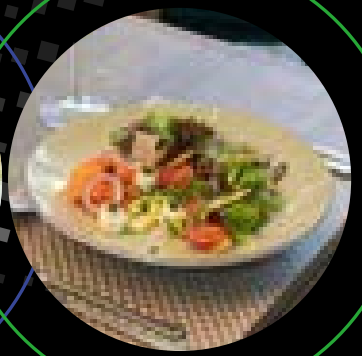




CITY LODGE HOTELS

Notice of Annual General
Meeting 2023



check into easy.

citylodgehotels.com





Contents

Part 1: Notice of Annual General Meeting

Message from the Chairman	1
Notice of Annual General Meeting	3

Part 2: Annual Financial Statements

Annual Financial Statements	1
Administration	68

Message from the Chairman

Dear shareholders

On behalf of the Board of Directors ("the Board"), you are invited to attend the annual general meeting ("AGM") of City Lodge Hotels Limited ("the Company") which will be held as a hybrid meeting on Thursday, 23 November 2023 at 14:00.

Bulelani Ngcuka
Chairman, City Lodge Hotels



The notice of AGM contains the complete audited consolidated and separate annual financial statements for the year ended 30 June 2023, which were compiled under the supervision of Dhanisha Nathoo CA(SA), Chief Financial Officer ("CFO") of City Lodge Hotels Limited and audited by PricewaterhouseCoopers Inc ("PwC"), the Company's independent auditor who issued an unqualified audit opinion on the consolidated and separate financial statements for the year ended 30 June 2023.

In an operating environment punctuated by an economic slowdown, heightened load-shedding, and subdued business confidence, the group's check-into-easy ethos underscores our dedication to providing guests with a streamlined experience to buffer life's inevitable challenges.

Bolstering our resilience in the face of uncertainty

The past year bore witness to City Lodge Hotels' ability to recover and rebuild. As the direct pandemic-related impacts began to subside, the business responded dynamically, leading to a rebound in revenue. Encouragingly, we noticed a significant uplift in foreign tourists visiting South Africa, accompanied by increased domestic

business and leisure travel. Our occupancy rates have shown robust growth, surpassing even pre-pandemic levels, a testament to our ability to respond, adapt and thrive.

Nonetheless, we acknowledge the ongoing challenges. Load-shedding, infrastructure decay and rising operational costs remain significant business impediments, while geopolitical issues, such as the conflict in Ukraine, added layers of uncertainty to our supply chain. These factors led to increased costs and delayed some of our planned capital investments. To mitigate these risks, the group is proactively enhancing its operations.

In response to energy and water shortages, for example, we have bolstered resilience through targeted measures, such as solar and borehole and filtration plant installations, further emphasising our commitment to offering guests a sanctuary from such challenges. These proactive steps are part of our commitment to responsible operations and long-term sustainability.

Furthering transformation, community development and effective partnerships

We view internal transformation as the starting point for meaningful change, to foster an equitable and inclusive operating environment. We are pleased that our leadership has increasingly come to reflect our nation's diverse fabric, enriching our collective perspective and enhancing the quality of our decision-making.

Our involvement in youth employment projects, particularly the YES programme, aligns with our aim to contribute to societal transformation. This programme facilitates employment opportunities for the youth, serving as an investment in the future workforce.

Furthermore, we have forged strategic partnerships with stakeholders such as the SATSA Incubator, enabling a more resilient and inclusive hospitality sector. During the year, we invested in incubating 17 emerging enterprises, supporting innovation and growth within the industry.

This measurable progress underscores our ongoing efforts to foster a more equitable environment.

Chairman's review continued

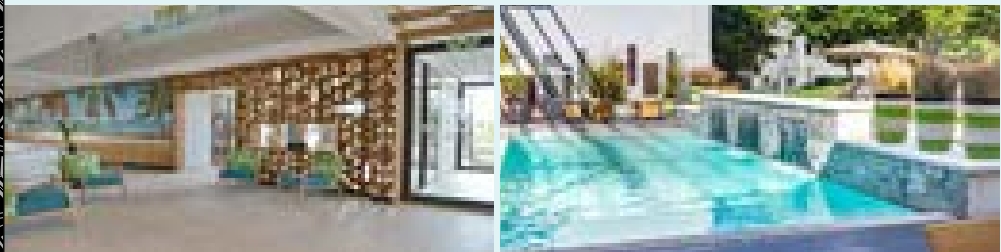
Dividend declaration

Given our improved liquidity position and an encouraging outlook, the board approved and declared an interim dividend of 5 cents and a final dividend of 8 cents per ordinary share (gross) (2022: nil), enhancing shareholder value after a challenging period.

Appreciation

I extend my heartfelt gratitude to my fellow board members, the management team, and dedicated employees who have displayed continued commitment and resilience. To our shareholders, I offer my deepest thanks for your sustained trust and support as we navigate the complexities of the current landscape.

After 17 distinguished years of service, Mr Stuart Morris has elected to retire from the board and as chairman of the audit committee and member of the remuneration and nominations and risk committees. We wish to express our sincere appreciation to Stuart for his dedicated service and leadership, commitment and valued contribution to the company and wish him well for the future.



Looking ahead

While uncertainty persists due to the upcoming national elections and its potential impact on tourism, we are heartened by recent collaborations between the government and organised business, targeting energy, logistics, and crime and corruption – crucial areas for economic recovery and stability.

With the emergence of new demographics interested in tourism and domestic travel, we find ourselves well-positioned to cater to this market through our diversified brand offerings. Our agility in expanding services for the leisure sector, along with improvements aimed at our regular business and leisure travellers, suggests a promising outlook.

In conclusion, the group stands steadfast, navigating the ebb and flow of change. We remain focused on our strategic objectives and are equipped to navigate future challenges with the collective resilience that defines City Lodge Hotels. In the same vein, we will continue to provide a sanctuary for our guests amidst their daily struggles.

Please enjoy reading our Integrated annual report and Annual financial statements which are available on our website at www.citylodgehotels.com from today, 26 October 2023.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bulelani Ngcuca', written over a light grey stylized tree graphic.

BULELANI NGCUKA
Chairman, City Lodge Hotels

Notice of Annual General Meeting

CITY LODGE HOTELS LIMITED

Registration number: 1986/002864/06

Share code: CLH ISIN: ZAE000117792

(City Lodge or the company or the group)

Notice is hereby given that the thirty-seventh annual general meeting (AGM) of the company will be held as a hybrid meeting as follows, i) in person at City Lodge Hotels Limited, Block 7, Bryanston Gate Office Park, corner Homestead Avenue and Main Road, Bryanston and ii) by electronic participation via the electronic meeting platform (as permitted by the Listings Requirements of the JSE Limited (JSE), the provisions of the Companies Act No 71 of 2008, as amended (the Companies Act), and the company's memorandum of incorporation (MOI), on Thursday, 23 November 2023 at 14:00 to conduct the following business and consider and, if deemed fit, pass, with or without modification, the following resolutions.

Record dates

In terms of section 59(1)(a) of the Companies Act, the board of directors of City Lodge (board) have set the following dates for the purposes of determining which City Lodge shareholders are entitled to receive notice, participate in and vote:

Record date to receive notice of the AGM:	Friday, 20 October 2023
Last date to trade to be eligible to participate in and vote at the AGM:	Tuesday, 14 November 2023
Record date to be eligible to participate in and vote at the AGM:	Friday, 17 November 2023
Last date for lodging forms of proxy with transfer secretaries:	Tuesday, 21 November 2023
Date of AGM:	Thursday, 23 November 2023
Results of the AGM will be released on SENS:	Friday, 24 November 2023

City Lodge cannot guarantee there will not be a break in electronic communication that is beyond the control of the company.

As ordinary business

1. Presentation and adoption of the audited consolidated and separate annual financial statements for the year ended 30 June 2023 incorporating the directors', external auditor's and audit committee reports.

The complete audited consolidated and separate annual financial statements for the year ended 30 June 2023 is obtainable from the company's website www.citylodgehotels.com, and accompanies this notice of AGM.

"RESOLVED THAT the audited consolidated and separate annual financial statements, together with the directors', external auditor's and audit committee reports for the year ended 30 June 2023, be and are hereby received and adopted."

2. Presentation of the Social and Ethics Committee report.

The report of the Social and Ethics Committee as set out on pages 135 to 136 of the Integrated Annual Report (IAR) is presented to shareholders.

3. Ordinary resolution number 1: Re-election of directors

To elect, by way of separate resolutions, the following directors who retire by rotation in accordance with the provisions of the Companies Act, and the company's MOI, and who, being eligible and available, offer themselves for re-election:

- Ordinary resolution number 1.1 "RESOLVED THAT Mr G G Huysamer be and is hereby re-elected as a director of the company."
- Ordinary resolution number 1.2 "RESOLVED THAT Dr M S P Marutlulle be and is hereby re-elected as a director of the company."

Mr S G Morris who is retiring by rotation, although eligible, has not made himself available for re-election and accordingly retires from the board with effect from the close of the AGM.

Notice of Annual General Meeting continued

Brief curricula vitae of each retiring director appear below.

- Mr G G Huysamer
Age: 60
Qualifications: BA LLB

Skills and expertise include legal, management, management consulting, corporate finance, investment analysis, stockbroking, wealth management, tourism and nature conservation

Serves on the boards of the following entities:

- Eco Children NPC (chairman)
- Klaserie Private Nature Reserve (chairman)
- Associated Private Nature Reserves (chairman)
- Eastgate Airport (director)

- Dr M S P Marutlulle

Age: 55
Qualifications: PhD (Critical Diversity Studies), MA (Sociology)

Skills and expertise include brand strategy, business strategy, leadership, operations, diversity, management, tourism, financial services and enterprise growth

The board has considered the performance and contribution of each of the directors offering themselves for re-election and in line with governance best practice, their continued independence. Following an extensive review taking into account the independence recommendations of King IV™, and the outcome of the annual internal assessment conducted separately by a sub-committee of the board constituted for the purposes of assessing independence and classifying directors, the directors retiring by rotation, were determined to be independent in character and judgement, and continue to make valuable contributions to board deliberations in an objective and unbiased manner.

The board, in addition to evaluating the independence of these directors, and with reference to its composition, has considered their individual expertise and knowledge, as well as:

- in-depth knowledge of the nature of the industry in which the group operates, valuable long-term institutional knowledge and experience;
- an understanding of the complexity of the business;
- experience in the fast-changing global and competitive environment;
- continuity to the group;
- continuity on the board, both with respect to management and with respect to non-executive directors

and is satisfied that the composition of the board reflects the appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to the group's business operations, diversity and independence to execute its roles and responsibilities effectively.

The board considers each of the retiring directors suitable for re-election.

4. Ordinary resolution number 2: Re-appointment of external auditor

To re-appoint PricewaterhouseCoopers Inc. (PwC), as nominated by the company's audit committee, as the independent auditor of the company, to hold office until the conclusion of the next AGM, with Ms Alinah Motaung as the designated partner, and to authorise the audit committee to determine the auditor terms of engagement and remuneration.

The audit committee reviewed PwC's independence and performance as external auditor and resolved to recommend its re-appointment as the company's auditor to the board and shareholders.

"RESOLVED THAT PricewaterhouseCoopers Inc. be and is hereby re-appointed as the auditor of the company to hold office until the conclusion of the next AGM, with Ms Alinah Motaung as the designated partner and that the audit committee be and is hereby authorised to determine the auditor's terms of engagement and remuneration."

5. Ordinary resolution number 3: Appointment of group audit committee members

To elect, by way of separate resolutions, and subject, where necessary, to their re-election as directors of the company in terms of ordinary resolution 1, the following independent non-executive directors as members of the audit committee:

Ordinary resolution number 3.1 "RESOLVED THAT Ms MG Mokoka be and is hereby re-elected as a member and the chairperson of the audit committee".

Ordinary resolution number 3.2 "RESOLVED THAT Mr G G Huysamer be and is hereby re-elected as a member of the audit committee".

Ordinary resolution number 3.3 "RESOLVED THAT Mr A R Lapping be and is hereby re-elected as a member of the audit committee".

Ordinary resolution number 3.4 "RESOLVED THAT Ms N Medupe be and is hereby re-elected as a member of the audit committee".

The qualifications of the committee members proposed for election appear on pages 18 and 19 of the IAR.

As special business:

6. Ordinary resolution number 4: Adoption of Conditional Share Plan

“RESOLVED THAT the City Lodge Hotels Limited Conditional Share Plan 2021 (CSP), initially adopted by the board of directors in 2021 and which has been amended to align with Schedule 14 of the JSE Listings Requirements, a copy of which has been initialled by the Chairman for purposes of identification and tabled at this AGM and the salient features of which are set out in Annexure A of this notice of AGM, be and is hereby approved.”

In terms of the JSE Listings Requirements, the approval of more than 75% of the voting rights exercised on ordinary resolution number 4 by Shareholders present or represented by proxy at the AGM will be required to pass this ordinary resolution.

Reason for and effect of ordinary resolution number 4

The reason for ordinary resolution number 4 is that the board considers it to be in the best interests of the company that the CSP, which was initially adopted by the board in 2021, and which is aimed at ensuring that appropriate incentives are granted to employees of the company and its subsidiaries to encourage and motivate continued growth and profitability within the company and to promote the retention of the company's employees, be aligned with schedule 14 of the JSE Listings Requirements and adopted by shareholders.

The effect of this ordinary resolution number 4 is to, *inter alia*, allow for flexibility and to hedge against the risk of significant movement in the share price over the vesting period through the introduction of a number of settlement methods. Shareholders are advised that the approval of the CSP will allow for the settlement of past, as well as future, awards to take place in accordance with the settlement methods provided for in the CSP rules.

The JSE has approved the CSP rules, which are available for inspection at the registered office of the company, during normal business hours, from the date of this notice of AGM to the date of the AGM.

7. Ordinary resolution 5: Placing of the authorised but unissued shares under the control of the directors

“RESOLVED THAT subject to the passing of ordinary resolution 4, the shares in the authorised but unissued share capital of the company be and are hereby placed under the control of the directors of the company, with the power to allot and issue these shares in accordance with and for the purposes of the CSP, subject to the maximum overall limit of 5% of the issued shares until the next AGM, and subject further to the provisions of the Companies Act, the JSE Listings Requirements and the MOI.”

Reason for ordinary resolution number 5

The reason for ordinary resolution number 5 is that the board requires authority from shareholders in terms of the MOI to issue shares in the company. While no issue of these shares is contemplated at present as the CSP makes provision for various methods of settlement including the use of treasury shares or market purchase of shares, this authority, if approved, will allow the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required to settle shares in terms of the CSP.

8. Ordinary resolution 6: Authority to make and implement the odd-lot offer, specifically the repurchase of the odd-lot holdings from the odd-lot holders who do not make an election

“RESOLVED THAT, subject to the passing of special resolutions 3 and 5, the board be and is hereby authorised to implement the odd-lot offer according to the terms and conditions of the odd-lot offer contained in the circular attached to this notice of AGM, thereby specifically allowing the company, or its wholly-owned subsidiary, to repurchase the odd-lot holdings of odd-lot holders who do not make an election in terms of the odd-lot offer.”

In order for ordinary resolution 6 to be passed the support of more than 50% of all of the voting rights exercised on the resolution by the shareholders is required. There are no voting exclusions on this ordinary resolution.

Reason for ordinary resolution number 6

The reason for ordinary resolution number 6 is to obtain the authority of shareholders to allow the company to make and implement the odd-lot offer, including the specific authority allowing the company, or its wholly-owned subsidiary, to repurchase the odd-lot holdings of odd-lot holders who do not make an election in terms of the odd-lot offer. The effect of ordinary resolution number 6 is that the company, or its wholly-owned subsidiary, will repurchase the odd-lot holdings of odd-lot holders who do not make an election in terms of the odd-lot offer.

9. Ordinary resolution number 7: Authority to implement resolutions

“RESOLVED THAT any one director or the group company secretary be and is hereby authorised to do all such things and sign all such documents and take all such action as they consider necessary for, or incidental to, the implementation of all the resolutions passed at and set out in this notice of AGM.

10. Advisory vote: Remuneration policy and implementation report

10.1 “RESOLVED to endorse, by way of a non-binding advisory vote, the company's remuneration policy as set out in the remuneration report on pages 118 to 127 of the IAR.”

10.2 “RESOLVED to endorse, by way of a non-binding advisory vote, the company's remuneration implementation report as set out in the remuneration report on pages 128 to 134 of the IAR.”

In terms of principle 14 of King IV™ read with paragraph 3.84 (j) of the JSE Listings Requirements, the company's remuneration policy and the implementation thereof need to be tabled for a non-binding advisory vote by shareholders. The vote allows shareholders to express their views on the remuneration policies adopted and the implementation thereof. Failure to carry will not have any legal consequences relating to existing arrangements. However, in the event that the remuneration policy and implementation report is voted against by 25% or more of the voting rights exercised, the company undertakes to engage with shareholders in order to determine how to address their legitimate and reasonable concerns. Details of the manner and timing of such engagements will be communicated in the results of AGM announcement.

Notice of Annual General Meeting continued

Special business

11. Special resolution number 1: Approval of non-executive directors' remuneration

"RESOLVED THAT the remuneration payable to non-executive directors be approved on the basis set out as follows, effective 1 July 2023:

R	Annual fee* 1 July 2023 to 30 June 2024	Hourly rate* 1 July 2023 to 30 June 2024
11.1 Chairman of the board**	1 262 300	
11.2 Deputy chairman	408 500	
11.3 Director	312 000	
11.4 Chairman of the audit committee	222 300	
11.5 Other audit committee members	102 000	
11.6 Chairman of the remuneration and nominations committee	190 200	
11.7 Other remuneration and nominations committee members	85 700	
11.8 Chairman of the risk committee	150 100	
11.9 Other risk committee members	68 500	
11.10 Chairman of the social and ethics committee	100 200	
11.11 Other social and ethics committee members	46 000	
11.12 Ad hoc committee***		2 500 capped at a total of 65 000

* Fees are exclusive of VAT, which will be payable to those directors who are registered for VAT and who submit a VAT invoice to the company.

** This is an all-inclusive fee. The Chairman does not receive any additional fees irrespective of his membership of other committees and other responsibilities across the group.

*** Ad hoc committees may be set up from time to time and mandated to deal with special items requiring attention by the board, instead of convening a full board meeting or to consider a specific issue falling outside the scope of existing committees. These ad hoc committees then meet to review the matter concerned.

The overall effective increase is 6.5% and largely aligns with the increase awarded to management.

Reason for and effect of special resolution number 1

The reason for and effect of the proposed resolution is to ensure that the company has the necessary approval in place to remunerate its non-executive directors in accordance with the requirements of sections 65(11)(h), 66(8) and 66(9) of the Companies Act and that the level of fees paid to non-executive directors remains competitive to enable the company to attract and retain persons of sufficient calibre with the necessary competence, experience and skill required to make a meaningful contribution and accords with the greater accountability and risk attached to the position. Non-executive directors do not participate in any of the short or long-term incentive plans, and there are no arrangements in place for compensation to be awarded in the case of loss of office.

Refer to page 43 of the Annual financial statements for the year ended 30 June 2023 for full particulars on the remuneration paid to non-executive directors during the year under review and to the remuneration report on pages 113 to 134 of the IAR for further detail on the company's remuneration practices.

The effect of this special resolution number 1 is that it will supersede the resolution passed at the previous AGM and the level of fees as set out above is increased with effect from 1 July 2023.

12. Special resolution number 2: Inter-group financial assistance

"RESOLVED to the extent required by sections 44 and/or 45 of the Companies Act, that the board may, subject to compliance with the requirements of the MOI, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in such amounts and on such terms and conditions as the board may from time to time resolve, by way of loan, guarantee, the provision of security or otherwise to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, at any time during a period commencing on the date of passing of this resolution and ending at the next AGM".

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is that, notwithstanding the title of section 45 of the Companies Act, being "Loans or other financial assistance to directors", on a proper interpretation, the body of the section also applies to financial assistance provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation and to a person related to any such company, corporation or member.

Further, section 44 of the Companies Act may also apply to the financial assistance so provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation, or a person related to any such company, corporation or member, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company.

Both sections 44 and 45 of the Companies Act, which govern financial assistance, provide, inter alia, that the particular financial assistance must be provided only pursuant to a special resolution of shareholders, adopted within the previous two (2) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board is satisfied that:

- (i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in the Companies Act); and
- (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

As part of the normal conduct of the business of the group, the company, where necessary, usually provides guarantees and other support undertakings to third parties which enter into financial agreements with its local and foreign subsidiaries and joint ventures or partnerships in which the company or members of the group have an interest. This is particularly so where funding is raised by the foreign subsidiaries of the company, whether by way of borrowings or the issue of bonds or otherwise, for the purposes of the conduct of their operations. In the circumstances and in order to, *inter alia*, ensure that the company and its subsidiaries and other related and inter-related companies and entities continue to have access to financing for purposes of refinancing existing facilities and funding their corporate and working capital requirements, it is necessary to obtain shareholder approval as set out in this special resolution. The company would like the ability to continue to provide financial assistance, if necessary, also in other circumstances, in accordance with section 45 of the Companies Act. Notice in terms of section 45(5) is hereby given that any financial assistance contemplated in this special resolution will in all likelihood exceed one-tenth of one percent of the company's net worth at the date of adopting such a resolution. This notice is also relevant for any trade union representing any employees of the company.

Furthermore, it may be necessary for the company to provide financial assistance to any of its present or future subsidiaries, and/or to any related or inter-related company or corporation, and/or to a member of a related or inter-related company, to subscribe for options or securities of the company or another company related or inter-related to it.

Accordingly, the approval of shareholders is sought to ensure that the company, its subsidiaries and other related and inter-related companies is able to effectively organise its internal financial administration.

13. Special resolution number 3: Authority to effect amendments to the MOI - Odd-lot

"RESOLVED THAT, the company be and is hereby authorised in terms of the Companies Act and the JSE Listings Requirements, with effect from the date of filing of the notice of amendment of the MOI with the Companies and Intellectual Property Commission, to insert a new paragraph 43 in the MOI in order to allow the company to give effect to the odd-lot offer on the terms set out in the circular to which this notice of AGM is attached:

43. ODD-LOT

43.1 Definitions

The following definitions shall apply for purposes of this clause 43:

43.1.1 "Odd-lot" means any total holding by a single shareholder of -

43.1.1.1 less than 100 securities; or

43.1.1.2 100 or more securities as determined by the directors at the relevant time and approved by the JSE;

43.1.2 "Odd-lot offer" means an offer to the shareholders of odd-lots in terms of which the shareholders of the odd-lots may elect to retain or sell their odd-lots, subject to the JSE Listings Requirements;

43.2 Odd-lot offer

43.2.1 The company may make and implement odd-lot offers in accordance with the JSE Listings Requirements or as otherwise permitted by the JSE.

43.2.2 If -

43.2.2.1 the company makes an odd-lot offer in accordance with the JSE Listings Requirements or as otherwise permitted by the JSE; and

43.2.2.2 Shareholders who -

43.2.2.2.1 hold less than 100 securities (or less than such other number of securities ("other number") as may on request by the company be permitted by the JSE in respect of that odd-lot offer) in the company; or

43.2.2.2.2 on behalf of a person who owns a beneficial interest in securities in the company, hold less than 100 securities (or less than the other number, as the case may be),

each being an "odd-lot", and who qualify to participate in that odd-lot offer, do not elect any of the election alternatives in accordance with the terms of the odd-lot offer, such shareholders shall be deemed to have agreed to sell their odd-lots, and the company shall be entitled (on implementation of that odd-lot offer) to cause the odd-lots to be sold on behalf of such shareholders on such basis as the board may determine; provided that the company shall account to such shareholders for the proceeds attributable to them pursuant to the sale of such odd-lots, subject to clause 36.3 of the MOI."

Notice of Annual General Meeting continued

Reason for special resolution number 3

The reason for the passing of special resolution number 3 is to amend the MOI to allow the company to implement the odd-lot offer. The effect of the passing of special resolution number 3 is that the company will be able to implement the odd-lot offer in accordance with the terms contained in the circular attached to this notice of AGM.

14. Special resolution number 4: Authority to effect amendments to the MOI - Fractional entitlements

“RESOLVED THAT, the company be and is hereby authorised in terms of the Companies Act and the JSE Listings Requirements, with effect from the date of filing of the notice of amendment of the MOI with the Companies and Intellectual Property Commission, to insert a new paragraph 44 in the MOI in order to deal with fractions of shares and other securities:

44. FRACTIONS OF SHARES AND OTHER SECURITIES

To the extent that a fractional entitlement arises, such fractional entitlement will be dealt with in accordance with the provisions of the JSE Listings Requirements, as amended from time to time.”

Reason for special resolution number 4

The reason for the passing of special resolution number 4 is to amend the MOI to deal with fractional entitlements.

15. Special resolution number 5: Specific authority to repurchase shares from odd-lot holders

“RESOLVED, subject to the passing of special resolution number 3, that the company, or its subsidiaries, be and are hereby authorised in terms of sections 46 and 48 of the Companies Act, the MOI and paragraph 5.69(b) of the JSE Listings Requirements, by way of specific authority, to repurchase, at the odd-lot offer price, the shares of odd-lot holders who elect, pursuant to the odd-lot offer, to sell their odd-lot holdings or those odd-lot holders who do not make an election to retain their odd-lot holdings.”

In terms of Section 48(8)(a) of the Companies Act and paragraph 5.69(b) of the JSE Listings Requirements, the approval of at least 75% of the voting rights exercised on special resolution number 5 by Shareholders present or represented by proxy at the AGM will be required to pass this special resolution.

Reason for and effect of special resolution number 5

The reason for this special resolution number 5 is to obtain the required approval in terms of sections 46 and 48 of the Companies Act, the JSE Listings Requirements and the MOI for the acquisition by the company, from the odd-lot holders of their odd-lot holdings as proposed in the odd-lot offer.

The effect of this special resolution number 5 is to authorise and enable the company or its subsidiaries subsequent to the implementation of the odd-lot offer to repurchase the odd-lot holdings from the odd-lot holders, which, if repurchased by the company, will subsequently, on application to the JSE, be delisted and cancelled or held as treasury shares, if repurchased by a subsidiary.

16. Special resolution number 6: General authority to repurchase or acquire ordinary shares

“RESOLVED THAT the company, or any of its subsidiaries, be and are hereby authorised by way of a general authority to repurchase or acquire, as the case may be, ordinary shares in the capital of the company, subject to the provisions of the Companies Act, the JSE Listings Requirements and as permitted by the MOI, provided that:

- the general authority shall be valid only until the next AGM or for 15 months from the date of this special resolution, whichever period is shorter;
- the repurchase/acquisition being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- the company is authorised thereto by its MOI;
- repurchases/acquisitions may not be made at a price greater than 10% (ten percent) above the weighted average of the market price of the shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;
- an announcement containing full details of the transaction being published in accordance with the JSE Listings requirements as soon as the company and/or its subsidiaries have repurchased/acquired shares constituting, on a cumulative basis, 3% (three percent) of the initial number of shares, and for each 3% (three percent) in aggregate of the initial number of shares repurchased, acquired or cancelled thereafter;

- repurchases/acquisitions shall not in aggregate in any one financial year exceed 10% (ten percent) of the company's issued ordinary share capital and provided that the acquisition of ordinary shares by a subsidiary shall not be effected to the extent that in aggregate more than 10% of the number of issued shares in the company are held by or for the benefit of all the subsidiaries as treasury shares of the company collectively;
- the company and/or its subsidiaries may not repurchase/acquire shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless it has in place a repurchase programme details of which have been submitted to the JSE in writing prior to the commencement of the prohibited period; and the company has instructed an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- at any point in time, the company only appoint one agent to effect any repurchases/acquisitions on its behalf; and
- a resolution is passed by the board authorising the repurchase/acquisition, that the company and its subsidiaries have passed the solvency and liquidity test and that since performing the test there have been no material changes to the financial position of the group."
- for the avoidance of doubt, (i) a *pro rata* repurchase by the company from all its shareholders; and (ii) intra-group repurchases by the company of its shares from wholly-owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the JSE Listings Requirements and/or non-dilutive share incentive schemes controlled by the company, where such repurchased shares are to be cancelled, will not require shareholder approval, save to the extent as may be required by the Companies Act;

Reason for and effect of special resolution number 6

Special resolution number 6 is sought to allow the company or a subsidiary, by way of a general authority, to acquire its own issued shares (reducing the total number of ordinary shares of the company in issue, in the case of an acquisition by the company of its own shares). This authority will provide the board with the necessary flexibility to repurchase shares in the market, should the board believe that it is in the interest of the company to do so.

At present, the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate and it is deemed in all respects advantageous to the company or a subsidiary to repurchase/acquire such shares. Any decision by the directors to use the general authority to acquire shares of the company will be taken with regard to the prevailing market conditions and other factors, including the share price with reference to executive management's valuation of the company.

The effect of this special resolution is to confer a general authority on the company or a subsidiary to repurchase/acquire ordinary shares in the company which are in issue from time to time.

The directors, having considered the effect of a maximum repurchase under this general authority are of the opinion that for a period of 12 months after the date of notice of the AGM:

- the company shall meet a solvency and liquidity test as contemplated in the Companies Act;
- the company and the group will be able to pay its debts in the ordinary course of business;
- the assets of the company and the group will be in excess of the liabilities of the company and the group, recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements; and the share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- the working capital of the company and group are considered adequate for ordinary business purposes.

Notice of Annual General Meeting continued

Disclosure in terms of section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are disclosed in the Annual financial statements for the year ended 30 June 2023 as follows:

Major shareholders	Refer to pages 65 to 67
Stated capital	Refer to page 36

Directors' responsibility statement

The directors, whose names appear on pages 18 to 19 collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 this special resolution contains all the information required by law and the JSE Listings Requirements.

Material change

There have been no material changes in the financial or trading position of the company and its subsidiaries since year end.

Other business

To transact such other business as may be transacted at an AGM.

By order of the board



MELANIE VAN HEERDEN
Group company secretary

Bryanston

26 October 2023

ATTENDANCE, VOTING AND PROXIES

- 1) Shareholders are entitled to attend, speak and vote at the AGM.
- 2) Shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the company.
- 3) Majority required for the adoption of resolutions
 - 3.1) ordinary resolutions: unless otherwise indicated, the support of a simple majority (that is, more than 50%) of the total number of voting rights exercised on the resolutions is required.
 - 3.2) special resolutions: the support of at least 75% of the total number of voting rights exercised on the resolutions is required.
 - 3.3) non-binding advisory votes: are of an advisory nature only and failure to pass these votes will not have any legal consequences relating to the existing arrangements. Should 25% or more of the votes exercised on these non-binding resolutions be cast against either or both of these non-binding resolutions, the board undertakes to engage with identified dissenting shareholders as to the reasons therefore and take appropriate action (as determined at the discretion of the board) to reasonably address issues raised as envisaged in King IV™ and the JSE Listings Requirements.
- 4) If certificated shareholders or dematerialised shareholders with 'own name' and who are entitled to attend, participate in and vote at the AGM, do not deliver the proxy forms to the transfer secretaries by the stipulated time, such shareholders will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the AGM, in accordance with the instructions therein, with the transfer secretaries at proxy@computershare.co.za.
- 5) Certificated shareholders and dematerialised shareholders with "own-name" registration who are unable to attend the AGM and who wish to be represented at the AGM, must complete and lodge the attached proxy form. It is recommended that forms of proxy be received by Computershare Investor Services Proprietary Limited (Transfer Secretaries) by no later than by no later than 48 (forty-eight) hours before the commencement of the AGM for administration purposes.
- 6) Dematerialised shareholders without "own-name" registration who wish to attend the AGM in-person must request their CSDP or broker to provide them with the necessary letter of representation in accordance with the relevant custody agreement. Dematerialised shareholders without "own-name" registration who do not wish to attend the AGM but wish to be represented at the AGM must advise their CSDP or broker of their voting instructions. Such shareholders should contact their CSDP or broker with regard to the cut-off time for their voting instructions.

Voting will take place by way of a poll and accordingly every shareholder present or represented by proxy and entitled to vote, will have one vote in respect of each share held.

As stated above, participation in the AGM will also be via electronic communication and shareholders wishing to attend the AGM via electronic means must follow the instructions for registration, attendance and participation set out below. The electronic platform used to host the AGM accords with the provisions of section 63(2)(a) of the Companies Act and the company's MOI.

How to participate in the AGM?

City Lodge is pleased to offer the Lumi Platform for shareholders that wish to participate and vote online/virtually during the AGM as well as in-room electronic voting devices for shareholders that wish to participate and vote in-room.

STEP 1: REGISTRATION TO ATTEND THE AGM

1) Registering online

1.1 register online using the online registration portal at www.lumiconnect.com; or

1.2 apply to Computershare, by delivering the duly completed Form to:

Computershare Investor Services (Pty) Ltd, Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 on Tuesday, 21 November 2023. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided. However, this will not in any way affect the rights of shareholders to register for electronic participation at the AGM after this date, provided, however, that only those shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the AGM, will be allowed to participate in and/or vote by electronic means.

Shareholders attending via electronic communication will be required to connect to the AGM through the Lumi website by following the steps set out at www.smartagm.co.za/www.lumiconnect.com by selecting the applicable meeting and clicking on the City Lodge Hotels Limited logo.

Lumi will inform shareholders who registered online by no later than 14:00 on Wednesday, 22 November 2023 by email of the relevant details through which shareholders can participate electronically.

Notice of Annual General Meeting continued

2) Registering at the venue of the AGM

Shareholders who wish to attend in-person and vote at the meeting, and who have not registered online, will be able to register at the venue from 13:00 to 13:45.

STEP 2: IDENTIFICATION

In terms of section 63(1) of the Companies Act, all AGM participants will be required to provide identification reasonably satisfactory to the Transfer Secretaries. The forms of identification include a valid identity document, driver's licence, passport, and where the shareholder is not an individual a certified copy of a resolution by the entity detailing who from the entity is authorised to represent it at the AGM together with a certified copy of identity document of the person who passed the resolution.

- 1) Participants registering to participate in the AGM using the online registration method contemplated above, by uploading the relevant documentation via the online registration portal and providing a valid email address and/or mobile telephone number; or
- 2) Participants attending the AGM in-person and who have not registered online, by furnishing the relevant documentation to the Transfer Secretaries at the AGM venue.

Participants who do not furnish the necessary identification documents and/or, if applicable, a letter of representation or if they are not able to be verified by the Transfer Secretaries by the time specified above, will receive guest status.

STEP 3: QUESTIONS

Shareholders are encouraged to submit any questions concerning the resolutions proposed as set out in this notice of AGM in advance of the AGM by emailing their questions to the company secretary at mvanheerden@citylodgehotels.com by no later than 12:00 on Tuesday, 21 November 2023. These questions will be addressed at the AGM. The submission of questions in advance will, however, not preclude a shareholder from asking a question at the AGM either in person or via electronic communication.

Please note:

- Notwithstanding the foregoing, any shareholder who wishes to attend the AGM is entitled to contact Computershare at proxy@computershare.co.za at any time prior to the conclusion of the AGM, in order to be verified and provided with access to the Lumi Platform. In order to avoid any delays in being provided with access to the Lumi Platform shareholders are encouraged to contact Computershare at their earliest convenience.
- Shareholders will be liable for their own network and data charges.
- Neither City Lodge, Computershare and/or Lumi, their appointed service provider will be held accountable in the case of the loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages/electronic participation channel malfunction which could prevent a shareholder from participating in the AGM.

Form of proxy

Form of proxy – for use by certificated and own name dematerialised shareholders only

For use at the thirty-seventh annual general meeting (AGM) of members to be conducted as a hybrid meeting as follows, i) in person at City Lodge Hotels Limited, Block 7, Bryanston Gate Office Park, corner Homestead Avenue and Main Road, Bryanston and ii) by electronic participation via the electronic meeting platform on Thursday, 23 November 2023 at 14:00. If you are a City Lodge shareholder referred to above, and are entitled to vote at the AGM, you can appoint a proxy or proxies to vote and speak in your stead at the AGM. A proxy need not be a shareholder of the company. If you are a City Lodge ordinary shareholder and have dematerialised your ordinary shares through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy but provide your CSDP with your voting instructions in terms of your custody agreement entered into with it. Generally, a shareholder will not be an own name dematerialised City Lodge shareholder unless the City Lodge shareholder has specifically requested the CSDP to record the City Lodge shareholder as the holder of shares in the City Lodge shareholder's own name in the company's sub-register.

I/we, the undersigned

of

Telephone (home):

being the registered holder(s) of
hereby appoint

ordinary shares

or failing him/her,

or failing them, the chairman of the meeting as my/our proxy to act for me/us and vote for me/us on my/our behalf as indicated below at the AGM of the company and at any adjournment thereof.

		Number of shares		
		In favour of	Against	Abstain
1.	Ordinary resolution number 1: Re-election of directors			
1.1	Mr G G Huysamer			
1.2	Dr M S P Marutlulle			
2.	Ordinary resolution number 2: Re-appointment of external auditor			
3.	Ordinary resolution number 3: Appointment of group audit committee members			
3.1	Ms M G Mokoka			
3.2	Mr G G Huysamer			
3.3	Mr A R Lapping			
3.4	Ms N Medupe			
4.	Ordinary resolution number 4: Adoption of Conditional Share Plan			
5.	Ordinary resolution number 5: Placing of the authorised but unissued shares under the control of the directors			
6.	Ordinary resolution 6: Authority to make and implement the odd-lot offer, specifically the repurchase of the odd-lot holdings from the odd-lot holders who do not make an election			
7.	Ordinary resolution number 7: Authority to implement resolutions			
8.	Advisory vote: Remuneration policy and implementation report			
8.1	Remuneration policy			
8.2	Remuneration implementation report			
9.	Special resolution number 1: Approval of non-executive directors' remuneration			
9.1	Chairman of the board			
9.2	Deputy chairman			
9.3	Director			
9.4	Chairman of the audit committee			
9.5	Other audit committee members			
9.6	Chairman of the remuneration and nominations committee			
9.7	Other remuneration and nominations committee members			
9.8	Chairman of the risk committee			
9.9	Other risk committee members			
9.10	Chairman of the social and ethics committee			
9.11	Other social and ethics committee members			
9.12	Ad hoc committee			
10.	Special resolution number 2: Inter-group financial assistance			
11.	Special resolution number 3: Authority to effect amendments to the MOI – Odd-lot			
12.	Special resolution number 4: Authority to effect amendments to the MOI – Fractional entitlements			
13.	Special resolution number 5: Specific authority to repurchase shares from odd-lot holders			
14.	Special resolution number 6: General authority to repurchase or acquire ordinary shares			

Signature

Date

Assisted by me (where applicable)

Each City Lodge shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to participate, speak and vote (either on a poll or by show of hands) in his/her stead at the AGM.

Please see the notes overleaf

Notes to the form of proxy

1. A City Lodge 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 chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A City Lodge shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided or by the insertion of a cross if all shares should be voted on behalf of that shareholder. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares exercisable at the meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she is solely entitled thereto, but, if more than one of such joint holders is present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any shares stand, shall be deemed joint holders thereof.
4. It is recommended that forms of proxy be received by the Transfer Secretaries, Computershare Investor Services Proprietary Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000, Saxonwold 2132), email proxy@computershare.co.za, by no later than 14:00 on Tuesday 21 November 2023, provided that any form of proxy not delivered to the Transfer Secretaries by this time and date may (i) be emailed to the transfer secretary (who will provide same to the chairman of the AGM) at any time prior to the AGM or (ii) submitted to the company secretary immediately before the commencement of the AGM. Shareholders are strongly encouraged to submit their proxies prior to the AGM so as to avoid delays to the commencement thereof due to the verification process that will need to be carried out.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. 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 company's Transfer Secretaries or waived by the chairman of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM, in person or electronically, and speaking and voting at the meeting to the exclusion of any proxy appointed in terms of this form of proxy, should such shareholder wish to do so.
8. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
9. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the City Lodge shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered.

Participating in the Annual General Meeting via electronic communication

Capitalised terms used in this annexure shall bear the meanings ascribed thereto in the notice to which this annexure is attached

1. Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication ("Participants"), must either:

1.1 register online using the online registration portal at www.lumiconnect.com; or

1.2 apply to Computershare, by delivering the duly completed Form to:

Computershare Investor Services (Pty) Ltd, Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 14:00 on Tuesday, 21 November 2023. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

2. Important notice

2.1 Lumi shall, by no later than 14:00 on Wednesday, 22 November 2023, notify Participants that have delivered valid notices in the form of this Form, by email of the relevant details through which Participants can participate electronically

Application form
Full name of Participant:
ID/passport number of individual or registration number of entity:
Email address:
Cell number:
Telephone number: (code): (number):
Name of CSDP or broker (if shares are held in dematerialised format):
I want to participate electronically
I want to participate and vote electronically
Signature:
Date:

Terms and conditions for participation in the AGM via electronic communication

1. The cost of electronic participation in the AGM, including but not limited to network charges, is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges, by signing this application form, that the electronic platform through which the AGM will be facilitated is provided by third parties and indemnifies City Lodge Hotels Ltd against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that neither City Lodge, Computershare and/or Lumi, their appointed service provider will be held accountable in the case of the loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages/electronic participation channel malfunction which could prevent a shareholder from participating in the AGM.
3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.

Participant's name _____

Signature _____

Date _____

Salient features of the conditional share plan (CSP)

Rationale for the CSP

In FY22 following extensive consultation with remuneration consultants and taking into consideration:

- evolving best practice governance;
- shareholder feedback; and
- the failure of the Share Appreciation Right Scheme 2008 to:
 - meet the objectives of aligning management interests with those of shareholders; and
 - deliver value to the Participants and promote retention,

a new share plan, namely the Conditional Share Plan 2021 (CSP 2021) was introduced.

The CSP 2021 was the only variable pay offered in FY22 and the levels were calibrated to represent a normal LTI allocation and, in addition, 50% of a normal STI allocation, to cater for the fact that no separate STI awards were made.

The CSP 2021 was developed as a flexible plan, affording the company the ability to impose appropriate performance measures, performance periods, vesting periods and post-vesting holding periods depending on the company's needs at the time of making an award. The first award in FY22 measured performance over a one-year period. This was done because the calibration of three-year forward looking performance measures was not possible at that point in time, given the current economic climate and urgency required for the implementation of the company's turnaround strategy. Furthermore, such a calibration would not result in fair or meaningful outcomes in terms of variable pay and would not successfully drive the desired behaviour and outcomes necessary for sustainable recovery and growth in value for shareholders. Several safeguards were implemented to ameliorate the use of a shorter performance period, including staggered vesting over a three-year period, post-vesting holding periods, affordability conditions and the introduction of a malus and clawback policy.

As the company moved to a 'business-as-usual' phase in FY23 the incentive measures and performance period were reviewed, resulting in the reinstatement of the STI schemes, participation in the CSP 2021 being extended to the executive directors, exco and senior management, subject to three-year forward-looking performance measures and the re-instatement of the RSP for other eligible participants, subject to remuneration and nominations committee discretion.

Leveraging the more stable business environment and so as to allow for flexibility and to hedge against the risk of significant movement in the share price over the vesting period through the introduction of a number of settlement methods detailed below, the board on the recommendation of the remuneration and nominations committee, seeks to align the CSP 2021 with Schedule 14 of the JSE Listings Requirements, which requires 75% shareholder approval. It is to be noted that should shareholder support be forthcoming, the settlement of past and future awards will take place in accordance with the Schedule 14 compliant CSP 2021.

Salient features

Description	Participants receive a conditional right to shares in the company. Vesting is subject to the achievement of forward looking performance conditions and Malus & Clawback provisions.
Purpose	To attract, retain and incentivise employees. To provide selected employees with the opportunity of receiving shares in the company.
Instrument	Performance awards will be awarded as conditional rights to shares subject to forward looking performance conditions.
Eligibility and allocation as a percentage of TGP	Eligible employees, as selected by the remuneration and nominations committee CEO: 100% CFO and COO: 75% Exco and senior management: 40%
Overall company limit	The aggregate number of shares at any one time which may be settled for awards under the CSP and RSP shall not exceed 30,492,975 shares, being 5% of the issued shares as at the date that the amended CSP rules are approved.
Individual limit	The maximum number of shares which may be settled in respect of all awards to any one participant under the CSP and RSP shall not exceed 6,098,595 Shares, being 1% of the issued shares as at the date that the amended CSP rules are approved.
Performance period	A three-year forward looking performance period is used, aligned with the company's financial year end.
Performance conditions and performance vesting percentages	The performance conditions comprise a combination of the measures which the remuneration and nominations committee believes ensure shareholder alignment and the execution of strategy over the long term. The targets and vesting levels (with linear vesting applying between levels) are set out in the award letter and disclosed in the remuneration report.
Vesting period	The conditional shares will vest at the end of a three-year performance period and may be subject to a further holding period and such disclosed in the remuneration report.
Settlement and settlement method	Prior to procuring the settlement of vested awards, the remuneration and nominations committee shall consider the overall affordability to the group. In order to allow for flexibility and to hedge against the risk of significant movement in the share price a number of settlement methods are available for use at the remuneration and nominations committee's discretion: 10.3.1 market purchase of shares; or 10.3.2 use of treasury shares; or 10.3.3 issue of shares. No consideration will be payable by a participant in respect of the vesting of an award. In the determination of the number of shares which may be acquired by or settled to participants, shares acquired on the open market shall not be counted towards the overall limit referred to above.
Malus	Unvested awards may be reduced or cancelled resulting in forfeiture should a trigger event occur between the award and settlement date.
Clawback	The participant will be required to pay-back, in full or in part, the pre-tax market value of the shares as determined on the vesting date, if a trigger event is discovered subsequent to the end of the vesting period. Insofar as holding periods may apply, a portion or all of the vested shares of the participant will be recovered if a trigger event is discovered after the vesting date
Termination of employment	Participants terminating employment prior to the vesting date of a particular award will be classified as a good or bad leaver. Bad leavers will forfeit all awards on the date of termination of employment. In the case of good leavers, a pro rata portion of all unvested awards will vest on the date of termination of employment. The pro rata portion will reflect the number of months served since the date of grant and the extent to which the performance conditions (if any) have been met. The balance of the awards will lapse.

Salient features of the conditional share plan (CSP) continued

Change of control	<p>In the case of a change of control, a pro rata portion of all unvested awards will vest on the date of change of control.</p> <p>The pro rata portion will reflect the number of months served since the date of grant and the extent to which the performance conditions (if any) have been met and are to be exercised within a period determined by the remuneration and nominations committee. The balance of the awards will lapse.</p>
Variation in share capital	<p>In the event of a variation in share capital, the participants will continue to participate in the various long-term incentive (LTI) plans. The remuneration and nominations committee may, however, where the company's value has been materially affected, make an adjustment to the number of awards to give a participant an equivalent fair value of the equity capital as to which they would have been entitled prior to the event.</p>
Amendments and termination	<ul style="list-style-type: none"> • The remuneration and nominations committee may at any time, subject to the JSE Listings Requirements, alter, vary or add to these terms and conditions as it thinks fit. • Amendments to the CSP 2021 may only affect awards to participants that have already been made if they are to the advantage of participants and subject to the JSE Listings Requirements. • The remuneration and nominations committee may make minor amendments for ease of the administration of the CSP 2021, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable taxation or regulatory treatment of the company or any employer company or any present or future participant. • The remuneration and nominations committee may terminate the CSP 2021 at any time, but awards before such termination will continue to be valid and as described in the provisions of the CSP 2021. • None of the provisions in the plan rules relating to: <ul style="list-style-type: none"> – the category of persons who are eligible for participation in the share plan (s14.1(a)); – the basis for determining awards(s14.1(f)); – the number of shares that may be utilised for the share plan(s14.1(b)); – the number of shares that may be used for purposes of awards in respect of an individual employee or participant(s14.1(c)); – the amount, if any, payable upon acceptance of an award, vesting and/or settlement(s14.1(d)(i)); – the adjustment of awards in the event of a variation of shares of the company or a change of control (s14.1(g)); – the voting, dividend, transfer and other rights attaching to the award, including those arising upon a liquidation of the company (s14.1(e)); or – the procedure to be adopted in respect of the vesting of awards in the event of a change of control, or a termination of employment (s14.1(h)), <p>may be amended by the company without the prior approval of the JSE and by ordinary resolution of 75% of the shareholders of the company, excluding all the votes attached to shares owned and controlled by the existing participants and which were acquired in terms of the CSP 2021.</p>

Administration

CITY LODGE HOTELS LIMITED

Incorporated in the Republic of South Africa
Registration number: 1986/002864/06
Share code: CLH
ISIN: ZAE000117792

DIRECTORS

B T Ngcuka (Chairman), A C Widegger (Chief executive officer)*,
S J Enderle#, G G Huysamer, F W J Kilbourn (Deputy chairman), A R Lapping,
M S P Marutlulle, N Medupe, M G Mokoka, S G Morris, D Nathoo (Chief financial officer)*, L G Siddo (Chief operating officer)*
*Executive # South African and Swiss

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

COMPANY SECRETARY

M C van Heerden

SPONSOR

Nedbank Corporate and Investment Banking, a division of Nedbank Limited





CITY LODGE
HOTELS

citylodgehotels.com

