

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 11 of this Circular apply throughout this Circular, including to this cover page.

ACTION REQUIRED BY PSL SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by PSL Shareholders", commencing on page 4.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
3. If you have disposed of any or all of your PSL Shares, please forward this Circular incorporating the Form of Proxy (*grey*) and Form of Surrender (*yellow*) to the purchaser of such PSL Shares or to the CSDP, Broker, banker, attorney, accountant or other agent through whom the disposal was effected.



PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1919/000478/06)

Share code: PGFP ISIN: ZAE000096079

LEI: 378900E99AFDC02B0F23

("PSL" or "the Company")

CIRCULAR TO PSL SHAREHOLDERS

relating to:

- the repurchase by the Company of all of the PSL Preference Shares by way of a scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Board between PSL and the PSL Preference Shareholders, in terms of which, if successfully implemented, the Company will repurchase all of the Scheme Shares from the Scheme Participants for the Scheme Consideration per Scheme Share, after which all the PSL Preference Shares will be delisted from the JSE;

and incorporating:

- a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act in respect of the Scheme;
 - extracts of section 115 of the Companies Act dealing with the approval requirements for the Scheme and section 164 of the Companies Act dealing with Appraisal Rights;
 - a Notice of General Meeting of PSL Shareholders;
 - an electronic participation meeting guide in respect of the General Meeting;
 - a Form of Proxy (*grey*) for purposes of the General Meeting (only for use by Certificated PSL Shareholders and Own-Name Dematerialised Shareholders); and
 - a Form of Surrender (*yellow*) in respect of the Scheme (for use by Certificated PSL Preference Shareholders only).
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**Transaction Advisor
and Sponsor**



**Independent
Joint Sponsor**



Legal Advisor



Independent Expert



Date of issue: Wednesday, 9 June 2021

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of PSL and from the offices of PSG Capital, whose addresses are set out in the "Corporate information and Advisors" section of this Circular, from Wednesday, 9 June 2021 until the Scheme Implementation Date (both days inclusive). A copy of this Circular will also be available on the Company's website (<http://www.psggroup.co.za>).

CORPORATE INFORMATION AND ADVISORS

Directors

ZL Combi** (Chairman)
PJ Mouton (Chief Executive Officer)
WL Greeff (Chief Financial Officer)
JA Holtzhausen (Executive Director)
FJ Gouws*
JJ Mouton*
PE Burton** (Lead Independent Director)
AM Hlobo**
B Mathews**
CA Otto**

* Non-executive Director

** Independent Non-executive Director

Date and place of incorporation

25 July 1919
South Africa

Company Secretary and Registered Address

PSG Corporate Services Proprietary Limited
(Registration number 1996/004840/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Independent Expert

Questco Corporate Advisory Proprietary Limited
(Registration number 2011/106751/07)
Ground Floor, Block C,
Investment Place
10th Road
Hyde Park, 2196

Transaction Advisor and Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at:

2nd Floor, Building 3
11 Alice Lane
Sandhurst
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Legal Advisor

Cliffe Dekker Hofmeyr Incorporated
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Independent Sponsor

UBS South Africa Proprietary Limited
(Registration number 1995/011140/07)
144 Oxford Road
8th Floor South Wing
Melrose
Johannesburg, 2196
(PO Box 522194, Rosebank, 2196)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

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IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 11 of this Circular apply to this section and throughout this Circular.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about PSL that are, or may be, forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. PSL cautions that forward-looking statements do not constitute any kind of guarantee of future performance. Actual results, financial and operating conditions, liquidity, capital maintenance and the developments within the relevant sectors in which PSL operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

Each of these forward-looking statements are based on estimates and assumptions, all of which, although PSL may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to PSL, or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

PSL Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere, is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of PSL, or other matters to which such forward-looking statements relate, not to develop as expected may emerge from time to time and it is not possible to predict all of them.

Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. PSL has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

Any forward-looking statements have not been reviewed nor reported on by the external auditor of PSL.

FOREIGN PSL SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the Laws of South Africa and is subject to applicable Laws of South Africa, including, but not limited to, the Companies Act and the JSE Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the Laws of any jurisdiction outside of South Africa, or the requirements of any exchange other than the JSE.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by Law and therefore any persons who are subject to the Laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities Laws of any such jurisdiction.

This Circular does not constitute a prospectus or a prospectus equivalent document. PSL Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme, with care. Any decision to approve the Scheme or any other response to the Scheme should be made only on the basis of the information in this Circular.

This Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer or solicitation, or such offer or solicitation would require PSL to comply with filing and/or other regulatory obligations. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in jurisdictions outside of South Africa are restricted or prohibited by the Laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

PSL Shareholders who are not resident in, or who have a registered address outside of, South Africa must satisfy themselves as to the full observance of the Laws of any applicable jurisdiction concerning the receipt of, or their election to receive, the Scheme Consideration, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise PSL of all such filing or regulatory obligations as PSL may be required to comply with in such jurisdictions in relation to the Scheme. PSL and its Board and advisors accept no responsibility for the failure by a PSL Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by PSL to observe the requirements of any jurisdiction.

The Scheme is governed by the Laws of South Africa and is subject to applicable South African Laws, including the Companies Act and the JSE Listings Requirements.

The Scheme is for the repurchase of the non-redeemable, cumulative, non-participating variable rate preference shares of a South African company, being PSL. The Scheme is subject to disclosure requirements under South African Law that are different from those of foreign jurisdictions. Financial statements incorporated by reference in this Circular have been prepared in accordance with South African accounting standards and IFRS that may not be comparable to the financial statements of foreign companies.

It may be difficult for you to enforce your rights and any claim you may have arising under foreign securities Laws, since PSL is located in South Africa. You may not be able to sue PSL or its officers or directors in a foreign court, including South African courts, for violations of foreign securities Laws. It may be difficult to compel PSL or a PSL Shareholder to subject itself to a foreign court's judgment.

Any PSL Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

ACTION REQUIRED BY PSL SHAREHOLDERS

The definitions and interpretations commencing on page 11 of this Circular apply, unless the context clearly indicates otherwise, to this section and throughout this Circular.

This entire Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by PSL Shareholders. If you are in any doubt as to what action to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your PSL Shares, please forward this Circular to the purchaser of such PSL Shares or to the CSDP, Broker, banker, attorney, accountant or other agent through whom the disposal was effected.

PSL Shareholders are advised that the General Meeting will be held in electronic format only.

PSL Shareholders are invited to attend the General Meeting, convened in terms of the Notice of General Meeting, which will only be accessible through electronic participation, as permitted by the JSE Listings Requirements, the provisions of the Companies Act and PSL's MOI, at 14:00 on Thursday, 8 July 2021 or at any other adjourned or postponed time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements, at which General Meeting PSL Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the Resolutions set out in the Notice of General Meeting.

PSL Shareholders are to connect to the General Meeting utilising the details set out in the "*Electronic Attendance and Participation*" section below.

1. ELECTRONIC ATTENDANCE AND PARTICIPATION

1.1 Connecting to the General Meeting electronically

- 1.1.1 The General Meeting will be held at 14:00 on Thursday, 8 July 2021. PSL has retained the services of Computershare (the Transfer Secretaries) to host the General Meeting on an interactive electronic platform, in order to facilitate electronic participation and voting by PSL Shareholders.
- 1.1.2 In order to attend the General Meeting and participate electronically thereat, PSL Shareholders must pre-register with the Transfer Secretaries by either:
 - 1.1.2.1 registering online using the online registration portal at <https://www.smartagm.co.za>, by no later than 14:00 on Tuesday, 6 July 2021, for administrative purposes, in order for the Transfer Secretaries to arrange the participation of the PSL Shareholder at the General Meeting and for the Transfer Secretaries to provide the PSL Shareholder with the details as to how to access the General Meeting by means of electronic participation. PSL Shareholders may still register online to participate in and/or vote electronically at the General Meeting after this date, provided, however, that for those PSL Shareholders to participate in and/or vote electronically at the General Meeting those PSL Shareholders must be verified and registered (as required in terms of section 63(1) of the Companies Act by uploading their relevant verification documentation) before the commencement of the General Meeting; or
 - 1.1.2.2 making a written application to so participate, by email to proxy@computershare.co.za, so as to be received by the Transfer Secretaries by no later than 14:00 on Tuesday, 6 July 2021, for administrative purposes, in order for the Transfer Secretaries to arrange such participation for the PSL Shareholder and for the Transfer Secretaries to provide the PSL Shareholder with the details as to how to access the General Meeting by means of electronic participation. PSL Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after this date, provided, however, that for those PSL Shareholders to participate in and/or vote electronically at the General Meeting those PSL Shareholders must be verified and registered (as required in terms of section 63(1) of the Companies Act by submitting their relevant verification documentation by post or by e-mail, as the case may be) before the commencement of the General Meeting.

- 1.1.3 PSL Shareholders will thereafter be able to connect to the General Meeting through <https://www.web.lumiagm.com> and following the relevant prompts. The General Meeting ID is **152-959-919**. PSL Shareholders are referred to the “Electronic Participation Meeting Guide” attached to the Notice of General Meeting for further instructions for electronic participation.
- 1.1.4 The Transfer Secretaries will by no later than 17:00 on Wednesday, 7 July 2021, notify eligible PSL Shareholders of the username and password through which eligible PSL Shareholders can participate electronically in and/or vote at the General Meeting.
- 1.1.5 In-person registration of General Meeting participants will not be permitted.
- 1.1.6 PSL Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of PSL and/or Computershare. None of PSL and/or Computershare and/or its service providers can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such PSL Shareholder from participating in and/or voting at the General Meeting.

1.2 **Electronic voting at the General Meeting**

- 1.2.1 PSL Shareholders connecting to the General Meeting electronically will be able to participate in the General Meeting. Voting will be conducted by poll and PSL Shareholders will be able to cast their vote electronically at the General Meeting.
- 1.2.2 PSL Shareholders are also encouraged to submit any questions to PSL’s Company Secretary prior to the General Meeting, by no later than 14:00 on Tuesday, 6 July 2021, at cosec@psggroup.co.za. These questions will be addressed at the General Meeting.
- 1.2.3 All eligible PSL Shareholders will be entitled to participate in the General Meeting and to vote (or abstain from voting) on the Resolutions set out in the Notice of General Meeting.

2. **IDENTIFICATION**

- 2.1 In terms of section 63(1) of the Companies Act, all General Meeting participants will be required to provide identification reasonably satisfactory to the Transfer Secretaries, as follows:
 - 2.1.1 participants pre-registering to participate in the General Meeting using the online registration method contemplated in paragraph 1.1.2.1 above, by uploading the relevant documentation via the online registration portal; or
 - 2.1.2 participants pre-registering to participate in the General Meeting by submitting the written application contemplated in paragraph 1.1.2.2 above, by submitting the relevant documentation by e-mail.
- 2.2 The Transfer Secretaries must be reasonably satisfied that the right of that person to attend, participate in and vote at the General Meeting as a PSL Shareholder or a proxy or representative of a PSL Shareholder, has been reasonably verified. Acceptable forms of identification include valid South African drivers’ licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs and passports.

3. **DEMATERIALIZED PSL PREFERENCE SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALIZED SHAREHOLDERS**

3.1 **Voting at the General Meeting**

- 3.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 3.1.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish them with your voting instructions.
- 3.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- 3.1.4 **You must not complete the attached Form of Proxy (grey).**

3.2 Attendance and representation at the General Meeting

3.2.1 In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

3.2.1.1 participate electronically, speak and vote at the General Meeting; or

3.2.1.2 send a proxy to represent you at the General Meeting.

3.2.2 If you wish to electronically attend the General Meeting in person, your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to participate electronically, speak and vote at the General Meeting. In order to attend the General Meeting electronically you must pre-register with the Transfer Secretaries by following the procedure set out in paragraph 1 above and submit the letter of representation to the Transfer Secretaries, as follows:

3.2.2.1 participants pre-registering to participate in the General Meeting using the online registration method, by uploading the letter of representation via the online registration portal; or

3.2.2.2 participants pre-registering to participate in the General Meeting by submitting the written application, by submitting the letter of representation by e-mail.

3.2.3 You must also connect to the General Meeting electronically, as explained in paragraph 1 above.

3.3 Surrender of Documents of Title

You must not complete the Form of Surrender (*yellow*)

3.4 Settlement of Scheme Consideration (Dematerialised PSL Preference Shareholders who are not Own-Name Dematerialised Shareholders, only)

3.5 If you are a Dematerialised PSL Preference Shareholder who is, or is deemed (pursuant to paragraph 3.6.1 of this Circular) to be, a Scheme Participant that holds Scheme Shares, you will have your account held at your CSDP or Broker credited with the Scheme Consideration due to you and debited with the Scheme Shares that have been repurchased by PSL on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 3.6.1 of this Circular, on the date set out in paragraph 3.6.1.2 of this Circular.

4. CERTIFICATED PSL SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

4.1 Voting and attendance at the General Meeting

4.1.1 You may electronically attend the General Meeting (as explained in paragraph 1) and may vote (or abstain from voting) at the General Meeting. If you wish to be classified as attending the meeting electronically in person, you must pre-register with the Transfer Secretaries by following the procedure set out in paragraph 1 above. You must also connect to the General Meeting electronically, as explained in paragraph 1 above.

4.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*grey*) in accordance with the instructions contained therein and lodging it, posting it or sending it via e-mail to the Transfer Secretaries to be received by them preferably (for administrative purposes) by no later than 14:00 on Tuesday, 6 July 2021, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any PSL Shareholder rights at the General Meeting. The details of the Transfer Secretaries are as set out below:

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)
Email: proxy@computershare.co.za

4.2 **Surrender of Documents of Title (this applies only to Certificated PSL Preference Shareholders)**

- 4.2.1 You are required to complete the attached Form of Surrender (*yellow*) in accordance with its instructions and return it, together with the Documents of Title representing all your Certificated PSL Preference Shares, to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107), to be received by it by no later than 12:00 on the Scheme Consideration Record Date.
- 4.2.2 Documents of Title held by Certificated PSL Preference Shareholders in respect of their PSL Preference Shares will cease to be of any value, and shall not be good for delivery, from the Scheme Implementation Date, other than for surrender in terms of the Scheme and/or the Appraisal Rights.
- 4.2.3 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming Operative:
- 4.2.3.1 you should complete the Form of Surrender (*yellow*) in accordance with its instructions and return it, together with your Documents of Title, to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107); and
- 4.2.3.2 it should be noted that you will not be able to Dematerialise or deal in your PSL Preference Shares between the date of surrender of your Documents of Title and the Scheme Implementation Date or, if the Scheme does not become Operative, the date on which your Documents of Title are returned to you pursuant to paragraph 4.3.1.5 of this section of the Circular below.

4.3 **Settlement of the Scheme Consideration (Certificated and Own-Name Dematerialised PSL Preference Shareholders only)**

4.3.1 **Certificated PSL Preference Shareholders**

- 4.3.1.1 If the Scheme becomes Operative and you have surrendered your Documents of Title and completed Form of Surrender (*yellow*) to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107), at or before 12:00 on the Scheme Consideration Record Date, you will receive the Scheme Consideration in cash by way of electronic funds transfer into your bank account recorded by Computershare or the bank account nominated by you in the Form of Surrender (*yellow*), as the case may be, on the Scheme Implementation Date.
- 4.3.1.2 If the Scheme becomes Operative and you surrender your Documents of Title and completed Form of Surrender (*yellow*) after 12:00 on the Scheme Consideration Record Date, the Scheme Consideration due to you will be held by Computershare in trust, and will be paid to you in cash by way of electronic funds transfer into your bank account recorded by Computershare or the bank account nominated by you in the Form of Surrender (*yellow*), as the case may be, within 5 Business Days of receipt of your Documents of Title and Form of Surrender (*yellow*), provided that should you:
- 4.3.1.2.1 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 3.6.1 of this Circular, you will still need to surrender your Documents of Title, together with a completed Form of Surrender (*yellow*), to Computershare and payment of the Scheme Consideration will only be made to you in cash by way of electronic funds transfer (on the date set out in paragraph 3.6.1.2 of this Circular) if your banking details are recorded with Computershare or you complete the relevant section on the Form of Surrender (*yellow*); and

- 4.3.1.2.2 fail to surrender your Documents of Title and completed Form of Surrender (*yellow*) to Computershare, or if your banking details are not recorded with Computershare and you have failed to provide your banking details in the completed Form of Surrender (*yellow*), the Scheme Consideration due to you will be held in trust by PSL (or its agent) on your behalf in accordance with the provisions of the MOI.
 - 4.3.1.3 For the avoidance of doubt, no interest will accrue for the benefit of the Scheme Participants on the Scheme Consideration.
 - 4.3.1.4 Documents of Title surrendered prior to 12:00 on the Scheme Consideration Record Date in anticipation of the Scheme becoming Operative will be held in trust by Computershare, at the risk of the relevant Certificated PSL Preference Shareholders, pending the Scheme becoming Operative.
 - 4.3.1.5 Should the Scheme not become Operative, any Documents of Title surrendered and held by Computershare will be returned to you by Computershare, at your own risk, by registered post within 5 Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become Operative, whichever is the later.
- 4.3.2 **Own-Name Dematerialised PSL Preference Shareholders**
- 4.3.2.1 If you are an Own-Name Dematerialised PSL Preference Shareholder who is, or is deemed (pursuant to paragraph 3.6.1 of this Circular) to be, a Scheme Participant, you will have your account held at your CSDP or Broker credited with the Scheme Consideration due to you and debited with the PSL Preference Shares you are transferring to PSL pursuant to the Scheme on the Scheme Implementation Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 3.6.1 of this Circular, on the date contemplated in paragraph 3.6.1.2 of this Circular.
 - 4.3.2.2 You must not complete the attached Form of Surrender (*yellow*).

If you wish to Dematerialise your PSL Preference Shares, please contact your CSDP or Broker. PSL Preference Shareholders should note that it will take between 1 and 10 Business Days to Dematerialise their PSL Preference Shares through their CSDP or Broker. PSL Preference Shareholders that do not have a CSDP or Broker can contact Computershare directly to Dematerialise their PSL Preference Shares on 086 1100 634 (or +27 11 370 5000 if phoning from outside South Africa) on every Business Day between 8:30 and 16:00.

No Dematerialisation or re-materialisation of PSL Preference Shares may take place from the Business Day following the Scheme LDT. You do not need to Dematerialise your PSL Preference Shares to receive the Scheme Consideration.

If Documents of Title relating to any PSL Preference Shares to be surrendered are lost or destroyed, Certificated PSL Preference Shareholders should nevertheless return the attached Form of Surrender (*yellow*) duly signed and completed to Computershare by hand to Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, or by post to PO Box 61763, Marshalltown, 2107, together with an indemnity form, which is obtainable from Computershare.

PSL may dispense with the requirement to surrender Documents of Title upon production of evidence satisfactory to PSL that the Documents of Title relating to the PSL Preference Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to PSL. Indemnity forms are obtainable from Computershare.

PSL Preference Shareholders are advised to consult their professional advisors about their personal tax positions regarding the Scheme.

SALIENT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 11 apply to this “Salient dates and times relating to the Scheme” section.

2021

Record date to determine which PSL Shareholders are entitled to receive this Circular	Friday, 28 May
Circular posted to PSL Shareholders and notice convening the General Meeting released on SENS on	Wednesday, 9 June
Notice of General Meeting published in the South African press on	Thursday, 10 June
Last day to trade in order to be recorded in the Register on the Scheme Voting Record Date in order to be eligible to vote at the General Meeting on	Tuesday, 29 June
Scheme Voting Record Date being 17:00 on	Friday, 2 July
For administrative purposes only, Forms of Proxy to be lodged with Computershare by 14:00 on	Tuesday, 6 July
Forms of Proxy emailed to Computershare (for the attention of the chairperson of the General Meeting) to be received via email and provided to the chairperson, at any time before the proxy exercises any rights of the PSL Shareholder at the General Meeting on	Thursday, 8 July
General Meeting of PSL Shareholders to be held at 14:00 on	Thursday, 8 July
Results of General Meeting released on SENS on	Thursday, 8 July
Results of General Meeting published in the South African press on	Friday, 9 July

If the Scheme is approved by PSL Shareholders at the General Meeting

Last date for PSL Shareholders who voted against the Scheme Resolution to require PSL to seek court approval for the Scheme Resolution in terms of section 115(3)(a) of the Companies Act (where applicable) on	Thursday, 15 July
Last date for PSL Shareholders who voted against the Scheme Resolution to apply to court for leave to apply for a review of the Scheme Resolution in terms of section 115(3)(b) of the Companies Act on	Thursday, 22 July
Last date for PSL to send objecting PSL Shareholders notices of the adoption of the Scheme Resolution in accordance with section 164(4) of the Companies Act on	Thursday, 22 July

Action

The following dates assume that all conditions precedent to the Scheme are fulfilled or, where applicable, waived and that neither court approval nor the review of the Scheme Resolution (or any other applicable Resolution) is required and will be confirmed in the finalisation announcement if all conditions precedent to the Scheme are fulfilled or, where applicable, waived:

Scheme Finalisation Date expected to be on	Friday, 30 July
Scheme Finalisation Date announcement and announcement of final Scheme Consideration expected to be released on SENS on	Friday, 30 July
Scheme Finalisation Date announcement expected to be published in the South African press on	Monday, 2 August
Scheme LDT expected to be on	Tuesday, 10 August

Trading in PSL Preference Shares on the JSE expected to be suspended from commencement of trade on or about	Wednesday, 11 August
Scheme Consideration Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on	Friday, 13 August
Scheme Implementation Date expected to be on	Monday, 16 August
Scheme Consideration payment to Dematerialised PSL Preference Shareholders expected to take place on	Monday, 16 August
Scheme Consideration payment to Certificated PSL Preference Shareholders expected to take place within 5 Business Days of (assuming surrender of Documents of Title and duly completed Form of Surrender) expected to be on	Monday, 16 August
Termination of listing of PSL Preference Shares on the JSE expected to be at commencement of trade on or about	Tuesday, 17 August

Notes:

1. The above dates and times are subject to such changes as may be agreed to by PSL and approved by the JSE, if required. If the Scheme Finalisation Date is not on Friday, 30 July 2021 (or if the Scheme Finalisation Date falls on a day before Friday, 30 July 2021), an updated timetable will be released on SENS.
2. Completed Forms of Proxy and the authority (if any) under which they are signed must be (i) lodged with, posted or emailed to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132), or proxy@computershare.co.za, to be received by them, for administrative purposes only, no later than 14:00 on Tuesday, 6 July 2021 or (ii) thereafter emailed to Computershare at the aforementioned email address (for the attention of the chairperson of the General Meeting) at any time before the relevant proxy exercises any rights of the PSL Shareholder at such General Meeting.
3. PSL Preference Shareholders should note that, as trade in PSL Preference Shares on the JSE is settled in the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after the date of such trades. Therefore, PSL Preference Shareholders who acquire PSL Preference Shares on the JSE after the last day to trade in order to be eligible to vote at the General Meeting, expected to be on Tuesday, 29 June 2021, being the last day to trade in PSL Preference Shares so as to be recorded in the Register on the Scheme Voting Record Date, will not be entitled to vote at the General Meeting.
4. PSL Shareholders who wish to exercise their Appraisal Rights are referred to **Annexure 2** to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
5. The exercise of Appraisal Rights may result in changes to the above salient dates and times and PSL Shareholders will be notified separately of the applicable dates and times resulting from any such changes.
6. PSL Shareholders who wish to exercise their right in terms of section 115(3) of the Companies Act, to require the approval of a court for the Scheme should refer to **Annexure 2** to this Circular which includes an extract of section 115 of the Companies Act. Should PSL Shareholders exercise their rights in terms of section 115(3) of the Companies Act, the dates and times set out above may change, in which case an updated timetable will be released on SENS.
7. Dematerialised PSL Preference Shareholders, other than those with Own-Name Registration, must provide their CSDP or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective custody agreements between them and their CSDP or Broker.
8. No Dematerialisation or re-materialisation of PSL Preference Shares may take place from the commencement of business on the Business Day following the Scheme LDT. The Scheme LDT is expected to be on Tuesday, 10 August 2021.
9. If the General Meeting is adjourned or postponed, the above dates and times will change, but the Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
10. Although the salient dates and times are stated to be subject to change, such statement shall not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act and the JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
11. All times referred to in this Circular are references to South African Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“Appraisal Rights”	the rights afforded to PSL Shareholders in terms of section 164 of the Companies Act as set out in Annexure 2 ;
“Base Scheme Consideration”	the cash consideration of R81.00 per Scheme Share;
“Board” or “Directors”	the board of directors of PSL from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in South Africa;
“Certificated PSL Ordinary Shareholder”	the holder of all the Certificated PSL Ordinary Shares, being PSG Group;
“Certificated PSL Ordinary Shares”	PSL Ordinary Shares being “certificated securities” as defined in the Financial Markets Act, title to which is evidenced by Documents of Title;
“Certificated PSL Preference Shareholders”	the holders of Certificated PSL Preference Shares;
“Certificated PSL Preference Shares”	PSL Preference Shares being “certificated securities” as defined in the Financial Markets Act and having accordingly not yet been Dematerialised, title to which is evidenced by Documents of Title;
“Certificated PSL Shareholders”	collectively, the Certificated PSL Ordinary Shareholder and Certificated PSL Preference Shareholders;
“Certificated PSL Shares”	collectively, Certificated PSL Ordinary Shares and Certificated PSL Preference Shares;
“Circular”	this document to PSL Shareholders, dated Wednesday, 9 June 2021, together with the annexures hereto, and including the Notice of General Meeting, the Form of Proxy (<i>grey</i>) and the Form of Surrender (<i>yellow</i>);
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Eswatini and Lesotho;
“Companies Act”	the Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;
“Conditions”	the conditions precedent to the Scheme set out in paragraph 3.2 of this Circular;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share account;
“Dematerialisation”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of security holders maintained by a CSDP, and “Dematerialised” shall bear the corresponding meaning;
“Dematerialised PSL Preference Shareholders”	those PSL Preference Shareholders who hold Dematerialised PSL Preference Shares;

“Dematerialised PSL Preference Shares”	PSL Preference Shares which have been Dematerialised and incorporated into the Strate system and which are no longer evidenced by physical Documents of Title;
“Dissenting Shareholder”	a PSL Shareholder who validly exercises their Appraisal Rights (if any) by giving written notice to PSL objecting in advance to, and voting against, the Scheme Resolution at the General Meeting and by demanding, in terms of section 164(5) to 164(8) of the Companies Act, that PSL pays to them the fair value of their PSL Shares;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title to PSL Shares in question acceptable to the Board;
“Encumbrances”	(i) a mortgage, pledge, hypothecation, lien, option, restriction, right of first refusal, right of pre-emption, right of retention, right of set-off, third party right or interest, assignment in security, title extension, trust arrangement, cession in security, security interest of any kind or any other encumbrance of any kind; and (ii) any other type of preferential transaction or agreement having, or which might have, the effect of Encumbering as contemplated in (i), whether or not subject to a condition precedent, and “Encumbered”, “Encumber” and “Encumbering” each bears a corresponding meaning;
“Exchange Control Regulations”	the South African Exchange Control Regulations, promulgated in terms of the South African Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended from time to time;
“FICA”	the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), as amended from time to time;
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time to time;
“Foreign PSL Preference Shareholders”	PSL Preference Shareholders that are registered in a jurisdiction outside of South Africa, or who are resident, domiciled or located in, or who are a citizen of, a jurisdiction other than South Africa;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>grey</i>) for use only by the Certificated PSL Shareholders and Own-Name Dematerialised Shareholders, enclosed herewith;
“Form of Surrender”	a form of surrender (<i>yellow</i>) in respect of the Scheme for use by Certificated PSL Preference Shareholders only, enclosed herewith;
“Fulfilment Date”	the date by which all Conditions must be fulfilled, or, where applicable, waived (in whole or in part), this being 31 August 2021, or such later date as may be extended by PSL;
“General Meeting”	the general meeting of PSL Shareholders to be held in electronic format only at 14:00 on Thursday, 8 July 2021, convened in terms of the Notice of General Meeting, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;

“Governmental Authority”	<ul style="list-style-type: none"> (i) the government of any applicable jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof; (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental authority or quasi-governmental authority within any applicable jurisdiction; and (iii) any securities exchange within any applicable jurisdiction;
“Independent Board”	collectively, PE Burton, AM Hlobo and B Mathews, being those independent non-executive Directors who have been appointed as the independent committee of the Board for purposes of opining on the Scheme on a voluntary basis;
“Independent Expert”	Questco Corporate Advisory Proprietary Limited (Registration number 2011/106751), a private company incorporated under the laws of South Africa, particulars of which appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated under the laws of South Africa and which is licensed as an exchange in terms of the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE;
“Laws”	laws, legislation, statutes, regulations, directives orders, notices, promulgations and other decrees of any Governmental Authority which have force of law or which would be an offence not to obey, and the common law, all of the aforementioned as modified, re-enacted, restated, replaced or re-implemented from time to time;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was Friday, 28 May 2021;
“MOI”	the memorandum of incorporation of the Company;
“Notice of General Meeting”	the notice of the General Meeting of PSL Shareholders, forming part of this Circular;
“Operative”	in relation to the Scheme, means all Conditions are fulfilled or, where applicable, waived;
“Own-Name Dematerialised Shareholders”	PSL Shareholders who hold Dematerialised Shares and are recorded by the CSDP in the sub-register kept by that CSDP in the name of such PSL Shareholder;
“Person”	includes any individual, body corporate, trust, company, close corporation, Governmental Authority, corporate entity, unincorporated association or other entity, whether or not recognised under any Law as having separate legal existence or personality and wherever incorporated, created or established;
“PSG Capital”	PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company incorporated under the laws of South Africa, particulars of which appear in the “ <i>Corporate Information and Advisors</i> ” section of this Circular, being the transaction advisor and sponsor to PSL and an indirect wholly owned subsidiary of PSG Group;

“PSG Group”	PSG Group Limited (Registration number 1970/008484/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE, and the holding company of PSL by virtue of holding all the PSL Ordinary Shares;
“PSL” or “the Company”	PSG Financial Services Limited (Registration number 1919/000478/06), a public company incorporated under the laws of South Africa, a Subsidiary of PSG Group by virtue of PSG Group holding all the PSL Ordinary Shares;
“PSL Ordinary Shareholder”	the registered holder of all the PSL Ordinary Shares, being PSG Group;
“PSL Ordinary Shares”	ordinary no par value shares in the issued share capital of PSL;
“PSL Preference Shareholders”	registered holders of PSL Preference Shares;
“PSL Preference Shares”	non-redeemable, cumulative, non-participating, variable rate preference shares of no par value in the issued share capital of PSL, which are listed on the JSE;
“PSL Shareholders”	collectively, the PSL Ordinary Shareholder and the PSL Preference Shareholders;
“PSL Shares”	collectively, the PSL Ordinary Shares and the PSL Preference Shares;
“Register”	the register of Certificated PSL Shareholders and the sub-register of Dematerialised PSL Preference Shareholders maintained by the relevant CSDPs;
“Resolutions”	collectively, all resolutions set out in the Notice of General Meeting and “Resolution” means any one of them as the context may require;
“Scheme”	the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Board between PSL and the PSL Shareholders, as more fully described in paragraph 3 of this Circular, in terms of which PSL will, if the Scheme becomes Operative, repurchase all the Scheme Shares from the Scheme Participants cum dividend for the Scheme Consideration per Scheme Share, after which all PSL Preference Shares will be delisted from the JSE;
“Scheme Consideration”	the aggregate of the Base Scheme Consideration plus an amount equal to the preference dividend that would have been calculated on a Scheme Share up to the Scheme Consideration Record Date (as if the Scheme Consideration Record Date is a preference dividend accrual date in terms of the rights attaching to the PSL Preference Shares) that has not been declared and paid, which final Scheme Consideration will be announced on the Scheme Finalisation Date;
“Scheme Consideration Record Date”	the time and date for Persons who are PSL Preference Shareholders to be registered as PSL Preference Shareholders in the Register in order to be eligible to receive the Scheme Consideration, being the first Friday following the Scheme LDT which is expected to be at 17:00 on Friday, 13 August 2021 (or such other date and time as the JSE may direct);
“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated by the JSE Listings Requirements) is released on SENS, after all the Conditions are fulfilled or waived, as the case may be, which is expected to be Friday, 30 July 2021;
“Scheme Implementation Date”	the date on which the Scheme is to be implemented, being the Monday immediately following the Scheme Consideration Record Date (or such other date as the JSE may direct);

“Scheme LDT”	the last day to trade in PSL Preference Shares in order to participate in the Scheme, being at the close of trading 3 trading days prior to the Scheme Consideration Record Date, which is expected to be at 17:00 on Tuesday, 10 August 2021 (or such other date and time as the JSE may direct);
“Scheme Participants”	all PSL Preference Shareholders who are recorded in the Register on the Scheme Consideration Record Date, being those Persons who are entitled to receive the Scheme Consideration;
“Scheme Resolution”	the special resolution to be proposed to PSL Shareholders, the full terms of which are set out in Special Resolution Number 2 in the Notice of General Meeting, at the General Meeting seeking their approval of the Scheme as contemplated in section 115(2) of the Companies Act, which will require the support of at least 75% of the votes exercised on it;
“Scheme Shares”	the PSL Preference Shares held by a Scheme Participant on the Scheme Consideration Record Date;
“Scheme Voting Record Date”	the time and date for PSL Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the General Meeting, being 17:00 on Friday, 2 July 2021;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“Subsidiary”	a “subsidiary” as defined in the Companies Act;
“Terms Announcement”	the terms announcement published by PSL and PSG Group on SENS, dated 20 April 2021;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa, the particulars of which are set out in the “ <i>Corporate Information and Advisors</i> ” section of this Circular, being the transfer secretaries of PSL;
“Voluntary Resolution”	the special resolution to be proposed to PSL Preference Shareholders, the full terms of which are set out in Special Resolution Number 1 in the Notice of General Meeting, at the General Meeting seeking their approval of the Scheme, which will require the support of at least 75% of the votes exercised on it; and
“ZAR” or “Rand” or “R”	South African rand, the official currency of South Africa.

The following shall apply throughout this Circular, unless the context clearly provides otherwise:

1. headings are to be ignored when construing this Circular;
2. any reference to a time of day is a reference to South African Standard Time, unless a contrary indication appears;
3. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;

4. a reference to any agreement or document referred to in this Circular is a reference to that agreement or document as amended, revised, varied, novated or supplemented at any time;
5. should any provision in a definition be a substantive provision conferring rights or imposing obligations on any Person, effect shall be given to that provision as if it were a substantive provision in the body of this Circular;
6. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
7. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s;
8. the use of any expression covering a process available under South African Law shall, if PSL is subject to the Law of any other jurisdiction, be interpreted as including any equivalent or analogous proceedings under the Law of such other jurisdiction;
9. references to Laws or any similar such word shall be deemed to include the JSE Listings Requirements;
10. a Condition "Fails" if it is not fulfilled by the latest date allowed for its fulfilment, and, if it is capable of being waived, it is also not waived by that latest date; and
11. no rule of construction shall be applied to the disadvantage of PSL because any or all of them were responsible for, or participated in, the preparation of this Circular.



PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1919/000478/06)

Share code: PGFP ISIN: ZAE000096079

LEI: 378900E99AFDC02B0F23

("PSL" or "the Company")

Directors:

ZL Combi** (Chairman)

PJ Mouton (Chief Executive Officer)

WL Greeff (Chief Financial Officer)

JA Holtzhausen (Executive Director)

FJ Gouws*

JJ Mouton*

PE Burton** (Lead Independent Director)

AM Hlobo**

B Mathews**

CA Otto**

* Non-executive Director

** Independent Non-executive Director

CIRCULAR TO PSL SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 PSL Shareholders are referred to the Terms Announcement by PSL and PSG Group released on SENS on Tuesday, 20 April 2021, advising PSL Shareholders that the Board has resolved to propose a repurchase by PSL of all the PSL Preference Shares for the Scheme Consideration by way of a scheme of arrangement in terms of section 114(1) of the Companies Act, to be proposed by the Board between PSL and the PSL Preference Shareholders.
- 1.2 Should the Scheme become Operative:
 - 1.2.1 PSL will repurchase all the Scheme Shares from the Scheme Participants;
 - 1.2.2 the Scheme Participants will receive the Scheme Consideration for each Scheme Share held by them on the Scheme Consideration Record Date; and
 - 1.2.3 the PSL Preference Shares will be delisted from the JSE. The JSE will suspend the listing of the PSL Preference Shares on the JSE with effect from the commencement of trading on the JSE on the Business Day following the Scheme LDT and, subject to the Scheme becoming Operative, will terminate the listing of the PSL Preference Shares on the JSE from the commencement of trading on the Business Day following the Scheme Implementation Date.
- 1.3 The purpose of this Circular is to:
 - 1.3.1 provide PSL Shareholders with information regarding the Scheme;
 - 1.3.2 provide PSL Shareholders with the Independent Expert's report in respect of the Scheme, prepared in terms of the Companies Act;
 - 1.3.3 advise PSL Shareholders of the Independent Board's opinion in respect of the Scheme Consideration (as supported by the Independent Expert's report) and the Scheme;
 - 1.3.4 convene the General Meeting to consider and, if deemed fit, approve the Resolutions; and
 - 1.3.5 inform the PSL Shareholders of their Appraisal Rights.

2. RATIONALE AND BENEFITS OF THE SCHEME

- 2.1 PSG Group holds 100% of the PSL Ordinary Shares.
- 2.2 Given the strength of PSG Group's balance sheet with significant cash holdings on which a relatively low return is being earned, the repurchase of all the PSL Preference Shares in terms of the Scheme will be earnings and cash flow enhancing for PSG Group as a result of using low-yielding cash to settle the PSL Preference Shares carrying a higher cost.
- 2.3 The Scheme gives PSL Preference Shareholders the opportunity to sell their PSL Preference Shares at the Scheme Consideration, representing a significant premium to the ruling PSL Preference Share price prior to the Terms Announcement. The Scheme Consideration can then potentially be utilised to re-invest in alternative listed preference shares with a similar yield to that of the PSL Preference Shares prior to the Terms Announcement, thereby increasing the PSL Preference Shareholders' returns.

3. THE SCHEME

3.1 Terms and effects of the Scheme

- 3.1.1 In terms of section 114(1) of the Companies Act, the Board proposes the Scheme as set out in this paragraph 3 between PSL and the PSL Preference Shareholders. The Scheme will be implemented in accordance with the Companies Act.
- 3.1.2 In terms of the Scheme, subject to the Scheme becoming Operative, PSL will repurchase the Scheme Shares from the Scheme Participants *cum* dividend for the Scheme Consideration, after which all the PSL Preference Shares will be delisted from the JSE.
- 3.1.3 If the Scheme becomes Operative:
 - 3.1.3.1 the Scheme Participants (whether they voted in favour of the Scheme or not, or abstained or refrained from voting) shall be deemed to have disposed of and transferred their Scheme Shares (including all rights, interests and benefits attaching thereto), free of Encumbrances, to PSL on and with effect from the Scheme Implementation Date;
 - 3.1.3.2 PSL shall repurchase and/or be deemed to have repurchased, free of Encumbrances, all of the Scheme Shares on and with effect from the Scheme Implementation Date;
 - 3.1.3.3 the disposal and transfer by each Scheme Participant of the Scheme Shares held by such Scheme Participant to PSL and the repurchase of these Scheme Shares by PSL pursuant to the provisions of the Scheme, shall be effected on the Scheme Implementation Date;
 - 3.1.3.4 each Scheme Participant shall be deemed to have disposed of and transferred to PSL, on the Scheme Implementation Date, all of the Scheme Shares held by such Scheme Participant, without any further act or instrument being required; and
 - 3.1.3.5 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the provisions of this Circular.
- 3.1.4 Each Scheme Participant irrevocably, unconditionally authorises and empowers PSL *in rem suam* (that is, irrevocably for PSL's advantage), as principal, with power of substitution, to cause the Scheme Shares held by such Scheme Participant to be disposed of and transferred to PSL on or at any time after the Scheme Implementation Date, and to do all such things and take all such steps (including the signing of any transfer form) as PSL in its discretion considers necessary in order to effect that transfer.
- 3.1.5 PSL will, on or before the Scheme Implementation Date, transfer or cause to be transferred to Computershare, as agent for and on behalf of PSL, a cash amount in ZAR equal to the total Scheme Consideration to which Scheme Participants are entitled. As agent for and behalf of PSL, Computershare will, once it has received same, discharge the Scheme Consideration due to Scheme Participants in terms of the Scheme. Scheme Participants will be entitled to receive the Scheme Consideration from Computershare only.

- 3.1.6 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which PSL may otherwise be, or claim to be, entitled against any Scheme Participant.
- 3.1.7 The effect of the Scheme, *inter alia*, will be that PSL will, with effect from the Scheme Implementation Date, repurchase all the Scheme Shares (including all rights, interests and benefits attaching thereto) free of Encumbrances, after which the Scheme Shares will be delisted from the JSE.
- 3.1.8 PSL agrees that, upon the Scheme becoming Operative, PSL will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to and implement the Scheme.

3.2 Scheme Conditions

- 3.2.1 The Scheme is subject to the fulfilment or waiver (in whole or in part), as applicable, of each of the following Conditions by no later than the Fulfilment Date:
 - 3.2.1.1 to the extent applicable, all regulatory approvals required for the Scheme have been obtained;
 - 3.2.1.2 all necessary PSL Shareholder approvals and/or resolutions as may be necessary to give effect to the Scheme have been obtained, being –
 - 3.2.1.2.1 the passing of the Voluntary Resolution;
 - 3.2.1.2.2 the passing of the Scheme Resolution, and
 - 3.2.1.2.2.1 to the extent required, the approval of the implementation of the Scheme Resolution by a court in terms of section 115(2)(c) and/or section 115(3) of the Companies Act;
 - 3.2.1.2.2.2 if any person who voted against the Scheme Resolution, applies to court for review of the Scheme Resolution in terms of section 115(3)(b) of the Companies Act, either:
 - 3.2.1.2.2.2.1 leave to apply to court for any such review is refused; or
 - 3.2.1.2.2.2.2 if leave is so granted, the court refuses to set aside the Scheme Resolution;
 - 3.2.1.2.2.3 if applicable, PSL not treating the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
 - 3.2.1.3 receipt by the Independent Board of the Independent Expert's opinion as to whether or not the Scheme Consideration is fair and reasonable; and
 - 3.2.1.4 within the period prescribed by section 164(7) of the Companies Act, no valid demands having been received by PSL in terms of that section read with section 115(8) of the Companies Act.
- 3.2.2 PSL shall use its reasonable endeavours to procure the fulfilment of the Conditions as soon as reasonably practicable.
- 3.2.3 PSL shall be entitled to waive (in whole or in part) in writing the Condition set out in paragraph 3.2.1.4. The remaining Conditions are not capable of being waived.
- 3.2.4 Unless all the Conditions have been fulfilled or, where possible, waived by no later than the Fulfilment Date, the Scheme shall terminate automatically on the Fulfilment Date of the first Condition that was not timeously fulfilled or, where possible, waived.
- 3.2.5 An announcement will be released on SENS and published in the South African press as soon as possible after the (i) fulfilment, or waiver, as the case may be, of all of the Conditions or (ii) non-fulfilment of any Condition.

3.3 Scheme Consideration

- 3.3.1 Subject to the Scheme becoming Operative, Scheme Participants will receive the Scheme Consideration for each Scheme Share held by them on the Scheme Consideration Record Date.
- 3.3.2 The Base Scheme Consideration represents a premium of 20.3% to the closing price of the PSL Preference Shares on the JSE of R68.11 on Friday, 16 April 2021, adjusted to exclude an amount equal to the dividend of R0.75 per PSL Preference Share that would have been calculated up to and including 16 April 2021, even though not declared.
- 3.3.3 The Scheme Consideration will be funded out of available cash resources.

3.4 Settlement of the Scheme Consideration

PSL Preference Shareholders are referred to the section entitled "Action required by PSL Shareholders", commencing on page 4 of the Circular, for further information regarding the steps to be taken by PSL Preference Shareholders in relation to the settlement of the Scheme Consideration.

3.4.1 Scheme Participants who hold Dematerialised PSL Preference Shares will have their accounts held at their CSDP or Broker credited with the Scheme Consideration due to them and debited with the PSL Preference Shares being repurchased by PSL pursuant to the Scheme on the Scheme Implementation Date or, in the case of Dissenting Shareholders who subsequently become Scheme Participants pursuant to paragraph 3.6.1 of this Circular, on the date contemplated in paragraph 3.6.1.2 of this Circular.

3.4.2 Scheme Participants who hold Certificated PSL Preference Shares:

3.4.2.1 who have surrendered their Documents of Title and the completed Form of Surrender (*yellow*) to Computershare at or before 12:00 on the Scheme Consideration Record Date, will receive the Scheme Consideration by way of electronic funds transfer, if their banking details are recorded by Computershare or they complete the relevant section on the Form of Surrender (*yellow*), on the Scheme Implementation Date; or

3.4.2.2 who surrender their Documents of Title and the completed Form of Surrender (*yellow*) to Computershare after 12:00 on the Scheme Consideration Record Date, will have the Scheme Consideration paid to them by way of an electronic funds transfer, if their banking details are recorded by Computershare or they complete the relevant section on the Form of Surrender (*yellow*), within 5 Business Days of Computershare receiving their Documents of Title and completed Form of Surrender (*yellow*), unless such Scheme Participants were Dissenting Shareholders who have subsequently become Scheme Participants pursuant to paragraph 3.6.1 of this Circular, in which case such Scheme Participants will still need to surrender their Documents of Title, together with completed Form of Surrender (*yellow*), to Computershare and payment of the Scheme Consideration will only be paid to them by way of electronic funds transfer on the date contemplated in paragraph 3.6.1.2 of this Circular.

3.4.3 If:

3.4.3.1 a Scheme Participant who holds Certificated PSL Preference Shares fails to surrender its Documents of Title and completed Form of Surrender (*yellow*) to Computershare, or if its banking details are not recorded with Computershare and it has failed to provide its banking details in the completed Form of Surrender (*yellow*); or

3.4.3.2 a Dissenting Shareholder subsequently becomes a Scheme Participant pursuant to paragraph 3.6.1 of this Circular and fails to surrender its Documents of Title and completed Form of Surrender (*yellow*) to Computershare, or if its banking details are not recorded with Computershare and it has failed to provide its banking details in the completed Form of Surrender (*yellow*),

the Scheme Consideration due to such Scheme Participants will be held in trust by PSL (or its appointed agent) on behalf of such Scheme Participants in accordance with the provisions of the MOI.

3.4.4 For the avoidance of doubt, no interest will accrue for the benefit of Scheme Participants on the Scheme Consideration.

3.5 **No Encumbrance**

Each Scheme Participant is deemed, on and with effect from the Scheme Implementation Date, to have warranted and undertaken in favour of PSL that (i) the relevant Scheme Shares are not subject to a pledge or otherwise Encumbered, or (ii) if subject to any such pledge or Encumbrance, such Scheme Shares shall be released from such pledge or other Encumbrance immediately on payment and discharge of the Scheme Consideration. In this regard such Scheme Participants irrevocably authorise and appoint PSL, *in rem suam* (that is, irrevocably for PSL's advantage), with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants in doing all things and signing all documents in ensuring that the relevant Scheme Shares are released from any pledge or Encumbrance, including the removal of any endorsements to that effect present in the Register.

3.6 **Dissenting Shareholders**

3.6.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by PSL in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall:

3.6.1.1 on or prior to the Scheme Consideration Record Date, be deemed to be a Scheme Participant, be deemed to have disposed of and transferred all their PSL Preference Shares and be subject to the provisions of the Scheme; and

3.6.1.2 after the Scheme Consideration Record Date, be deemed to have been a Scheme Participant, be deemed to have disposed of and transferred all their PSL Preference Shares and be subject to the provisions of the Scheme, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder, and the repurchase of such Dissenting Shareholder's PSL Preference Shares by PSL, shall take place on the latest of (i) the Scheme Implementation Date, (ii) the date which is 5 Business Days after that Dissenting Shareholder so withdrew its demand or allowed the offer to lapse, as the case may be, and (iii) if that Dissenting Shareholder is a Certificated PSL Preference Shareholder, the date which is 5 Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed Form of Surrender (*yellow*) to Computershare, provided that its banking details are recorded with Computershare and if not, it has provided its banking details in the completed Form of Surrender (*yellow*).

3.6.2 The wording of section 164 of the Companies Act (which sets out the Appraisal Rights) is included in **Annexure 2** to this Circular.

3.7 **Foreign and Emigrant PSL Shareholders and Exchange Control Regulations**

Annexure 3 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of, South Africa, must satisfy themselves as to the full observance of the Laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such territory.

3.8 **Restricted jurisdictions**

To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the Laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only, and PSL, the Board and its advisors do not accept any responsibility for any failure by PSL Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

3.9 **Undertakings**

PSL has agreed that, upon the Scheme becoming Operative, PSL will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.

3.10 General

The Scheme is governed by the Laws of South Africa. PSL submits, and each Scheme Participant shall be deemed to have irrevocably submitted, to the non-exclusive jurisdiction of the High Court of South Africa, Western Cape Division, Cape Town, in relation to all matters arising out of or in connection with the Scheme.

4. DELISTING OF PSL PREFERENCE SHARES

Should the Scheme be implemented, the PSL Preference Shares will be delisted from the JSE.

5. INTERESTS OF PSL DIRECTORS IN PSL SHARES

5.1 As at the Last Practicable Date, no director of PSL had any beneficial interest in PSL Shares.

5.2 No director of PSL had any dealings in PSL Shares during the six-month period prior to the Last Practicable Date.

6. IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT

PSL Preference Shareholders collectively holding approximately 40% of the issued PSL Preference Shares, have furnished irrevocable undertakings or letters of support in respect of the Scheme.

7. FINANCIAL INFORMATION OF PSL

The audited financial information relating to PSL for the three years ended 28 February 2019, 29 February 2020 and 28 February 2021 are incorporated herein by reference and can be accessed on the Company's website (www.psggroup.co.za). These financial statements will also be available for inspection in accordance with paragraph 13 of this Circular:

Disclosure	Documents	Website link
Historical financial information	Audited financial information of PSL for the years ended 28 February 2021 and 28 February 2020	https://www.psggroup.co.za/wp-content/themes/bones/library/Annual%20financial%20statements%202021%20(PSG%20Financial%20Services).pdf
Historical financial information	Audited financial information of PSL for the years ended 29 February 2020 and 28 February 2019	https://www.psggroup.co.za/Annual%20financial%20statements%202020%20(PSG%20Financial%20Services).pdf

8. REPORT OF THE INDEPENDENT EXPERT

8.1 The report of the Independent Expert prepared in accordance with sections 114(2) and 114(3) of the Companies Act is provided in **Annexure 1** to this Circular, and has not been withdrawn prior to publication of this Circular.

8.2 Having considered the terms and conditions of the Scheme, based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme are fair and reasonable to PSL Shareholders as each of these terms is contemplated in the Companies Act.

9. VIEWS OF THE INDEPENDENT BOARD ON THE SCHEME

9.1 As stated above, the Independent Board has appointed the Independent Expert to compile a report on the Scheme.

9.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration. The Independent Board has formed a view on the value of the PSL Preference Shares, which accords with the value of the PSL Preference Shares contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board has considered all factors that were difficult to quantify or were unquantifiable which were considered by the Independent Expert and referred to in its report, and has taken such factors into account in forming its opinion.

9.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Scheme and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to PSL Shareholders and, accordingly, recommend that the PSL Shareholders vote in favour of the Resolutions at the General Meeting.

10. TAX IMPLICATIONS FOR PSL PREFERENCE SHAREHOLDERS

The summary below is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Scheme provisions in terms of South African tax Law. It is not intended to be, nor should it be considered to be legal or tax advice. PSL and its advisors cannot be held responsible for the tax consequences of the Scheme and therefore PSL Shareholders are advised to consult their own tax advisors in this regard.

- 10.1 The Scheme Consideration will be funded by PSL out of its contributed tax capital ("**CTC**") that arose when the PSL Preference Shares were originally issued. The Board has adopted a resolution that the funding of the Scheme Consideration will not originate from reserves or profits. In these circumstances neither the Scheme Consideration nor any portion thereof will be deemed to be a dividend and the proceeds from the repurchase of the PSL Preference Shares in terms of the Scheme will be treated similarly to the proceeds of any other sale of the PSL Preference Shares.
- 10.2 The tax position of a PSL Preference Shareholder under the Scheme is dependent on such PSL Preference Shareholder's individual circumstances, specifically the purpose with which the PSL Preference Shares are held. In this context the tax consequences differ based on whether the PSL Preference Shareholder holds the PSL Preference Shares as capital assets or on revenue account. Proceeds will be deemed to be on revenue account to the extent that they are disposed of as part of a business in carrying out a profit-making scheme. Given the fact that preference shares are generally regarded as *quasi* debt, there is a risk that the revenue authorities could more likely treat the proceeds to be on revenue account.
- 10.3 The tax position of the PSL Preference Shareholder will also depend on whether the PSL Preference Shares are held by a portfolio of a collective investment scheme or a pension fund and on the tax jurisdiction in which the PSL Preference Shareholder is resident.
- 10.4 PSL Preference Shareholders that are not resident of South Africa will generally not be subject to income tax in South Africa pursuant to the repurchase of the PSL Preference Shares as non-resident taxpayers are only taxed on proceeds that are sourced in South Africa or when the holding of the PSL Preference Shares is effectively connected to a permanent establishment of the PSL Preference Shareholder that is situated in South Africa. This is the case whether or not the PSL Preference Shares are held on capital or revenue account by the non-resident PSL Preference Shareholder.
- 10.5 The repurchase of the PSL Preference Shares is subject to securities transfer tax at the rate of 0.25 percent, which will be paid by PSL.
- 10.6 It should furthermore be noted that the tax consequences of repurchasing cumulative non-redeemable non-participation preference shares are not straightforward given the fact that these type of preference shares are generally not to be repurchased. In terms of Binding Class Ruling BCR 044, the South African Revenue Service ("**SARS**") indicated in similar circumstances that some of the tax consequences are as follows:
 - 10.6.1 the preference shares will not be recharacterised as hybrid equity instruments merely by reason of their repurchase and dividends paid by the taxpayer (i.e., PSL) during the current financial year of assessment will not be recharacterised as income in the hands of the Scheme Participants;
 - 10.6.2 any power of the taxpayer (i.e., PSL) to repurchase the preference shares in terms of the Takeover Regulation Panel Requirements (not applicable to the Scheme) or section 164 of the Companies Act, No 71 of 2008, will not be deemed to be an obligation to do so for purposes of section 8E of the Income Tax Act, No. 58 of 1962;
 - 10.6.3 the repurchase of the preference shares, including the cancellation thereof, will not result in the disposal by the taxpayer (i.e., PSL) of an asset;
 - 10.6.4 securities transfer tax will be payable at the rate of 0.25 percent on the repurchase price payable by the taxpayer (i.e., PSL) for the preference shares; and
 - 10.6.5 should any particular repurchase of preference shares contain a dividend element, dividends withholding tax may apply.

10.7 It is appreciated that rulings issued by SARS are not binding on other taxpayers and rulings at best provide guidance on how certain principles will be applied by SARS. The effect of the ruling is that it is likely that dividends that may have previously been declared in respect of the PSL Preference Shares will not be re-characterised as income and thus become taxable.

11. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this Circular and confirms that, to the best of its knowledge and belief, such information is true and the Circular does not omit anything likely to affect the importance of such information.

12. ADVISORS' CONSENTS

The parties referred to in the "Corporate Information and Advisors" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by PSL Shareholders during normal business hours at the registered office of PSL and at the offices of PSG Capital at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from the date of posting of this Circular until the Scheme Implementation Date (both days inclusive):

13.1 the audited annual financial statements of PSL for the three financial years ended 28 February 2021, 29 February 2020 and 28 February 2019;

13.2 the consent letter of the Independent Expert and all other consent letters referred to in paragraph 12 of this Circular;

13.3 a signed copy of this Circular;

13.4 the signed report of the Independent Expert; and

13.5 the MOI.

**SIGNED ON WEDNESDAY, 9 JUNE 2021 BY PE BURTON ON BEHALF OF THE INDEPENDENT BOARD,
IN TERMS OF POWERS OF ATTORNEYS SIGNED BY THE MEMBERS OF THE INDEPENDENT BOARD**



PE BURTON
Chairman of the Independent Board

INDEPENDENT EXPERT'S REPORT

The Board of Directors
PSG Financial Services Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600

1 June 2021

Dear Sirs and Mesdames

INDEPENDENT EXPERT OPINION ON THE OFFER BY PSG FINANCIAL SERVICES LIMITED ("PSL" OR "THE COMPANY") TO REPURCHASE ALL OF ITS ISSUED PREFERENCE SHARES BY WAY OF A SCHEME OF ARRANGEMENT

1. Introduction

Shareholders of PSL ("PSL Shareholders") were advised in an announcement published by the Company on SENS on 20 April 2021 ("the Terms Announcement") that its board of directors ("Board") resolved to propose a repurchase by PSL of all the non-redeemable, cumulative, non-participating, variable preference shares of no par value in the issued share capital of the Company ("PSL Preference Shares"), which are listed on the exchange operated by the JSE Limited ("JSE"), from the holders of the PSL Preference Shares ("PSL Preference Shareholders") ("Scheme Shares"), by way of a scheme of arrangement in accordance with the provisions of section 114(1) of the Companies Act, No. 71 of 2008 ("Companies Act") ("the Scheme"), in terms of which, if successfully implemented, the Company will repurchase all of the Scheme Shares for the aggregate of the cash consideration of R81.00 per PSL Preference Share ("Base Scheme Consideration") plus an amount equal to the preference dividend that would have been calculated on a Scheme Share up to the record date for the implementation of the Scheme ("Scheme Consideration Record Date") (as if the Scheme Consideration Date is a preference dividend accrual date in terms of the rights attaching to the PSL Preference Shares) that has not been declared and paid ("Scheme Consideration"), after which all the PSL Preference Shares will be delisted from the JSE.

The Scheme will be implemented upon the terms and subject to the conditions set out in the circular to the PSL Shareholders regarding the Scheme in which this letter is replicated ("the Circular").

As at the date of this opinion, the share capital of the Company comprises of the following:

- Authorised share capital comprising 30 000 000 PSL Preference Shares and 1 000 000 000 ordinary shares; and
- Issued share capital comprising 17 415 770 Preference Shares and 599 256 535 ordinary shares.

The Company had no share options outstanding and held no treasury shares.

Full details of the Scheme are contained in the Circular. None of the directors of PSL have an interest in PSL Preference Shares, as disclosed in paragraph 5 of the Circular.

The Base Scheme Consideration represents a premium of 20.3% to the closing price of the PSL Preference Shares on the JSE of R68.11 on Friday, 16 April 2021, adjusted to exclude an amount equal to the dividend of R0.75 per PSL Preference Share that would have been calculated up to and including 16 April 2021, even though not declared.

2. Scope

As the proposed repurchase of the PSL Preference Shares is to be implemented by way of a scheme of arrangement in terms of section 114(1) of the Companies Act, the independent board of directors of PSL ("the Independent Board") is required to appoint an Independent Expert in terms of section 114(2) of the Companies Act, to express an opinion as to whether the terms of the Scheme are fair and reasonable to the PSL Shareholders ("the Opinion" or "our Opinion"). The Independent Expert must meet the requirements of section 114(2) of the Companies Act. The Company is required to appoint an Independent Expert to compile a report in terms of section 114(3) of the Companies Act.

Questco Corporate Advisory Proprietary Limited (“Questco”) has been appointed by the Independent Board as the Independent Expert to advise on whether the terms of the Scheme are fair and reasonable to the PSL Shareholders.

Extracts of sections 115 of the Companies Act dealing with the approval requirements of the Scheme and section 164 of the Companies Act dealing with shareholders’ appraisal rights are included in Annexure 2 of the Circular, respectively.

3. **Responsibility**

Compliance with the Companies Act is the responsibility of the Independent Board. Our responsibility is to report on the terms of the Scheme in compliance with the related provisions of the Companies Act.

We confirm that our Opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of the PSL Shareholders in relation to the Scheme.

4. **Definition of the terms “fair” and “reasonable”**

For the purposes of our Opinion, fairness is primarily based on a quantitative assessment of the Scheme Consideration. The Scheme Consideration would therefore be considered to be fair if the Scheme Consideration was more than or equal to the fair value of the Scheme Shares, as determined in accordance with an accepted valuation approach, or unfair if the opposite would hold true.

The assessment of reasonableness is based on qualitative considerations surrounding a transaction. In addition, where the Scheme Consideration exceeds the traded price per Scheme Share, the Scheme Consideration would generally be considered to be reasonable.

5. **Our approach in considering the terms of the Scheme**

In considering the Scheme Consideration, we have calculated the fair value per PSL Preference Share and compared this to the Scheme Consideration and the price at which the PSL Preference Shares have traded, historically.

6. **Sources of information**

The principal sources of information used in performing our work include:

- The terms of the Scheme, as set out in the draft Circular;
- Representations made by, and discussions held with, the advisors to the Company;
- The pre-listing statement issued pursuant to the listing of the PSL Preference Shares on the JSE;
- The memorandum of incorporation of the Company;
- Publicly available information relating to PSL that we deemed to be relevant, including company announcements and media articles;
- Share price information of PSL over the last 12 months;
- Audited Annual Financial Statements of PSL for the three financial years ended 28 February 2019, 29 February 2020 and 28 February 2021;
- comparative, publicly available financial and market information on appropriate peer issuers in South Africa;
- economic outlooks prepared by leading South African banks; and
- on-line and subscription databases covering financial markets, share prices, volumes traded and news.

7. **Procedures performed**

In arriving at our Opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Scheme:

- Considered the rationale for the Scheme, as presented by the Board and its advisors;
- Reviewed the terms of the Scheme;
- Reviewed the historical financial information of PSL;
- Reviewed the rights attached to the PSL Preference Shares;
- Prepared a valuation of the PSL Preference Shares;

- Reviewed the historic traded prices and trading volumes of the PSL Preference Shares on the JSE;
- Reviewed relevant publicly available information relating to PSL, including company announcements and media articles; and
- Performed an analysis of other information considered pertinent to our valuation and Opinion.

We have not interviewed any of the PSL Preference Shareholders to obtain their views on the Scheme.

We determined the fairness and reasonableness of the Scheme to PSL Shareholders based on the results of the procedures mentioned above. We believe that these considerations justify the Opinion outlined below.

8. **Limiting conditions**

This Opinion is provided to the Independent Board in connection with and for the purposes of the Scheme. Our Opinion does not purport to cater for each individual PSL Shareholder's circumstances, but rather that of the general body of PSL Shareholders.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in determining our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of reaching our Opinion, whether in writing or obtained in discussion with PSL's advisors, with reference to publicly available or independently obtained information.

While our work has involved a review of, *inter alia*, various sets of annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

This Opinion is provided in terms of the Companies Act. It does not constitute a recommendation to any PSL Shareholder as to how to vote at any PSL Shareholders' meeting relating to the Scheme or on any matter relating to it. It should not, therefore, be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion is used or relied upon for anything other than its intended purpose. Should an individual PSL Shareholder have any doubts as to what action to take, such PSL Shareholder should consult an independent advisor.

Subsequent developments may affect our Opinion and we are under no obligation to update, review or re-affirm it based on such developments. We have assumed that all conditions precedent referred to in the Circular, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained.

The valuation of securities is not a precise science and conclusions arrived at, will, in many cases, be subjective and dependent on the exercise of individual judgment.

9. **Valuation**

Questco performed an independent valuation of the PSL Preference Shares to determine whether the Scheme Consideration represents fair value to the PSL Preference Shareholders.

The PSL Preference Shares are non-redeemable, cumulative, non-participating and variable rate preference shares. Accordingly, we calculated the fair value per PSL Preference Share using the dividend discount method. The PSL Preference Shares carry a coupon of 83.33% of the prime interest rate, which we have discounted using a discount rate derived from the dividend yields at which similar listed instruments ("Peer Instruments") trade on the JSE.

The average dividend yield at which the Peer Instruments currently trade is 8.82%, which we used as the discount rate to derive the value per PSL Preference Share using the dividend discount valuation methodology. A change in the discount rate of 50 basis points results in a change in value per PSL Preference Shares of between R3.50 and R4.50.

10. **Assumptions**

Our Opinion is based on the following assumptions and information:

- the Scheme will be legally enforceable;
- the Scheme will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of and advisors to PSL;
- reliance can be placed on the financial information of PSL; and
- representations made by the directors of and advisors to PSL during the course of forming this Opinion.

11. Valuation results

In undertaking the valuation exercise referred to above, we determined a valuation range of the PSL Preference Shares of R62.50 to R71.00, with a most likely value of R66.00 per PSL Preference Share. Accordingly, given that the Scheme Consideration falls within this fair value range, we believe the Scheme Consideration to be fair.

The valuation above is provided solely in respect of this Opinion and should not be used for any other purposes.

12. Reasonableness

The Scheme Consideration, calculated as at the estimated Scheme Consideration Record Date of Friday, 13 August 2021, represents a 14.8% premium over the price at which the PSL Preference Shares closed on 19 April 2021, being the day immediately prior to the publication of the Terms Announcement. The Base Scheme Consideration represents a 18.1% premium to the clean price at which the PSL Preference Shares closed on the same day. Accordingly, we are of the view that the Scheme Consideration is reasonable.

13. Opinion

Questco has considered the terms of the Scheme and, based on and subject to the conditions set out herein, is of the opinion that the terms of the Scheme are fair and reasonable to PSL Shareholders.

Our Opinion is necessarily based upon the information available to us up to Monday, 31 May 2021, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

14. Independence, competence and fees

We confirm that we have no direct or indirect interest in PSL, the PSL Preference Shares or the Scheme, nor do we have any relationship with PSL or any person related to PSL such as would lead a reasonable and informed third party to conclude that our integrity, impartiality or objectivity has been compromised by such relationship. We also confirm that we have the necessary competence and experience to provide this Opinion.

Furthermore, we confirm that our professional fee of R200 000 (excluding VAT) is not contingent upon the outcome of the Scheme.

15. Consent

We consent to the inclusion of this letter and the reference to our Opinion in the Circular to be issued to the Preference Shareholders in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Mandy Ramsden
DIRECTOR

EXTRACTS OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

“Section 115: Required approval for transactions contemplated in Part A

- (1) *Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:*
- (a) *the disposal, amalgamation or merger, or scheme of arrangement:*
 - (i) *has been approved in terms of this section; or*
 - (ii) *is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and*
 - (b) *to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:*
 - (i) *dispose of all or the greater part of its assets or undertaking;*
 - (ii) *amalgamate or merge with another company; or*
 - (iii) *implement a scheme of arrangement,*
- the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).*
- (2) *A proposed transaction contemplated in subsection (1) must be approved:*
- (a) *by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and*
 - (b) *by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:*
 - (i) *the holding company is a company or an external company;*
 - (ii) *the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and*
 - (iii) *having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and*
 - (c) *by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).*
- (3) *Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:*
- (a) *the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or*
 - (b) *the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).*

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164: Dissenting shareholders appraisal rights

- (1) *This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.*
- (2) *If a company has given notice to shareholders of a meeting to consider adopting a resolution to:*
 - (a) *amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or*
 - (b) *enter into a transaction contemplated in section 112, 113, or 114,**that notice must include a statement informing shareholders of their rights under this section.*
- (3) *At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.*
- (4) *Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:*
 - (a) *gave the company a written notice of objection in terms of subsection (3); and*
 - (b) *has neither:*
 - (i) *withdrawn that notice; or*
 - (ii) *voted in support of the resolution.*
- (5) *A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:*
 - (a) *the shareholder:*
 - (i) *sent the company a notice of objection, subject to subsection (6); and*
 - (ii) *in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;*
 - (b) *the company has adopted the resolution contemplated in subsection (2); and*
 - (c) *the shareholder:*
 - (i) *voted against that resolution; and*
 - (ii) *has complied with all of the procedural requirements of this section.*
- (6) *The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.*
- (7) *A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:*
 - (a) *20 business days after receiving a notice under subsection (4); or*
 - (b) *if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.*
- (8) *A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:*
 - (a) *the shareholder's name and address;*
 - (b) *the number and class of shares in respect of which the shareholder seeks payment; and*
 - (c) *a demand for payment of the fair value of those shares.*

- (9) *A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:*
- (a) *the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);*
 - (b) *the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or*
 - (c) *the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.*
- (10) *If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.*
- (11) *Within five business days after the later of:*
- (a) *the day on which the action approved by the resolution is effective;*
 - (b) *the last day for the receipt of demands in terms of subsection (7)(a); or*
 - (c) *the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.*
- (12) *Every offer made under subsection (11):*
- (a) *in respect of shares of the same class or series must be on the same terms; and*
 - (b) *lapses if it has not been accepted within 30 business days after it was made.*
- (13) *If a shareholder accepts an offer made under subsection (12):*
- (a) *the shareholder must either in the case of:*
 - (i) *shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or*
 - (ii) *uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and*
 - (b) *the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:*
 - (i) *tendered the share certificates; or*
 - (ii) *directed the transfer to the company of uncertificated shares.*
- (14) *A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:*
- (a) *failed to make an offer under subsection (11); or*
 - (b) *made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.*
- (15) *On an application to the court under subsection (14):*
- (a) *all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;*
 - (b) *the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and*
 - (c) *the court:*
 - (i) *may determine whether any other person is a dissenting shareholder who should be joined as a party;*
 - (ii) *must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);*

- (iii) *in its discretion may:*
 - (aa) *appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or*
 - (bb) *allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;*
- (iv) *may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and*
- (v) *must make an order requiring:*
 - (aa) *the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and*
 - (bb) *the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.*

(15A) *At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:*

- (a) *that shareholder must comply with the requirements of subsection 13(a); and*
- (b) *the company must comply with the requirements of subsection 13(b).*

(16) *The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.*

(17) *If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:*

- (a) *the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and*
- (b) *the court may make an order that:*
 - (i) *is just and equitable, having regard to the financial circumstances of the company; and*
 - (ii) *ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.*

(18) *If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.*

(19) *For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:*

- (a) *the provisions of that section; or*
- (b) *the application by the company of the solvency and liquidity test set out in section 4.*

(20) *Except to the extent:*

- (a) *expressly provided in this section; or*
- (b) *that the Panel rules otherwise in a particular case,*

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

FOREIGN PSL PREFERENCE SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

1. FOREIGN PSL PREFERENCE SHAREHOLDERS

- 1.1 The Scheme may be affected by the Laws of the relevant jurisdiction of a Foreign PSL Preference Shareholder. A Foreign PSL Preference Shareholder should acquaint itself with and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign PSL Preference Shareholder to satisfy itself as to the full observance of the Laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.
- 1.2 The Scheme is governed by the Laws of South Africa and is subject to any applicable Laws and regulations, including the Exchange Control Regulations.
- 1.3 Any PSL Preference Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. EXCHANGE CONTROL REGULATIONS

- 2.1 The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to a PSL Preference Shareholder. PSL Preference Shareholders who may have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.
- 2.2 The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area. The Common Monetary Area consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. Transactions between residents of the countries comprising the Common Monetary Area and foreigners are subject to Exchange Control Regulations provisions, which are administered by the South African Reserve Bank ("**SARB**").
- 2.3 Various reforms have been made to the Exchange Control Regulations with a view to relax the rules pertaining to foreign investments. A considerable degree of flexibility is built into the system and the SARB has substantial discretionary powers in approving or rejecting a specific application that has been submitted through an authorised dealer in foreign exchange appointed by the SARB ("**Authorised Dealer**"). The relaxations of the provisions of the Exchange Control Regulations are contained in the Currency and Exchanges Manual for Authorised Dealers ("**AD Manual**"). As provided for in the Exchange Control Regulations, the SARB has also delegated to Authorised Dealers the power to approve certain transactions, without the SARB's prior approval. The transactions that may be approved by Authorised Dealers without the SARB's prior approval are contained in the AD Manual, which is updated from time to time through the release of circulars by the SARB.
- 2.4 It was announced in the South African 2020 Budget that the Exchange Control Regulations would be replaced with a new capital flow management framework and regulations, which would be implemented within a period of 12 months from the announcement. It was subsequently announced in the South African 2021 Budget on 24 February 2021, that in 2021, National Treasury and the SARB will continue to develop the legislative framework for the new capital flow management system announced in the South African 2020 Budget. According to Annexure F of the South African 2021 Budget, the capital flow management framework "*...is expected to be substantively completed*" during 2021. The SARB will issue a new set of "Capital Flows Management Regulations" in terms of the Currency and Exchanges Act, No. 9 of 1933. This framework is being developed with the Financial Intelligence Centre and SARS. However, insofar as the various transactions are concluded before the Exchange Control Regulations are replaced, the Exchange Control Regulations will still apply.

- 2.5 It was further stated that the concept of “emigration” as recognised by the SARB would be phased out with effect from 1 March 2021 and be replaced by a verification process. Exchange Control Circular 6/2021 (“**Excon Circular**”) dated 26 February 2021 sets out the changes in relation to emigrants and changes to the AD Manual with effect from 1 March 2021.
- 2.6 Up until 28 February 2021, the Exchange Control Regulations read with the AD Manual distinguished between residents, non-residents and emigrants. As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who applied to be emigrants under the old framework, by obtaining a MP336(b) form that was attested by an Authorised Dealer before 28 February 2021, will be dealt with in terms of the exchange control procedures relating emigration for exchange control purposes prior to 1 March 2021, provided their emigration applications are approved before 28 February 2022.
- 2.7 For the purposes of the Exchange Control Regulations:
- 2.7.1 a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- 2.7.2 a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and
- 2.7.3 an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area. For purposes of the Exchange Control Regulations read with the AD Manual, a South African resident will only be regarded as an emigrant if he placed his emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.
- 2.8 PSL Preference Shareholders who are uncertain as to whether they are residents or non-residents for purposes of the Exchange Control Regulations read with the AD Manual, are advised to approach their relevant Authorised Dealer to request confirmation.
- 2.9 Considering that the changes announced in the Excon Circular only recently came into effect, PSL Preference Shareholders who became emigrants pursuant to the emigration process under the previous framework, are advised to consider what is stated below and to approach their Authorised Dealer to determine how they will be treated under the new framework and how the Excon Circular will be applied.
- 2.10 **Residents of the Common Monetary Area (including emigrants under the previous framework)**
- 2.10.1 From 1 March 2021, natural person emigrants and natural person residents of the Common Monetary Area are treated identically, save in the context of securities control as indicated below.
- 2.10.2 The Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations read with the AD Manual.
- 2.10.3 The distinction between South African assets and non-resident assets remains extant.
- 2.10.4 There are no restrictions on dealings in securities in South African companies by residents or emigrants of the Common Monetary Area.
- 2.10.5 Funds, including the Scheme Consideration, can be transferred from South Africa pursuant to it being allowed by an Authorised Dealer. An Authorised Dealer will permit the transfer on confirmation that the PSL Preference Shareholder has cleared his/her tax residency status with SARS, subject to tax compliance.
- 2.10.6 Authorised Dealers may allow the PSL Preference Shareholder to transfer up to R1 million offshore without the requirement to obtain a TCS PIN letter from SARS in terms of the PSL Preference Shareholder’s single discretionary allowance.
- 2.10.7 Authorised Dealers may also allow the transfer of up to a total amount of R10 million per calendar year per private individual who ceases to be a resident for tax purposes in South Africa and is 18 years and older, provided that the individual is tax compliant and submits the applicable TCS PIN for verification.

- 2.10.8 South African tax residents who transfer more than R10 million offshore are subject, initially to a more stringent verification process by SARS, as well as a subsequent approval process from the SARB. Such transfers will trigger a risk management test that will, *inter alia*, include verification of the tax status and the source of funds, as well as a risk assessment of the private individual in terms of the anti-money laundering and countering terror financing requirements, as prescribed in the FICA.
- 2.10.9 In the context of the exchange control rules regarding securities control, the SARB has indicated in the Excon Circular that the rules applicable to natural person emigrants will temporarily apply until discussions with the relevant stakeholders have been finalised. As such, a distinction must still be drawn between residents and emigrants for the time being and the following applies:
- 2.10.9.1 In the case of a Certificated PSL Preference Shareholder resident and whose registered address is within the Common Monetary Area, the Scheme Consideration will, against delivery of the relevant Documents of Title, be transferred by way of electronic funds transfer to the nominated bank account selected on the Form of Surrender (*yellow*).
- 2.10.9.2 In the case of a Dematerialised PSL Preference Shareholder resident and whose registered address is within the Common Monetary Area, the Scheme Consideration will be directly credited to the account nominated for the relevant PSL Preference Shareholder by its duly appointed CSDP in terms of the custody agreement with their CSDP.
- 2.10.9.3 A Certificated PSL Preference Shareholder who is an emigrant from South Africa must ensure that it or its Authorised Dealer releasing the relevant Documents of Title in terms of this Scheme completes the relevant portion of the Form of Surrender (*yellow*).
- 2.10.9.4 In the case of a Certificated PSL Preference Shareholder who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations read with the AD Manual, the Scheme Consideration will, against delivery of the relevant Documents of Title, be deposited in the emigrant's capital account with the Authorised Dealer under whose administration the Certificated Shares were placed, pursuant to formalising such PSL Preference Shareholder's emigration prior to 1 March 2021.
- 2.10.9.5 In the case of a Certificated PSL Preference Shareholder who became an emigrant from South Africa prior to 1 March 2021, whose registered address is outside the Common Monetary Area, the Scheme Consideration will be deposited in such PSL Preference Shareholder's capital account with the Authorised Dealer to whose order such PSL Preference Shareholder's Dematerialised PSL Shares have been held, since the formalisation of the PSL Preference Shareholder's emigration. The transfer of funds will take place pursuant to settlement and clearance by the CSDP accounting for the sale of Dematerialised PSL Preference Shares by such PSL Preference Shareholder.

2.11 All other non-residents of the Common Monetary Area

2.11.1 In the case of a Certificated PSL Preference Shareholder whose registered address is outside the Common Monetary Area and who is not a South African tax resident, and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, the proceeds from the disposal of the PSL Preference Shares will, against delivery of the relevant Documents of Title, be transferred by way of electronic funds transfer to a nominated bank account. The Form of Surrender (*yellow*) makes provision for the nomination of bank account details (if not already done).

2.11.2 In the case of a Dematerialised PSL Preference Shareholder whose registered address is outside the Common Monetary Area and who is not a South African tax resident, the proceeds from the disposal of the PSL Preference Shares will be paid to its duly appointed CSDP or Broker and credited to the account nominated for the PSL Preference Shareholder by its duly appointed CSDP or Broker in terms of the custody agreement between such PSL Preference Shareholder and its CSDP or Broker.

2.12 Information not provided

If the information regarding the Authorised Dealer is not given, or the relevant instructions are not given, the proceeds from the disposal of the PSL Preference Shares will be held in trust by PSL (or its agent) for the benefit of the relevant PSL Preference Shareholder pending receipt of the necessary information or instructions. No interest will accrue or be payable to the relevant PSL Preference Shareholder in respect of such monies.



PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1919/000478/06)

Share code: PGFP ISIN: ZAE000096079

LEI: 378900E99AFDC02B0F23

("PSL" or "the Company")

NOTICE OF GENERAL MEETING OF PSL SHAREHOLDERS

All terms defined in the circular to which this Notice of General Meeting is attached ("Circular"), shall bear the same meanings where used in this Notice of General Meeting.

NOTICE IS HEREBY GIVEN that a General Meeting of PSL Shareholders will be held and conducted entirely by electronic communication, at 14:00 on Thursday, 8 July 2021, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

Notes:

- For Special Resolution Number 1 to be approved by PSL Preference Shareholders, it must be supported by at least 75% of the voting rights exercised on such resolution by PSL Preference Shareholders. For the avoidance of doubt, the PSL Ordinary Shareholder is **not** entitled to vote on Special Resolution Number 1.
- For Special Resolution Number 2 to be approved by PSL Shareholders, it must be supported by at least 75% of the voting rights exercised on such resolution by PSL Shareholders.
- For Special Resolution Number 3 to be approved by PSL Shareholders, it must be supported by at least 75% of the voting rights exercised on such resolution by PSL Shareholders.
- Special Resolution Number 4 is to be approved by the PSL Ordinary Shareholder only.
- Ordinary Resolution Number 1 is to be approved by the PSL Ordinary Shareholder only.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE SCHEME BY THE PSL PREFERENCE SHAREHOLDERS

"RESOLVED THAT, the scheme of arrangement in terms of section 114(1) of the Companies Act (as more fully set out in the Circular) proposed by the Board between PSL and the PSL Preference Shareholders in terms of which, *inter alia*, if such scheme of arrangement becomes Operative:

- PSL will repurchase, on the terms and subject to the conditions set out in the Circular, all the Scheme Shares;
- each Scheme Participant will receive the Scheme Consideration; and
- in terms of paragraph 1.17(b) of the JSE Listings Requirements, the PSL Preference Shares will be delisted from the securities exchange operated by the JSE,

be and is hereby approved."

Reason for and effect of Special Resolution Number 1

The reason for and the effect of Special Resolution Number 1 is to obtain, on a voluntary basis, PSL Preference Shareholder approval, for the Scheme proposed by the Board between PSL and the Scheme Participants. PSL Preference Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF THE SCHEME IN TERMS OF SECTIONS 114 AND 115 OF THE COMPANIES ACT BY PSL SHAREHOLDERS

“**RESOLVED THAT**, the scheme of arrangement in terms of section 114(1) of the Companies Act (as more fully set out in the Circular) proposed by the Board between PSL and the PSL Preference Shareholders in terms of which, *inter alia*, if such scheme of arrangement becomes Operative:

- PSL will repurchase, on the terms and subject to the conditions set out in the Circular, all the Scheme Shares;
- each Scheme Participant will receive the Scheme Consideration; and
- in terms of paragraph 1.17(b) of the JSE Listings Requirements, the PSL Preference Shares will be delisted from the securities exchange operated by the JSE,

be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act.”

Reason for and effect of Special Resolution Number 2

The reason for and the effect of Special Resolution Number 2 is to obtain PSL Shareholder approval, for the Scheme proposed by the Board between PSL and the Scheme Participants. PSL Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 2.

SPECIAL RESOLUTION NUMBER 3 – REVOCATION OF SPECIAL RESOLUTION NUMBER 2

“**RESOLVED THAT**, in terms of section 164(9) of the Companies Act, if Special Resolution Number 2 is adopted, but thereafter any Condition Fails or the Scheme otherwise lapses or fails, then Special Resolution Number 2 (if adopted) will be deemed to have been revoked and accordingly each Dissenting Shareholder which has, pursuant to the adoption of the revoked Special Resolution, sent a demand to PSL in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its PSL Preference Shares, shall cease to have, and be deemed not to have had, any right, pursuant to the adoption of the revoked Special Resolution, to be paid under section 164 of the Companies Act.”

Reason for and effect of Special Resolution Number 3

The reason for and effect of Special Resolution Number 3 is to remove a Dissenting Shareholder’s right to payment under section 164 of the Companies Act in certain circumstances set out in the resolution.

SPECIAL RESOLUTION NUMBER 4 – APPROVAL FOR THE PAYMENT OF FEES TO THE MEMBERS OF THE INDEPENDENT BOARD

“**RESOLVED THAT**, the Company be and is hereby authorised to pay the following fees to the members of the Independent Board for their services rendered as members of the Independent Board in relation to the Scheme:

	PROPOSED ONCE-OFF FEE (excluding value added tax, if applicable)
PE Burton	R100 000
AM Hlobo	R75 000
B Mathews	R75 000

Reason for and effect of Special Resolution Number 4

The reason for and the effect of Special Resolution Number 4 is to authorise PSL to pay the above proposed fees to the members of the Independent Board for their services rendered as members of the Independent Board in respect of the Scheme, in terms of section 66(9) of the Companies Act.

ORDINARY RESOLUTION NUMBER 1 – IMPLEMENTATION

“**RESOLVED THAT**, each director and the company secretary of PSL be and is hereby authorised to do all such things, including signing all such documentation, as are necessary or desirable to give effect to the special resolutions passed at the General Meeting.”

Reason for and effect of Ordinary Resolution Number 1

The reason for and effect of Ordinary Resolution Number 1 is to authorise the directors and company secretary of PSL to do all such things, including signing of all such documentation as are deemed necessary or desirable to give effect to the special resolutions approved at the General Meeting.

RECORD DATES, VOTING AND PROXIES

The date on which PSL Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 28 May 2021.

The Scheme Voting Record Date, being the date on which PSL Shareholders must be recorded in the Register for purposes of being entitled to participate electronically and vote at the General Meeting, is Friday, 2 July 2021. The last day to trade in order to be entitled to attend and vote at the General Meeting is Tuesday, 29 June 2021.

In terms of section 63(1) of the Companies Act, all General Meeting participants will be required to provide identification reasonably satisfactory to the Transfer Secretaries, as follows:

- participants pre-registering to participate in the General Meeting using the online registration method, by uploading the relevant documentation via the online registration portal; or
- participants pre-registering to participate in the General Meeting by submitting the written application, by submitting the relevant documentation by e-mail.

The Transfer Secretaries must be reasonably satisfied that the right of that person to participate in, speak and vote at the General Meeting as a PSL Shareholder, as proxy or as a representative of a PSL Shareholder, has been reasonably verified. Accepted forms of identification include South African drivers' licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs, as well as passports.

PSL Shareholders entitled to participate electronically and vote at the General Meeting may appoint one or more proxies to participate, speak and vote thereat in their stead. A proxy need not be a PSL Shareholder. A Form of Proxy (*grey*), which sets out the relevant instructions for its completion, is attached to this Circular for use by Certificated PSL Shareholders or Own-Name Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (*grey*) will not preclude such PSL Shareholder from participating electronically and voting (to the exclusion of that PSL Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries, at the addresses given below, to be received by them preferably by no later than 14:00 on Tuesday, 6 July 2021, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any PSL Shareholder rights at the General Meeting.

Dematerialised PSL Preference Shareholders, other than Own-Name Dematerialised Shareholders, who wish to participate electronically in the General Meeting, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such PSL Shareholders and the CSDP or Broker.

Dematerialised PSL Preference Shareholders, other than Own-Name Dematerialised Shareholders, who are unable to participate electronically in the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

PSL Shareholders participating electronically, or represented by proxy or authorised representative shall on a poll have one vote in respect of each PSL Share held.

PSL Shareholders who vote against Special Resolution Number 2 and wish to exercise their rights (if applicable) in terms of section 115(3) of the Companies Act, to require the approval of the court for the Scheme pursuant to the implementation of the Scheme, should refer to **Annexure 2** of the Circular to which this Notice of General Meeting is attached which includes an extract of section 115 of the Companies Act.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

PSL Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. Their attention is drawn to the provisions of that section which are set out in **Annexure 2** to this Circular. The following sets out the salient features only of these Appraisal Rights.

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 2 as set out in this Notice of General Meeting is voted on, a PSL Shareholder may give PSL a written notice objecting to Special Resolution Number 2.

Within 10 Business Days after PSL has adopted Special Resolution Number 2, PSL must send a notice that the resolution has been adopted to each PSL Shareholder (“**Qualifying Shareholder**”) who:

- gave PSL a valid written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against Special Resolution Number 2.

A Qualifying Shareholder is entitled, within 20 Business Days after receiving PSL’s aforementioned notice of the adoption of Special Resolution Number 2, to demand that PSL pay the Qualifying Shareholder the fair value for all of the Qualifying Shareholders’ PSL Shares.

The wording of section 164 of the Companies Act is set out in **Annexure 2** to the Circular.

ELECTRONIC PARTICIPATION

In order to attend the General Meeting and participate electronically thereat, PSL Shareholders must pre-register with the Transfer Secretaries by either:

- registering online using the online registration portal at <https://www.smartagm.co.za>, by no later than 14:00 on Tuesday, 6 July 2021, for administrative purposes, in order for the Transfer Secretaries to arrange the participation of the PSL Shareholder at the General Meeting and for the Transfer Secretaries to provide the PSL Shareholder with the details as to how to access the General Meeting by means of electronic participation. PSL Shareholders may still register online to participate in and/or vote electronically at the General Meeting after this date, provided, however, that for those PSL Shareholders to participate in and/or vote electronically at the General Meeting those PSL Shareholders must be verified and registered (as required in terms of section 63(1) of the Companies Act by uploading their relevant verification documentation) before the commencement of the General Meeting; or
- making a written application to so participate, by email to proxy@computershare.co.za, so as to be received by the Transfer Secretaries, for administrative purposes only, by no later than 14:00 on Tuesday, 6 July 2021, in order for the Transfer Secretaries to arrange such participation for the PSL Shareholder and for the Transfer Secretaries to provide the PSL Shareholder with the details as to how to access the General Meeting by means of electronic participation. PSL Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after this date, provided, however, that those PSL Shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting.

PSL Shareholders will thereafter be required to connect to the General Meeting through <https://www.web.lumiagm.com> and following the relevant prompts. The General Meeting ID is **152-959-919**. PSL Shareholders are referred to the “Electronic Participation Meeting Guide” attached to this Notice of General Meeting for further instructions relating to the electronic participation.

The Transfer Secretaries will by no later than 17:00, Wednesday, 7 July 2021 notify eligible PSL Shareholders of the username and password through which eligible PSL Shareholders can participate electronically in and/or vote at the General Meeting.

In-person registration of General Meeting participants will not be permitted.

PSL Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of PSL and/or the Transfer Secretaries. None of PSL and/or the Transfer Secretaries and/or service providers can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such PSL Shareholder from participating in and/or voting at the General Meeting.

Electronic voting at the General Meeting

PSL Shareholders connecting to the General Meeting electronically will be able to participate in the General Meeting. Voting will be conducted by poll and PSL Shareholders will be able to cast their vote electronically at the General Meeting.

PSL Shareholders are also encouraged to submit any questions to PSL’s Company Secretary prior to the General Meeting, by no later than 14:00 on Tuesday, 6 July 2021, at cosec@psggroup.co.za. These questions will be addressed at the General Meeting.

All eligible PSL Shareholders will be entitled to participate electronically in the General Meeting and to vote (or abstain from voting) on the Resolutions proposed at the General Meeting.

**SIGNED ON WEDNESDAY, 9 JUNE 2021 BY PE BURTON ON BEHALF OF THE INDEPENDENT BOARD,
IN TERMS OF POWERS OF ATTORNEYS SIGNED BY THE MEMBERS OF THE INDEPENDENT BOARD**



PE BURTON
Chairman of the Independent Board

Company Secretary

PSG Corporate Services Proprietary Limited
(Registration number 1996/004840/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

VIRTUAL SHAREHOLDERS USER GUIDE



PSG FINANCIAL SERVICES



THE LUMI AGM PLATFORM



Meeting ID: **152-959-919**

To login you must have your Username and password which you can request from supportza@lumiglobal.com

You will be able to log into the site from
13:30 on 8 July 2021

Attending the GM electronically

This year we will be conducting a virtual GM, giving you the opportunity to attend the GM and participate online, using your smartphone, tablet or computer.

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Board questions and submit your votes in real time. To access the platform, you will need to:

Visit

<https://web.lumiagm.com>
on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

ACCESS



Once you have entered **web.lumiagm.com** into your web browser, you'll be prompted to enter the **Meeting ID**

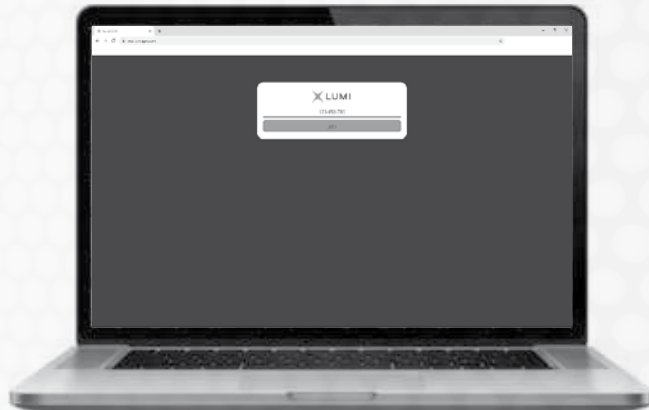
To login as a Shareholder, select **'I am a Shareholder'**

You will then be required to enter your:

- **Username**; and
- **Password**

If you are a Guest, select **'I am a Guest'**

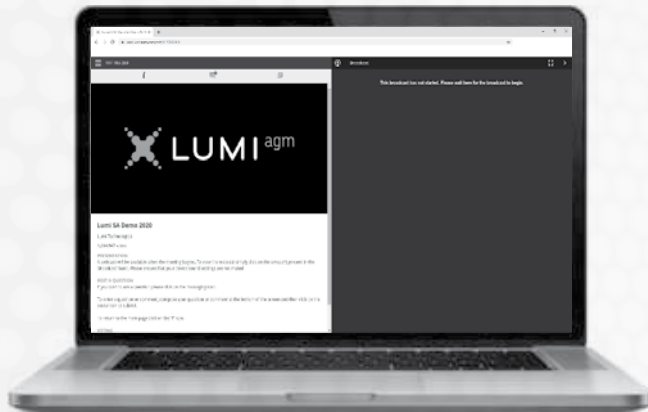
As a Guest, you will be prompted to complete all the relevant fields including; first name, last name and email address.



Please note, Guests will not be able to vote.



NAVIGATION



When successfully authenticated, the info screen will be displayed. You can view company information, ask questions, view relevant documents and watch the webcast.

If you would like to watch the webcast on smaller devices select the broadcast icon at the bottom of the screen in the broadcast band.

If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.



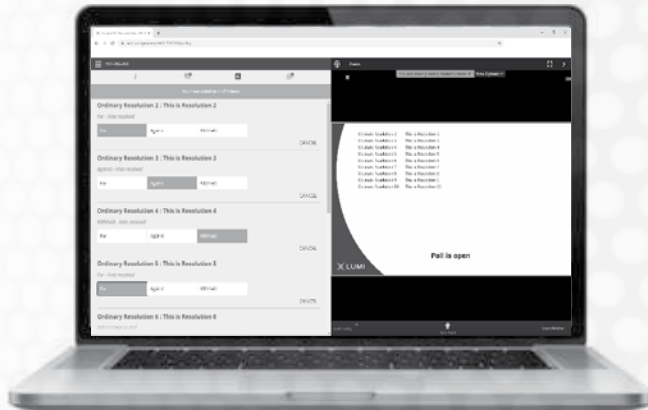
VOTING



Once the voting has opened, the polling icon will appear on the navigation bar at the top of the screen. From here, the resolutions or motions and voting choices will be displayed.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

If you wish to change your mind, simply select an alternate choice while the voting is open or select cancel if you wish to cancel your vote.

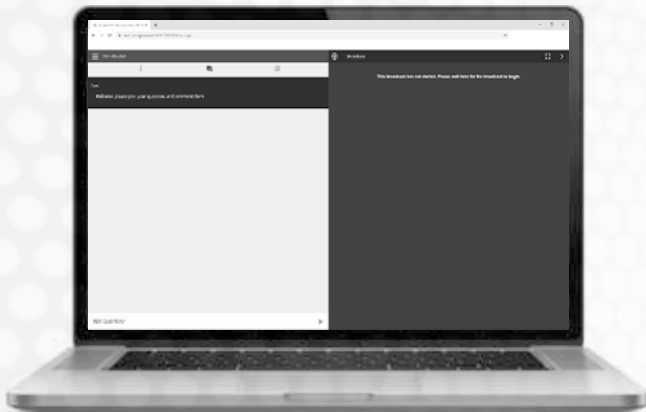


Once opened, voting can be performed at anytime during the meeting until the Chairman closes the voting on the resolutions. At that point your last choice will be submitted.

You will still be able to send messages and view the webcast whilst voting is open.



QUESTIONS



Any shareholder or appointed proxy attending the meeting is eligible to ask questions.

Guests may not ask questions.

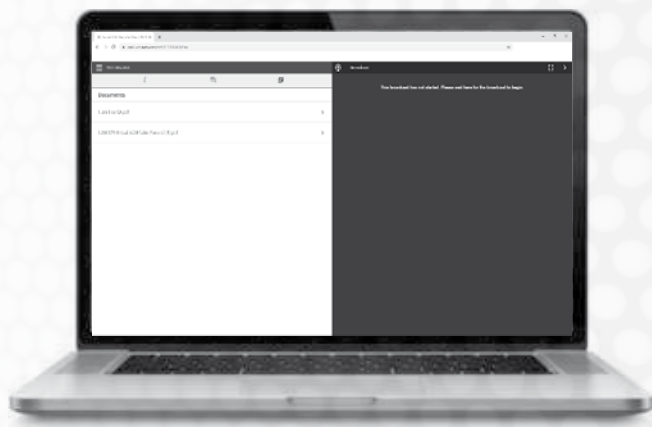
To ask a question, select the messaging icon at the top of the screen.

Type your message within the chat box at the bottom of the messaging screen and then press send.



DOCUMENTS

Documents will be available for you in the documents vault, just click on the Documents icon at the top of the screen.



PSG FINANCIAL SERVICES



PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1919/000478/06)

Share code: PGFP ISIN: ZAE000096079

LEI: 378900E99AFDC02B0F23

("PSL" or "the Company")

FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF THE PSL SHAREHOLDERS – FOR USE BY CERTIFICATED PSL SHAREHOLDERS AND OWN-NAME DEMATERIALIZED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meanings when used in this Form of Proxy.

I/We

(print names in full)

of (address)

being the registered holder of _____ PSL Ordinary Shares or _____ PSL Preference Shares, hereby appoint

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairman of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instructions (see notes):

Table with 5 rows and 4 columns: Resolution Number, Description, In favour of, Against, Abstain. Contains resolutions 1-5 regarding Special and Ordinary Resolutions.

* One vote per PSL Share held by PSL Shareholders. PSL Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all PSL Shares held by them.

Signed at _____ on _____

Signature _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached – see note 6.

Assisted by me (where applicable) _____

Full name _____

Capacity _____

Signature _____

Please read the notes on the reverse side hereof.

Notes:

1. A PSL Shareholder may insert the name of a proxy or the names of two alternative proxies of the PSL Shareholder's choice in the space(s) provided, with or without deleting "the chairman of the General Meeting". The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A PSL Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of PSL Shares to be voted on behalf of that PSL Shareholder in the appropriate box provided or by the insertion of "X" if all PSL Shares should be voted on behalf of that PSL Shareholder. Failure to comply with the above will be deemed to authorise the chairman of the General Meeting, if he/she is the authorised proxy, to vote in favour of the Resolutions at the General Meeting, or any other proxy to vote or to abstain from voting at the General Meeting as he/she deems fit, in respect of all the PSL Shares concerned. A PSL Shareholder or his/her proxy is not obliged to use all the votes exercisable by the PSL 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 PSL Shareholder or his/her proxy.
3. When there are joint registered holders of any PSL Shares, any one of such persons may vote at the General Meeting in respect of such PSL Shares as if he/she is solely entitled thereto, but, if more than one of such joint holders are present or represented at any General Meeting, that one of the said persons whose name stands first in the Register in respect of such PSL 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 PSL Shareholder, in whose name any PSL Shares are registered, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and lodged at or posted to the Transfer Secretaries (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the Transfer Secretaries by not later than 14:00 on Tuesday, 6 July 2021, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting), at any time before the appointed proxy exercises any PSL Shareholder rights at the General Meeting.
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 Transfer Secretaries or waived by the chairman of the General Meeting.
7. The completion and lodging of this Form of Proxy will not preclude the relevant PSL Shareholder from connecting electronically to the General Meeting and speaking and voting electronically, thereat to the exclusion of any proxy appointed in terms hereof, should such PSL Shareholder wish to do so.



PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1919/000478/06)

Share code: PGFP ISIN: ZAE000096079

LEI: 378900E99AFDC02B0F23

("PSL" or "the Company")

FORM OF SURRENDER – FOR USE BY CERTIFICATED PSL PREFERENCE SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Form of Surrender is attached, shall bear the same meanings when used in this Form of Surrender.

This form should be read in conjunction with the Circular.

Instructions:

1. A separate Form of Surrender is required for each Certificated PSL Preference Shareholder. Certificated PSL Preference Shareholders must complete this Form of Surrender in **BLOCK CAPITALS**.
2. Part A must be completed by all Certificated PSL Preference Shareholders who return this form and **relates to the surrender of Documents of Title**.
3. Part B must be completed by Certificated PSL Preference Shareholders **who are emigrants from or non-residents of** the Common Monetary Area (see note 2).
4. Part C must be completed by all Certificated PSL Preference Shareholders who wish to receive payment of the Scheme Consideration in a bank account other than that recorded with Computershare.

Please also read notes overleaf.

To: Computershare

Hand deliveries to:

Computershare Investor Services (Pty) Ltd

Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196

Postal deliveries to:

Computershare Investor Services (Pty) Ltd

PO Box 61763
Marshalltown
2107

Dear Sirs

PART A –SURRENDER OF DOCUMENTS OF TITLE

ALL CERTIFICATED PSL PREFERENCE SHAREHOLDERS WHO RETURN THIS FORM MUST PLEASE COMPLETE PART A.

Certificated PSL Preference Shareholders who wish to anticipate the Scheme becoming Operative and expedite settlement of the Scheme Consideration, should complete Part A and return this form to Computershare together with their Document(s) of Title by no later 12:00 on the Scheme Consideration Record Date.

Should the Scheme not become Operative, any Documents of Title surrendered to and held by Computershare will be returned to Certificated PSL Preference Shareholders, at their own risk, by registered post to the address set out below or, if no address is provided below, to the Certificated PSL Preference Shareholder's address recorded in the Register.

I/We hereby surrender the enclosed Documents of Title in respect of the Certificated PSL Preference Shares held by me:

Surname or Name of corporate body

First names (in full)

Title

Identity number or registration number

Address to which Documents of Title should be sent (if different from the address recorded in the Register) should the Scheme not become Operative

Postal code

Country

Telephone number (home)

Telephone number (office)

Cellphone number

Email address

Fax number ()

Share certificates and/or other Documents of Title surrendered

Share certificate number(s) and/or details of other Documents of Title	Number of PSL Preference Shares represented by each share certificate and/or other Documents of Title

Signed at

on

2021

Duly authorised signature

Name and capacity of signatory

Signatory assisted by (if applicable)

Pursuant to FICA, Computershare will only be able to record any change in address if the relevant FICA documentation as advised by Computershare is received from the PSL Preference Shareholder. PSL Preference Shareholders are required to contact Computershare directly on 086 1100 634 (or +27 11 370 5000) in order for Computershare to advise them of specific FICA documentation received.

PART B

1. **To be completed only by Certificated PSL Preference Shareholders who are emigrants from the Common Monetary Area.**

The Scheme Consideration will be paid to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

Name and address of authorised dealer in South Africa or substitute instruction

Account number

Signature of authorised dealer

2. **To be completed only by all other non-resident Certificated PSL Preference Shareholders who wish to provide a substitute instruction.**

The Scheme Consideration will be paid to the non-resident concerned, unless written instructions to the contrary are provided below:

Substitute instructions

3. **If Part B is not completed or incorrectly filled, the Scheme Consideration payable to emigrants and non-resident PSL Preference Shareholders will be held in trust by PSL (or its agent, as appointed by PSL) for the benefit of the relevant PSL Preference Shareholder in accordance with the provisions of the MOI. For the avoidance of doubt, no interest will accrue on any such funds held by PSL.**

PART C

To be completed in BLOCK LETTERS by Certificated PSL Preference Shareholders whose banking details are not recorded with Computershare or who wish to receive payment of the Scheme Consideration in a bank account other than that recorded with Computershare.

Name of account holder (no third-party accounts):		
Bank name:		
Account number:		
Sort Code:		
Signature of PSL Preference Shareholder:		
Assisted by me (if applicable):		
(State full name and capacity):		
Date:		
Telephone: (Home) ()	Telephone: (Work) ()	Cellphone number:

Pursuant to FICA, Computershare will only be able to record the bank details if the relevant FICA documentation as advised by Computershare is received from the PSL Preference Shareholder. PSL Preference Shareholders are required to contact Computershare directly on 086 1100 634 (or +27 11 370 5000) in order for Computershare to advise them of the specific FICA documentation required.

