

Condensed standalone financial statements

These condensed standalone financial statements comprise a summary of the audited standalone annual financial statements of PSG Financial Services Ltd for the year ended 28 February 2014.

The standalone annual financial statements, including these condensed standalone financial statements, were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were audited by PSG Financial Services Ltd's external auditor, Pricewaterhouse-Coopers Inc.

The standalone annual financial statements, including the unmodified audit opinion, are available on PSG Group Ltd's website at www.psggroup.co.za or may be requested and obtained in person, at no charge, at the registered office of PSG Financial Services Ltd during office hours.



Standalone financial statements

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the company. The external auditor is responsible for independently auditing and reporting on the fair presentation of the annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the company's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; and the manner required by the Companies Act of South Africa, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

These condensed standalone financial statements were derived from the standalone annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act of South Africa. Reading these condensed standalone financial statements, therefore, is not a substitute for reading the standalone annual financial statements of PSG Financial Services Ltd.

The company has not appointed an audit committee since the functions in terms of section 94 of the Companies Act of South Africa are performed on its behalf by the audit committee of its holding company, PSG Group Ltd. The audit committee of PSG Group Ltd has confirmed to the directors of the company that these functions have been performed without any exceptions noted in relation to the annual financial statements and that they are satisfied that the auditor was independent of the company.

The audit committee of PSG Group Ltd, the company's holding company, meets regularly with the external auditor, as well as senior management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the PSG Group Ltd Audit Committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources to continue for the foreseeable future.

The annual financial statements, including the condensed standalone financial statements set out on pages 81 to 89, were approved by the board of directors of PSG Financial Services Ltd and are signed on its behalf by:

JF Mouton
Chairman

WL Greeff
Financial director

DECLARATION BY THE COMPANY SECRETARY

We declare that, to the best of our knowledge, the company has lodged with the Registrar all such returns and notices as are required of a public company in terms of the Companies Act of South Africa and that all such returns and notices are true, correct and up to date.

PSG Corporate Services (Pty) Ltd
Per **PJR de Wit**
Company secretary

12 May 2014
Stellenbosch





Directors' report

DIRECTORS' REPORT

for the year ended 28 February 2014

Nature of business

The company, through its various subsidiaries, associates and joint ventures, offers diversified financial and other services. These services include financial advice, stockbroking, asset management, insurance, financing, banking, investing, corporate finance and education services. The various activities are set out in further detail in the review of operations section (page 14) of this annual report.

Operating results

The operating results and state of affairs of the company are set out in the attached condensed income statement and condensed statements of financial position, comprehensive income, changes in equity and notes thereto. The company's profit for the year amounted to R390,4m (2013: R440,4m).

Share capital

The company issued a further 3 996 291 preference shares during the year under review. No changes took place in the company's ordinary share capital during the current or prior year.

Dividends

Ordinary

Dividends declared and paid during the current and prior year are set out in the statement of changes in equity.

Preference

The directors have declared the following dividends in respect of the cumulative, non-redeemable, non-participating preference shares:

Cents per share	2014	2013
Interim	357,1	366,8
Final	354,7	351,2
Total	711,8	718,0

Directors

The directors of the company are exactly the same as PSG Group Ltd's (which appear on page 12). There have not been any changes to the composition of the board since the date of the previous report.

Holding company

The company is a wholly owned subsidiary of PSG Group Ltd, except for the 17 415 770 (2013: 13 419 479) preference shares which are listed on the JSE Ltd.

Shareholding of directors

The directors held no interest in the preference share capital of the company during the year under review, nor at any time up to the date of this report.

Secretary

The secretary of the company is PSG Corporate Services (Pty) Ltd. The business and postal addresses are set out on the inside back cover.





Standalone financial statements continued

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of PSG Financial Services Ltd

These condensed financial statements, which comprise the condensed statement of financial position as at 28 February 2014, and the condensed statements of income, comprehensive income and changes in equity for the year then ended, and related notes, as set out on pages 83 to 89, are derived from the audited annual financial statements of PSG Financial Services Ltd for the year ended 28 February 2014. We expressed an unmodified audit opinion on those annual financial statements in our report dated 12 May 2014.

These condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. Reading the condensed financial statements, therefore, is not a substitute for reading the audited annual financial statements of PSG Financial Services Ltd.

Directors' responsibility for the condensed financial statements

The company's directors are responsible for the preparation of an condensed version of the audited annual financial statements in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act, 71 of 2008, as applicable to condensed financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the condensed financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, these condensed financial statements derived from the audited annual financial statements of PSG Financial Services Ltd for the year ended 28 February 2014 are consistent, in all material respects, with those annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act, 71 of 2008, as applicable to condensed financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 12 May 2014 states that as part of our audit of the annual financial statements for the year ended 28 February 2014, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the condensed standalone financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc

Director: NH Döman

Registered auditor

12 May 2014

Stellenbosch





Standalone financial statements continued

CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

as at 28 February 2014

	Notes	2014 Rm	2013 Rm
ASSETS			
Investment in subsidiaries	2	3 163,1	2 798,7
Investment in associates	3	1 497,8	1 497,8
Equity securities	4	1 238,2	849,9
Deferred income tax		0,5	21,6
Loans and advances	5	534,3	562,4
Derivative financial instruments		7,6	
Receivables		11,1	63,6
Income tax receivable		2,7	
Total assets		6 455,3	5 794,0
EQUITY			
Ordinary shares			
Stated/share capital		342,3	47,0
Share premium			295,3
Preference shares			
Stated/share capital		1 505,9	13,4
Share premium			1 193,7
Other reserves		919,1	605,2
Retained earnings		766,0	525,2
Total equity		3 533,3	2 679,8
LIABILITIES			
Borrowings	6	2 639,4	2 851,0
Derivative financial instruments		9,6	77,2
Deferred income tax		211,3	138,9
Trade and other payables		61,7	47,1
Total liabilities		2 922,0	3 114,2
Total equity and liabilities		6 455,3	5 794,0





Standalone financial statements continued

CONDENSED STANDALONE INCOME STATEMENT

for the year ended 28 February 2014

	Notes	2014 Rm	2013 Rm
Income			
Investment income	7	384,3	421,6
Gain on disposal of investment in associates			141,3
Fair value gains on derivative financial instruments		75,3	
Total income		459,6	562,9
Expenses			
Fair value losses on derivative financial instruments			(40,4)
Impairment of investment in an associate			(6,0)
Marketing, administration and other expenses		(0,3)	(0,5)
Total expenses		(0,3)	(46,9)
Profit before finance costs and taxation		459,3	516,0
Finance costs		(50,5)	(61,0)
Profit before taxation		408,8	455,0
Taxation	8	(18,4)	(14,6)
Profit for the year		390,4	440,4

CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2014

	Notes	2014 Rm	2013 Rm
Profit for the year		390,4	440,4
Other comprehensive income			
Fair value gains on equity securities		385,8	201,3
Taxation on fair value gains	8	(71,9)	(62,9)
Total comprehensive income for the year		704,3	578,8





Standalone financial statements continued

CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2014

	Stated/share capital and share premium		Other reserves Rm	Retained earnings Rm	Total Rm
	Ordinary shares Rm	Preference shares Rm			
Balance at 1 March 2012	342,3	1 207,1	473,4	515,4	2 538,2
Profit for the year				440,4	440,4
Other comprehensive income					
Fair value gains on equity securities			138,4		138,4
Transactions with owners	-	-	(6,6)	(430,6)	(437,2)
Transfer between reserves			(6,6)	6,6	-
Dividend – ordinary shares				(340,8)	(340,8)
Dividend – preference shares				(96,4)	(96,4)
Balance at 28 February 2013	342,3	1 207,1	605,2	525,2	2 679,8
Profit for the year				390,4	390,4
Other comprehensive income					
Fair value gains on equity securities			313,9		313,9
Transactions with owners	-	298,8	-	(149,6)	149,2
Issue of preference shares		298,8			298,8
Common control transaction			2,0		2,0
Transfer between reserves			(2,0)	2,0	-
Dividend – ordinary shares				(35,6)	(35,6)
Dividend – preference shares				(116,0)	(116,0)
Balance at 28 February 2014	342,3	1 505,9	919,1	766,0	3 533,3





Standalone financial statements continued

NOTES TO THE CONDENSED STANDALONE FINANCIAL STATEMENTS

for the year ended 28 February 2014

1. Basis of presentation and accounting policies

These condensed standalone financial statements, which should be read in conjunction with either PSG Group Ltd ("PSG") or PSG Financial Services Ltd's ("PSL") group annual financial statements, have been derived from the standalone annual financial statements of PSL, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the South African Companies Act, 71 of 2008, as amended, and the Listings Requirements of the JSE Ltd. PSL has only presented condensed standalone financial statements in this annual report, as PSL is the only significant asset of PSG. The group annual financial statements of PSL are therefore very similar to those of PSG, a condensed version of which have been presented on pages 39 to 64.

The principal accounting policies applied in the preparation of these condensed standalone financial statements are similar to those of PSG, as set out in note 1 to PSG's condensed group financial statements. These policies have been consistently applied to all the years presented.

2. Investment in subsidiaries

Company	Interest held directly		Carrying value	
	2014 %	2013 %	2014 Rm	2013 Rm
35 Kerkstraat Beleggings Ltd	100,0	100,0		
Arch Equity Corporate Services (Pty) Ltd (in process of deregistration)		100,0		
Curro Holdings Ltd	57,1	57,5	849,9	485,5
Ou Kollege Beleggings Ltd	100,0	100,0	48,2	48,2
Paladin Capital Ltd	100,0	100,0		
PSG Africa Holdings (Pty) Ltd	98,0	94,2	317,0	317,0
PSG Capital (Pty) Ltd	100,0	100,0	3,6	3,6
PSG Channel Holdings Ltd	100,0	100,0	12,5	12,5
PSG Corporate Services (Pty) Ltd	100,0	100,0	52,3	52,3
PSG Konsult Ltd	64,7	65,4	513,8	513,8
PSG Private Equity (Pty) Ltd	100,0	100,0	627,9	627,9
Zeder Investments Ltd	42,4	42,4	737,9	737,9
			3 163,1	2 798,7

Zeder Investments Ltd is a subsidiary of the company through its shareholding, board representation and a management agreement in terms of which PSG Corporate Services (Pty) Ltd provides management and administrative services to a subsidiary of Zeder Investments Ltd.

All of the above subsidiaries are incorporated in the Republic of South Africa. Details of the nature of activities of significant subsidiaries are disclosed in the front section of this annual report. Further details of investments are available at the registered offices of the relevant group companies.





Standalone financial statements continued

3. Investment in associates

Company	Interest held directly		Carrying value	
	2014 %	2013 %	2014 Rm	2013 Rm
Capitec Bank Holdings Ltd (JSE-listed)	28,3	28,5	1 484,0	1 484,0
Propell Group Holdings (Pty) Ltd (unlisted)	30,0	34,5	13,8	13,8
			1 497,8	1 497,8

Details of the nature of activities of significant associates are disclosed in the front section of this annual report.

4. Equity securities

Equity securities consist of 13 908 770 (2013: 13 873 895) ordinary shares in PSG Group Ltd, the company's JSE-listed holding company, and are classified as available-for-sale.

5. Loans and advances

Secured loan ¹		24,0
Unsecured loans ²	100,3	
Unsecured loans to wholly-owned subsidiaries ³	61,9	289,6
Preference share investments		
Associate of a subsidiary ⁴	275,1	248,8
Associate ⁵	7,5	
Other ⁶	89,5	
	534,3	562,4
Current position	162,2	289,6
Non-current position	372,1	272,8

¹ This loan carried interest at prime less 1% and was converted to preference shares during the year.

² These loans carry interest at prime plus 2% and are repayable on demand.

³ These loans are interest-free with no fixed terms of repayment.

⁴ These preference shares are unsecured, carry prime-linked dividend rates ranging between 9,41% and 11% (2013: ranging between 8,88% and 10,45%) and are redeemable during December 2015.

⁵ These preference shares are unsecured, carry no dividend rate and are redeemable during November 2017.

⁶ Preference shares with a carrying value of R63,2 million are secured, carry a fixed dividend rate of 8,44% and are redeemable during May 2020. The counterparty to same is related to Mr FJ Gouws, a director of the company. The remaining preference shares are unsecured, carry a dividend rate of prime less 1% and are redeemable during September 2017.





Standalone financial statements continued

	2014 Rm	2013 Rm
6. Borrowings		
Unsecured promissory notes		246,9
Unsecured loan from holding company	1 786,1	2 036,7
Unsecured loans from wholly owned subsidiaries	853,3	567,4
	2 639,4	2 851,0
<p>All borrowings are current. The promissory notes carried interest at fixed rates ranging from 12,2% to 12,7% and were redeemed during the year under review. All loans are interest-free with no fixed terms of repayment.</p>		
7. Investment income		
Interest income – loans and advances	24,9	31,1
Dividend income		
Preference dividend income	32,5	24,0
Equity securities classified as available-for-sale	16,8	12,3
Dividends from subsidiaries	111,9	202,6
Dividends from associates	198,2	151,6
	384,3	421,6
8. Taxation		
Current taxation		
Current year		(26,4)
Prior year overprovision	2,7	0,5
Deferred taxation – current year	(21,1)	11,3
	(18,4)	(14,6)

Components of other comprehensive income carried a tax charge of R71,9 million (2013: R62,9 million). Current taxation in the prior year related mainly to a capital gain made on part-disposal of an investment in an associate.

9. Non-cash transactions

The company does not have any cash and cash equivalents, and transactions are mainly effected through intergroup loan accounts. Accordingly, no statement of cash flows has been presented.





Standalone financial statements continued

10. Restatement

The prior year results have been updated to correctly reflect previously unaccounted for intergroup dividends received and paid. These amounts were subsequently correctly debited/credited to the respective subsidiary loan accounts and the effect thereof is summarised below:

Debit/(credit)	Now reported Rm	Previously reported Rm	Difference Rm
Statement of financial position			
Loans and advances	562,4	533,0	29,4
Borrowings	(2 851,0)	(2 630,2)	(220,8)
Income statement (investment income)	(421,6)	(392,2)	(29,4)
Statement of changes in equity (dividend – ordinary shares)	340,8	120,0	220,8
			–

11. Preference share analysis

Range of shareholding	Shareholders		Shares held	
	Number	%	Number	%
1 – 2 000	1 860	64,7	1 540 660	8,8
2 001 – 5 000	549	19,1	1 779 091	10,2
5 001 – 10 000	226	7,9	1 666 235	9,6
10 001 – 100 000	214	7,4	5 215 968	29,9
100 001 – 500 000	21	0,7	3 936 651	22,6
Over 500 001	5	0,2	3 277 165	18,9
Public shareholding	2 875	100,0	17 415 770	100,0

No individual shareholder held 5% or more of the issued shares at 28 February 2014, nor were any shares held by non-public shareholders.





Notice of general meeting

Notice is hereby given of the general meeting of preference shareholders of PSG Financial Services Ltd ("PSG Financial Services" or "the company") to be held in the boardroom, 1st floor, Ou Kollege, 35 Kerk Street, Stellenbosch, on Thursday, 19 June 2014, at 09:00 ("the general meeting").

Purpose

The purpose of the general meeting is to transact the business set out in the agenda below.

Agenda

1. To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

Note:

For the ordinary resolutions to be adopted, at least 75% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof, as required in terms of the memorandum of incorporation of the company and by the Listings Requirements of the JSE Ltd ("the JSE").

1.1 Ordinary resolution number 1: Unissued cumulative, non-redeemable, non-participating preference shares placed under control of the directors

"Resolved that the unissued cumulative, non-redeemable, non-participating preference shares in the company ("the preference shares") be and are hereby placed under the control of the directors until the next annual general meeting of the ordinary shareholder of the company and that the directors be and are hereby authorised to issue any such preference shares as they may deem fit provided that any preference shares issued pursuant to this authority shall rank *pari passu* with the existing issued preference shares and such authority shall be limited to issuing such number of preference shares which, when taken together, do not exceed a cumulative clean subscription price of R300m (i.e. the cumulative subscription payable for the preference shares less accrued dividends on such preference shares), subject to the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE, save that the aforementioned R300m limitation shall not apply to any preference shares issued in terms of a rights offer."

The reason for ordinary resolution number 1 is that the board requires authority from the preference shareholders in terms of its memorandum of incorporation and in terms of the Listings Requirements of the JSE to issue further listed preference shares from its existing unissued preference share capital. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue listed preference shares as may be required, inter alia, in terms of capital raising exercises and to maintain a healthy capital adequacy ratio. This general authority is subject to the restriction that it is limited to issuing such number of preference shares which, when taken together, do not exceed a cumulative clean subscription price of R300m, that preference shares issued in terms thereof shall rank *pari passu* in all respects with the listed preference shares already in issue and that it shall only be valid until the next annual general meeting of the ordinary shareholder(s) of the company.

1.2 Ordinary resolution number 2: General authority to issue preference shares for cash

"Resolved that, to the extent required by the Listings Requirements of the JSE, if applicable, the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued cumulative, non-redeemable, non-participating preference shares in the company placed under their control for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE, to the extent applicable, including that:





Notice of general meeting continued

- the approval shall be valid until the date of the next annual general meeting of the ordinary shareholder(s) of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash in the aggregate in any one financial year may not exceed 15% of the company's issued share capital (number of securities) of that class as at the date of this notice of general meeting, it being recorded that preference shares issued pursuant to a rights offer to preference shareholders shall not diminish the number of ordinary shares that comprise the 15% of the preference shares that can be issued in terms of this ordinary resolution. As at the date of this notice of general meeting, 15% of the issued listed preference shares of the company amounts to 2 612 366 preference shares;
- in determining the price at which an issue of preference shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue,

and it being resolved, for the avoidance of doubt, that the company shall not be required to comply with the provisions of the authority contained in this resolution should same not be required by the Listings Requirements of the JSE."

For listed entities wishing to issue listed ordinary shares for cash, it is necessary for the board to obtain the prior authority of ordinary shareholders in accordance with the Listings Requirements of the JSE. It is not clear whether the JSE will apply this requirement to the issue of listed preference shares for cash. The reason for this resolution is that in the interests of prudence and good corporate governance, the company is obtaining, to the extent required, the approval of its preference shareholders for general issues of preference shares for cash in the event that such authority is deemed to be a requirement in terms of the Listings Requirements of the JSE. Should it transpire that such authority is not required, the company will naturally not be bound to adhere to the terms of the authority granted in terms of this resolution.

Note:

For the special resolutions to be adopted, at least 75% of the voting rights exercised on the special resolution must be exercised in favour thereof.

2. Special resolution number 1: Amendment to the memorandum of incorporation of the company in relation to the issue of shares

"Resolved as a special resolution that the memorandum of incorporation of the company be and is hereby amended by the deletion of existing clause number 6, in its entirety, and the substitution thereof with the following new clause 6:

'6.1 The Company is authorised to issue –

- 6.1.1 such number of such class of Shares as is set out in Schedule 1 hereto, subject to the preferences, rights, limitations and other terms associated with such class set out therein;*
- 6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto with the preferences, rights, limitations and other terms associated with each such class set out therein, subject to the JSE Listings Requirements.*





Notice of general meeting continued

- 6.2 *The power of the Board to –*
- 6.2.1 *increase or decrease the number of authorised Shares of any class of the Company's Shares; or*
 - 6.2.2 *create any class of Shares; or*
 - 6.2.3 *reclassify any classified Shares that have been authorised but not issued; or*
 - 6.2.4 *classify any unclassified Shares that have been authorised but not issued; or*
 - 6.2.5 *determine the preferences, rights, limitations or other terms of any Shares, shall be subject to the approval of the Shareholders by way of a special resolution.*
- 6.3 *The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares, as set out in this Memorandum of Incorporation, may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements.*
- 6.4 *Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share, and accordingly if any amendment to this Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other terms associated with any class of Share already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. The holders of Shares of that class will, subject to the further provisions of clause 23.2, also be entitled to vote at the meeting of ordinary Shareholders where the amendment is tabled for approval.*
- 6.5 *No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).*
- 6.6 *The Board may, subject to clauses 6.7, 6.9 and 6.11, the Act and the JSE Listings Requirements, resolve to issue Shares of the Company at any time, but only –*
- 6.6.1 *within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and*
 - 6.6.2 *to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting, provided further that the approval by Shareholders in general meeting shall not be required –*
 - 6.6.2.1 *to the extent that such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding, on such terms and in accordance with such procedures as the Board may determine; or*
 - 6.6.2.2 *to the extent that such Shares are issued for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement.*





Notice of general meeting continued

- 6.7 *All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.*
- 6.8 *Save where permitted by the JSE, all Securities for which a listing is sought on the JSE and all Securities of the same class as Securities which are listed on the JSE must be freely transferable and must, notwithstanding the provisions of section 40(5), but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.*
- 6.9 *Save –*
- 6.9.1 *where otherwise permitted under the Act, the JSE Listings Requirements or this Memorandum of Incorporation;*
- 6.9.2 *where approved by Shareholders in general meeting; or*
- 6.9.3 *where such Shares are issued for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement*
- the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine.*
- 6.10 *The Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that, to the extent applicable, such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements.*
- 6.11 *Notwithstanding anything to the contrary herein, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.*
- 6.12 *Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.' "*

The reason for special resolution number 1 is to obtain the required approval of preference shareholders to amend the memorandum of incorporation of the company in the manner that aligns the memorandum of incorporation with the provisions of the JSE Listings Requirements and the Companies Act, in relation to the issue of shares, as set out in the special resolution above.

The effect of special resolution number 1 is that the company will have the necessary authority to amend the memorandum of incorporation in the manner set out in the special resolution above, which amendments have also been approved by the JSE.





Notice of general meeting continued

Voting

1. The date on which preference shareholders ("preference shareholders" or "shareholders") must have been recorded as such in the preference share register maintained by the transfer secretaries of the company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 9 May 2014.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 13 June 2014, with the last day to trade being Friday, 6 June 2014.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the general meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the general meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the general meeting.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 09:00 on Tuesday, 17 June 2014.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the general meeting in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend 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.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the board

PSG Corporate Services (Pty) Ltd

Company secretary

12 May 2014

Stellenbosch





PSL form of proxy



PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1919/000478/06)
(a wholly owned subsidiary of PSG Group Ltd)
JSE share code: PGFP ISIN code: ZAE000096079
("PSL" or "the company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the general meeting of preference shareholders of the company to be held on Thursday, 19 June 2014, at 09:00 in the boardroom, 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch ("the general meeting").

I/We (full name in print) _____

of (address) _____

being the registered holder of _____ preference shares hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairman of the general meeting,

as my proxy to vote for me/us at the general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the preference shares registered in my/our name(s) in accordance with the following instructions (see Notes):

		Number of preference shares		
		In favour of	Against	Abstain
1.1	Ordinary resolution number 1: Unissued preference shares placed under control of the directors			
1.2	Ordinary resolution number 2: General authority to issue preference shares for cash			
2.	Special resolution number 1: Amendment to the memorandum of incorporation of the company in relation to the issue of shares			

Please indicate your voting instruction by way of inserting the number of preference shares or by a cross in the space provided.

Signed at _____ on this _____ day of _____ 2014.

Signature(s) _____

Assisted by (where applicable) (state capacity and full name) _____

Each PSL preference shareholder is entitled to appoint one or more proxy(ies) (who need not be a preference shareholder(s) of the company) to attend, speak and vote in his/her stead at the general meeting.



PSL form of proxy continued

NOTES

1. A PSL preference shareholder ("the shareholder" or "PSG Financial Services shareholder") may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the 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 PSG Financial Services shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of preference shares to be voted on behalf of that shareholder in the appropriate box provided. 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 shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any preference shares, any one of such persons may vote at the meeting in respect of such preference shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such preference 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 member, in whose name any preference shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Computershare Investor Services (Pty) Ltd (PO Box 61051, Marshalltown, 2107), by not later than 09:00 on Tuesday, 17 June 2014.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.