

CITY LODGE HOTELS LIMITED

(“City Lodge” or “the company” – Registration no. 1986/002864/06)

MINUTES OF THE THIRTY SIXTH ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD ELECTRONICALLY VIA WEBCAST AND ZOOM ON MONDAY, 28 NOVEMBER 2022 AT 14H30

Present:

Directors:

Mr B T Ngcuka (chairman)
Mr S J Enderle
Mr G G Huysamer
Mr F W J Kilbourn
Mr A R Lapping
Mrs N Medupe
Mr S G Morris
Ms D Nathoo
Mrs L G Siddo
Mr A C Widegger

Apologies:

Dr M S P Marutlulle
Ms M G Mokoka

Group Company Secretary:

Ms M C van Heerden

Internal Auditors (KPMG):

Ms C de Klerk

JSE Sponsor (Nedbank):

Ms D Thiele

External Auditors nominee (PwC)

Mr D Naidoo

Ms A Motaung

Transfer secretaries (Computershare):

Mr W Louw

**Electronic meeting platform provider
(Lumi)**

Mr A Vladar

Shareholders:

29 shareholders holding 327 129 435 shares

present in person or by representation.

Guests:

6 Visitors as per the attendance register

WELCOME AND QUORUM The Chairman welcomed all attendees to the Company's 36th AGM and introduced the directors present.

It was noted that as the necessary quorum as required in terms of the Companies Act, 71 of 2008 and the Company's Memorandum of Incorporation was present, the Chairman declared the meeting duly constituted.

NOTICE The notice convening the meeting dated 31 October 2022, having been circulated to all shareholders and published on the Company's website, was taken as read with the consent of the meeting.

MEETING PROCEDURE The chairman clarified the meeting and voting procedure, which would be conducted entirely by electronic communication. Voting was opened on the electronic platform prior to tabling of the first resolution and closed once all the resolutions had been tabled, it being noted that no questions relating to the resolutions had been raised, thereby allowing votes to be cast at any time. Attendees were invited to raise questions on the electronic platform on the resolutions, as tabled.

The Chairman advised the meeting that with regards ordinary resolution 4 – appointment of group audit committee members, the discrepancy between the order in which the names of certain of the audit committee members being elected appear in notice of annual general meeting and form of proxy and advised that the motions will be put, and votes should be cast, in alphabetical order.

The voting percentages required for passing the resolutions were noted as follows:

- ordinary resolutions, more than 50%;
- special resolutions, more than 75% of the voting rights exercised.

The Chairman further noted that the voting results for all resolutions would be announced at the end of the meeting to allow sufficient time for the scrutineers to record the online votes. Pending the tallying of the votes, the Chairman provided the meeting with an operational update which would also be

made available on SENS.

**AUDITOR'S
REPORT AND
ANNUAL FINANCIAL
STATEMENTS**

With the unanimous consent of the shareholders present, the Auditor's report and the audited consolidated annual financial statements of the company for the year ended 30 June 2022, incorporating the directors', external auditors' and audit committee's reports as issued to shareholders were taken as read and adopted.

**SOCIAL AND ETHICS
REPORT**

The social and ethics committee report was presented and noted.

OPERATIONAL UPDATE

The lifting of the National State of Disaster in April 2022 has further facilitated positive travel trends with businesses and individuals returning to travelling, meeting and experiencing life while nurturing relationships which had suffered during the prolonged period of lockdown. Over the last few months, Group occupancies have been bolstered by the return of international flights to almost pre-Covid levels, corporations returning to offices with an emphasis on building relationships and strategic planning. In addition, domestic leisure travel continues to flourish, boosted by our enhanced food and beverage offering across all brands, which has resulted in an almost 200% increase in food and beverage revenue compared to the prior year. Occupancies for the Group for the financial year to date of 56.5% have realised steady month on month improvements, even exceeding 2019 levels in certain months. Monthly occupancies for the Group have grown from 52% in July 2022 to 60% for November 2022 to date. The outlook for December 2022 occupancies looks positive and we forecast to exceed 2019 levels based on current demand and interest from our "Don't skimp on your summer" specials, advertising campaign.

The increased occupancies have resulted in better yielding with achieved room rates for the financial year to date up by 9.5% on the prior year comparative period and around the same as 2019 levels.

The Group continues to generate positive cash flows, with a positive bank balance of R226 million as at 27 November 2022. The planned capital reinvestment in the portfolio is currently underway with the fit-out and availability of the remaining floors at Courtyard Hotel Waterfall City due for completion in early December 2022 and the refurbishment of City Lodge Hotel V&A Waterfront scheduled to commence in April 2023. The Group's current debt position is R300 million, with access to a further R415 million in debt and overdraft facilities.

Despite demand being slightly dampened by ongoing loadshedding, high inflation and interest rates, and their impact on the economy and disposable income, the outlook continues to look positive as life returns to normal and businesses and individuals embrace the freedom to take every opportunity to travel.

RESULTS OF VOTING

On receipt of confirmation of the results of the votes from the scrutineer, the chairman

declared that all resolutions had been passed by the requisite majority with the detailed voting results as presented on screen to be published on SENS within the next twenty four hours.

1.

1.1 ORDINARY RESOLUTION NO. 1.1: RE-ELECTION OF MR F W J KILBOURN

It was **resolved** by 73.84% of the voting rights exercised that Mr F W J Kilbourn, a director retiring by rotation, be and is hereby re-elected as a director of the company.

For	Against	Abstain
240 441 342	85 164 976	1 522 002
73.84%	26.16%	0.26%

1.2 ORDINARY RESOLUTION NO. 1.2: RE-ELECTION OF MS N MEDUPE

It was **resolved** by 74.17% of the voting rights exercised that Ms N Medupe, a director retiring by rotation, be and is hereby re-elected as a director of the company.

For	Against	Abstain
241 569 695	84 115 123	1 443 502
74.17%	25.83%	0.25%

1.3 ORDINARY RESOLUTION NO. 1.3: RE-ELECTION OF MR B T NGCUKA

It was **resolved** by 83.31% of the voting rights exercised that Mr B T Ngcuka, a director retiring by rotation, be and is hereby re-elected as a director of the company.

For	Against	Abstain
271 351 134	54 357 684	1 419 502
83.31%	16.69%	0.25%

2.

2.1 ORDINARY RESOLUTION NO. 2.1: ELECTION AND APPOINTMENT OF MS M G MOKOKA

It was **resolved** by 98.44% of the voting rights exercised that Ms M G Mokoka be and is hereby elected as an independent non-executive director of the company.

For	Against	Abstain
320 607 438	5 077 380	1 443 502
98.44%	1.56%	0.25%

3. ORDINARY RESOLUTION NO. 3: THE RE-APPOINTMENT OF PWC INC AS THE INDEPENDENT AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AND

AUTHORISING THE AUDIT COMMITTEE TO DETERMINE THE AUDITORS' TERMS OF ENGAGEMENT AND REMUNERATION

98.50% of the voting rights exercised **resolved** to re-appoint PWC Inc. as the independent auditors of the company for the ensuing year and authorise the audit committee to determine the auditors' terms of engagement and remuneration.

For	Against	Abstain
320816370	4 871 948	1 440 002
98.50%	1.50%	0.25%

It was noted that Ms Alinah Motaung has been appointed as the designated partner for the ensuing year.

4. APPOINTMENT OF GROUP AUDIT COMMITTEE MEMBERS

4.1 ORDINARY RESOLUTION NO. 4.1: APPOINTMENT OF MR S G MORRIS AS A MEMBER AND CHAIRMAN OF THE GROUP AUDIT COMMITTEE

It was **resolved** by 84.13% of the voting rights exercised that Mr S G Morris be and is hereby appointed as a member and the chairman of the group audit committee.

For	Against	Abstain
274 010 956	51 677 362	1 440 002
84.13%	15.8%	0.25%

4.2 ORDINARY RESOLUTION NO. 4.2: APPOINTMENT OF MR G G HUYSAMER AS A MEMBER OF THE GROUP AUDIT COMMITTEE

95.53% of the voting rights exercised **resolved** to appoint Mr G G Huysamer as a member of the group audit committee.

For	Against	Abstain
311 145 058	14 543 260	1 440 002
95.53%	4.4%	0.25%

4.3 ORDINARY RESOLUTION NO. 4.3: APPOINTMENT OF MR A R LAPPING AS A MEMBER OF THE GROUP AUDIT COMMITTEE

It was **resolved** by 99.99% of the voting rights exercised that Mr A R Lapping, be and is hereby appointed as a member of the group audit committee.

For	Against	Abstain
325 664 188	24 130	1 440 002
99.99%	0.01%	0.25%

4.4 ORDINARY RESOLUTION NO. 4.4: APPOINTMENT OF MS N MEDUPE AS A

MEMBER OF THE GROUP AUDIT COMMITTEE

82.56% of the voting rights exercised, **resolved** to appoint Ms N Medupe as a member of the group audit committee.

For	Against	Abstain
268 870 157	56814661	1 443 502
82.56%	17.44%	0.25%

4.5 ORDINARY RESOLUTION NO. 4.5: APPOINTMENT OF MS M G MOKOKA AS A MEMBER OF THE GROUP AUDIT COMMITTEE

98.44% of the voting rights exercised, **resolved** to appoint Ms M G Mokoka as a member of the group audit committee.

For	Against	Abstain
320 607 438	5 077 380	1 443 502
98.44%	1.56%	0.25%

5. ORDINARY RESOLUTION NO. 5: IMPLEMENTATION OF RESOLUTIONS

99.49% of the voting rights exercised, for purposes of passing an ordinary resolution, **resolved that** any one director or the company secretary of the company be and is hereby authorised to do all such things and sign all such documents and take all such action as they consider necessary to implement the resolutions set out in this notice convening this annual general meeting at which this ordinary resolution will be considered.

For	Against	Abstain
324 021 462	1 666 606	1 440 252
99.49%	0.51%	0.25%

6. REMUNERATION POLICY & IMPLEMENTATION REPORT

6.1 ENDORSEMENT OF REMUNERATION POLICY

87.08% of the voting rights exercised **resolved** to endorse, through a non-binding advisory vote, the company's remuneration policy as set out in pages 112 to 121 of the integrated report be and is hereby accepted and approved.

For	Against	Abstain
283 641 790	42 081 518	1 405 012
87.08%	12.92%	0.24%

6.2 ENDORSEMENT OF IMPLEMENTATION REPORT

88.59% of the voting rights exercised **resolved** to endorse, through a non-binding advisory vote, the company's remuneration implementation report as set out in

pages 122 to 126 of the integrated report be and is hereby accepted and approved.

For	Against	Abstain
288523121	37 176 187	1 429 012
88.59%	11.41%	0.25%

7. APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION WITH EFFECT FROM 1 JULY 2022

7.1 SPECIAL RESOLUTION NO.1.1: APPROVING THE CHAIRMAN OF THE BOARD'S FEES OF R1 185 300

96.03% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the chairman of the board's fees of R1 185 300 with effect from 1 July 2022.

For	Against	Abstain
312 763 104	12 935 754	1 429 462
96.03%	3.97%	0.25%

7.2 SPECIAL RESOLUTION NO.1.2: APPROVING THE DEPUTY CHAIRMAN'S FEES OF R383 600

96.40% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the lead independent directors' fees of R383 600 with effect from 1 July 2022.

For	Against	Abstain
313 982 928	11 715 930	1 429 462
96.40%	3.60%	0.25%

7.3 SPECIAL RESOLUTION NO.1.3: APPROVING THE FEES OF THE OTHER NON-EXECUTIVE DIRECTORS OF R 293 000

97.88% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the fees of the other non-executive directors of R293 000 with effect from 1 July 2022.

For	Against	Abstain
318 800 746	6 898 112	1 429 462
97.88%	2.12%	0.25%

7.4 SPECIAL RESOLUTION NO.1.4: APPROVING THE CHAIRMAN OF THE AUDIT COMMITTEE'S FEES OF R208 700

97.88% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the chairman of the audit committee's fees of

R208 700 with effect from 1 July 2022.

For	Against	Abstain
318 800 746	6 918 112	1 409 462
97.88%	2.12%	0.25%

7.5 SPECIAL RESOLUTION NO.1.5: APPROVING THE FEES OF THE OTHER MEMBERS OF THE AUDIT COMMITTEE OF R95 800

97.88% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the fees of the other members of the audit committee of R95 800 with effect from 1 July 2022.

For	Against	Abstain
318 800 746	6 918 112	1 409 462
97.88%	2.12%	0.25%

7.6 SPECIAL RESOLUTION NO.1.6: APPROVING THE CHAIRMAN OF THE REMUNERATION AND NOMINATIONS COMMITTEE'S FEES OF R178 600

97.88% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the chairman of the remuneration committee's fees of R178 600 with effect from 1 July 2022.

For	Against	Abstain
318 800 746	6 918 112	1 409 462
97.88%	2.12%	0.25%

7.7 SPECIAL RESOLUTION NO.1.7: APPROVING THE FEES OF THE OTHER MEMBERS OF THE REMUNERATION AND NOMINATIONS COMMITTEE OF R80 500

97.88% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the fees of the other members of the remuneration committee of R80 500 with effect from 1 July 2022.

For	Against	Abstain
318 800 746	6 898 112	1 429 462
97.88%	2.12%	0.25%

7.8 SPECIAL RESOLUTION NO.1.8: APPROVING THE CHAIRMAN OF THE RISK COMMITTEE'S FEES OF R140 900

97.89% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the chairman of the risk committee's fees of

R140 900 with effect from 1 July 2022.

For	Against	Abstain
318 801 246	6 887 612	1 439 462
97.89%	2.11%	0.25%

7.9 SPECIAL RESOLUTION NO.1.9: APPROVING THE FEES OF THE OTHER MEMBERS OF THE RISK COMMITTEE OF R64 300

97.89% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the fees of the other members of the risk committee of R64 300 with effect from 1 July 2022.

For	Against	Abstain
318 801 246	6 887 612	1 439 462
97.89%	2.11%	0.25%

7.10 SPECIAL RESOLUTION NO.1.10: APPROVING THE FEES OF THE CHAIRMAN OF THE SOCIAL AND ETHICS COMMITTEE OF R94 100

97.89% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the chairman of the risk committee's fees of R94 100 with effect from 1 July 2022.

For	Against	Abstain
318 801 246	6 887 612	1 439 462
97.89%	2.11%	0.25%

7.11 SPECIAL RESOLUTION NO.1.11: APPROVING THE FEES OF THE OTHER MEMBERS OF THE SOCIAL AND ETHICS COMMITTEE OF R43 200

97.88% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the chairman of the risk committee's fees of R43 200 with effect from 1 July 2022.

For	Against	Abstain
318 801 246	6 907 612	1 419 462
97.88%	2.12%	0.25%

7.12 SPECIAL RESOLUTION NO.1.12: APPROVING THE FEES PAYABLE TO AN AD HOC COMMITTEE IN AN AMOUNT OF R2 350 PER HOUR, CAPPED AT R60 000

97.38% of the voting rights exercised, for purposes of passing a special resolution, **resolved** to approve the fees payable to an ad hoc/ temporary committee in an amount of R2 350 per hour capped at R60 000 with effect from

1 July 2022.

For	Against	Abstain
317 178 090	8 549 268	1 400 962
97.38%	2.62%	0.24%

8. SPECIAL RESOLUTION NO.2: AUTHORISING THE COMPANY TO PROVIDE DIRECT OR INDIRECT FINANCIAL ASSISTANCE IN SUCH AMOUNTS AS THE BOARD MAY FROM TIME TO TIME RESOLVE

98.58% of the voting rights exercised, for purposes of passing a special resolution, **resolved that** to the extent required by sections 44 and/or 45 of the Act, the board of the company may, subject to compliance with the requirements of the company's MOI, the 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 as the board of the company 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.

For	Against	Abstain
321 095 705	4 637 653	1 394 962
98.58%	1.42%	0.24%

9. SPECIAL RESOLUTION NO.3: GENERAL AUTHORITY TO REPURCHASE SHARES

99.53% of the voting rights exercised, for purposes of passing a special resolution, **resolved that** the company be and is hereby authorised by way of a general authority to acquire ordinary shares in the share capital of the company subject to the provisions of the Act and the JSE Listings Requirements , provided: -

- the general authority shall be valid only until the next annual general meeting or for 15 months from the date of this special resolution, whichever period is shorter;
- the repurchase 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 being authorised thereto by its Mol;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the shares for the five (5) business days immediately preceding the date on which the transaction was effected;
- an announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;

- repurchases not exceeding 5% (five percent) in aggregate of the company's issued ordinary share capital in any one financial year;
- the company and/or its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the repurchase programme have been submitted to the JSE in writing prior to the commencement of the prohibited period;
- at any point in time, the company only appointing one agent to effect any repurchases on its behalf; and
- a resolution is passed by the board authorising the repurchase, 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	Against	Abstain
324199968	1 533 390	1 394 962
99.53%	0.47%	0.24%

10. OTHER

No questions were posed in response to the chairman's invitation for questions.

THANKS AND APPRECIATION

The Chairman expressed his appreciation to and thanks to:

- the ever committed and loyal City Lodge employees who, through their hard work have contributed to the turnaround of the business over the past year.
- the executive team, for capably steering the company through this significant period of turnaround and in so doing ensuring the group's ongoing sustainability and relevance as an important player in the industry.
- his colleagues serving on the board, for their valued support and unquestionable commitment to the company.
- the members, for their continued support of, and confidence in, the group.

CLOSURE

Having dispensed with all the business of the meeting, the Chairman declared the meeting

closed at 14H45.

Signed as correct

A handwritten signature in black ink, appearing to read "M. J. G. S.", written over a horizontal line.

CHAIRMAN

23 February 2023