Act.

A notice, together with the resolutions and a form of written consent, was distributed to Shareholders today, being Friday, 3 July 2020. The last date to vote on the resolutions is Friday, 7 August 2020.

The record date for determining which Shareholders are entitled to receive a copy of the notice and vote on the resolutions is Friday, 26 June 2020.

A copy of the notice, resolutions and form of written consent is available on Tsogo Sun Hotels' website at <https://www.tsogosun.com/investors>

Fourways
3 July 2020

JSE Equity Sponsors
Investec Bank Limited

Legal advisors
Edward Nathan Sonnenbergs Incorporated