PSG GROUP LIMITED

ANNUAL REPORT 2022

CONTENTS

OUR GROUP STRUCTURE

as at 28 February 2022

PSG GROUP LIMITED

MARKET CAPITALISATION:

R17bn

100%

PSG FINANCIAL SERVICES

JSE-LISTED INVESTMENTS INCLUDE

61,5%	60%	48,6%
PSG Konsult	CURRO	ZEDER INVESTMENTS LIMITED
INDUSTRY: WEALTH MANAGEMENT, ASSET MANAGEMENT AND INSURANCE	**INDUSTRY:** PRIVATE BASIC EDUCATION	**INDUSTRY:** INVESTMENTS IN FOOD AND RELATED BUSINESS
MARKET CAPITALISATION: **R18bn**	**MARKET CAPITALISATION:** **R8bn**	**MARKET CAPITALISATION:** **R5bn**

UNLISTED INVESTMENTS INCLUDE

98,3%	49%	100%	100%
PSG alpha	DIPEO CAPITAL	PSG CAPITAL	PSG CORPORATE SERVICES
INDUSTRY: INCUBATOR TO IDENTIFY AND HELP BUILD THE BUSINESSES OF TOMORROW	**INDUSTRY:** BLACK ECONOMIC EMPOWERMENT INVESTMENT HOLDING COMPANY	**INDUSTRY:** CORPORATE FINANCE	**INDUSTRY:** INVESTMENT MANAGEMENT AND TREASURY SERVICES
SUM-OF-THE-PARTS VALUE: **R5bn**			

OUR LEADERSHIP

The board of directors is the ultimate custodian of shareholder funds, with a responsibility to invest it wisely to deliver on PSG Group's stated objective of long-term value creation for shareholders.

The board of directors of PSG Group contains the appropriate mix of knowledge, skills, experience and independence.

EXECUTIVES

PJ (Piet) Mouton (45)[1, 2]
BCom (Mathematics)
Appointed 16 February 2009
PSG Group CEO

Other directorships include PSG Konsult, Curro, Zeder, PSG Alpha, Energy Partners and Evergreen (all being PSG Group investees), as well as Capitec (former PSG Group investee)

WL (Wynand) Greeff (52)[1]
BCompt (Hons), CA(SA)
Appointed 13 October 2008
PSG Group CFO

Other directorships include Zeder and PSG Alpha (both being PSG Group investees)

JA (Johan) Holtzhausen (52)[1]
Bluris, LLB, HDip Tax
Appointed 13 May 2010
PSG Capital CEO

Other directorships include PSG Alpha and CA&S (both being PSG Group investees)

NON-EXECUTIVES

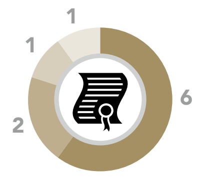
FJ (Francois) Gouws (57)
BAcc, CA(SA)
Appointed 25 February 2013
PSG Konsult CEO

Other non-executive directorships include the Savings and Investment Association of South Africa (ASISA)

JJ (Jan) Mouton (47)
BAcc (Hons), CA(SA), MPhil (Cantab)
Appointed 18 April 2005
Investment professional

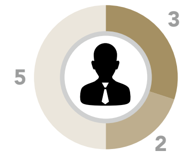
OUR DIRECTORS IN CONTEXT

EDUCATIONAL EXPERTISE



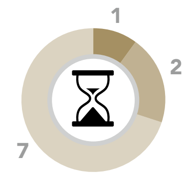
- ACCOUNTING
- LAW
- MATHEMATICS
- PUBLIC RELATIONS

DIRECTOR CAPACITY



- EXECUTIVE
- NON-EXECUTIVE
- INDEPENDENT NON-EXECUTIVE

LENGTH OF SERVICE



- < 5 YEARS
- 5 – 10 YEARS
- > 10 YEARS

INDEPENDENT NON-EXECUTIVES

PE (Patrick) Burton (69)[2, 3, 4, 5, 6]
BCom (Hons), PG Dip Tax
Appointed 19 March 2001
Director of companies

Other non-executive directorships include PSG Konsult

ZL (KK) Combi (70)[2, 4, 5]
Diploma in Public Relations
Appointed 14 July 2008
Director of companies and PSG Group Chairman

Other non-executive directorships include PSG Konsult

AM (Modi) Hlobo (47)[3]
BCompt (Hons), CA(SA), MCom (Finance)
Appointed 11 April 2019
Senior lecturer

B (Bridgitte) Mathews (52)[3]
BCom (Hons), CA(SA), HDip Tax
Appointed 3 May 2016
Consultant and director of companies

Other non-executive directorships include Metair

CA (Chris) Otto (72)[3, 4, 5]
BCom LLB
Appointed 25 November 1995
Director of companies

Other non-executive directorships include Capitec, Zeder, Kaap Agri and Distell

[1] ***Member of executive committee***
[2] ***Member of social and ethics committee***
[3] ***Member of audit and risk committee***
[4] ***Member of remuneration committee***
[5] ***Member of nomination committee***
[6] ***Lead independent director***

Dear Shareholder,

PSG Group remains committed in its stated objective of value creation for shareholders despite very challenging economic conditions.

During the past year, management devoted significant time to formulate a major value-unlocking proposal for PSG Group shareholders (the "PSG Group Restructuring"), as was announced by way of *detailed cautionary* and *firm intention* SENS announcements on 1 March 2022 and 25 April 2022, respectively.

The PSG Group Restructuring comprises, as an indivisible transaction, the following:

- The unbundling of PSG Group's shareholding in JSE-listed PSG Konsult, Curro, Kaap Agri and CA&S, as well as 25,1% of the total issued shares in Stadio (collectively, the "Unbundlings" or "Unbundled Companies"); and
- The repurchase of PSG Group shares from exiting PSG Group shareholders by way of a scheme of arrangement ("Specific Repurchase"), being PSG Group shareholders other than predominantly the executive management of PSG Group and PSG Alpha, the founders of PSG Group and their immediate family members, for a cash consideration of R23,00 per share, subject to potential adjustment should the tax consequences of the Unbundlings change adversely, in particular insofar as it relates to "disqualified person" PSG Group shareholders, as contemplated in the Income Tax Act, albeit that the cash consideration will be no less than R20,31 per share; and
- The delisting of PSG Group from the JSE.

The PSG Group Restructuring remains subject to the required shareholder and regulatory approvals being obtained, as well as the fulfilment or waiver of certain other conditions precedent.

Resolving to propose the PSG Group Restructuring was by no means an easy decision for anyone involved as it, if approved, will mark the end of an era for PSG Group operating as a listed investment holding company. This is, however, in our opinion in the best interest of PSG Group shareholders as the transaction should substantially unlock the approximately 30% discount at which PSG Group has been trading to its *sum-of-the-parts ("SOTP") value* in recent years.

The fact that all the Unbundled Companies are well established businesses with exceptional management teams and are well capitalised with no immediate need for further equity, allows for PSG Group to pursue the Unbundlings with them no longer requiring an anchor shareholder. We remain excited about their growth prospects and the value that these businesses hold for investors. Accordingly, after the Unbundlings, PSG Group shareholders will hold the shares in these companies directly as opposed to indirectly via PSG Group.

PSG GROUP TO DATE

PSG Group was founded in November 1995 by Jannie Mouton and Chris Otto, with a dream of building a financial services conglomerate. They progressed well through undertaking various highly innovative transactions, always with the aim to create shareholder value. In the early 2000's, PSG Group's model changed to more closely resemble what it is today – an investment holding company.

Over the past 26 years, PSG Group has been part of creating great businesses such as Capitec, PSG Konsult, Curro, and many others, and has assisted them to grow by providing them with capital and strategic input. As a significant part of PSG Group's DNA, it believed in appointing excellent management, empowering them and then to list their businesses, believing management would ultimately perform better "under the spotlight in front of the stadium", which we called the "Usain Bolt effect". Through the years, PSG Group was involved in listing more than 15 companies in which it held a significant stake.

For an extended period, shareholders reaped the benefits of aforementioned strategy with PSG Group having delivered exceptional returns, particularly so prior to the discount dilemma elaborated on below.

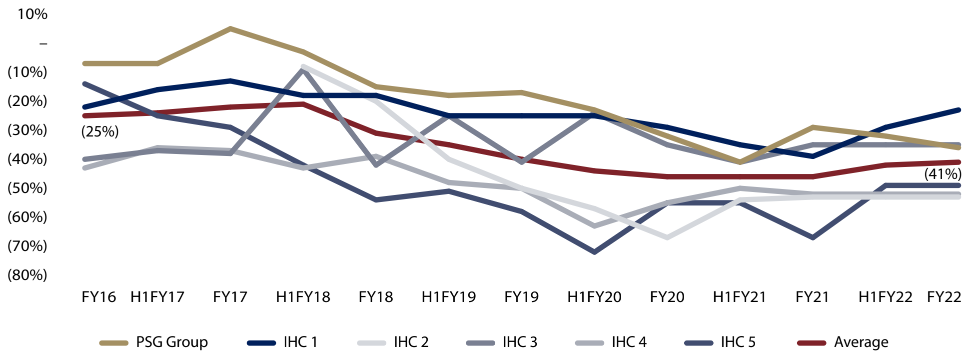
THE DISCOUNT DILEMMA

PSG Group's primary goal has always been to maximise shareholder value. However, given that it had been trading, frustratingly so, at a noticeable discount for several consecutive years and the fact that market sentiment had not changed despite PSG Group having unlocked significant value by way of the Capitec unbundling, management realised that a dramatic strategic rethink was required.

Business, regulations and investor sentiment/preference continuously change, and any management team should always be open and able to adapt to such changing circumstances. The ever-increasing and unwarranted red tape for listed companies unfortunately resulted in the benefits that PSG Group once reaped from the Usain Bolt effect becoming a hindrance, thereby nullifying some of the advantages of being listed.

Furthermore, PSG Group's investment model and those with similar structures had fallen out of favour globally. Such ever-increasing discounts at which listed investment holding companies are trading negate the main benefit of being listed – the ability to raise equity funding in the capital markets and/or use scrip to assist existing and/or acquire new businesses, thereby allowing an investment holding company to grow.

The average discount at which South African investment holding companies ("IHC") have been trading to the value of their underling investments has increased from approximately 25% to 41% over the last six years:



Below we analyse what we believe the key reasons for the discount dilemma are, as well as how PSG Group measures up against each of these challenges:

Key reasons for investment holding company discounts	PSG Group measured against each of these challenges
Permanent capital *Investors (especially institutional investors) do not look favourably upon the permanent (i.e. long-term) nature of capital employed by investment holding companies. These investors, rightly or wrongly so, believe that management will not return surplus capital to shareholders but instead retain it as it would potentially justify higher remuneration.*	This largely does not apply to PSG Group as we have returned R6,2bn in dividends and R0,7bn in special dividends over the past 26 years, while the Capitec unbundling during 2020 unlocked approximately R21bn for PSG Group shareholders.

Key reasons for investment holding company discounts	PSG Group measured against each of these challenges
Tax trap *South African tax resident individuals are subject to a maximum effective capital gains tax ("CGT") rate of 18%, whereas South African tax resident investment holding companies are subject to an effective CGT rate of 22,4%, with an additional 20% dividend withholding tax ("DWT") potentially applying to dividends declared by such companies. Investment holding company investors therefore effectively pay double tax, whereas investors in for example unit trusts only pay CGT upon the ultimate disposal of their units.*	Unfortunately, this is a challenge for all South African investment holding companies which we expect to persist. Hypothetically, should PSG Group sell all its investments, the CGT payable would amount to approximately R3,3bn, which would result in a 13% reduction in PSG Group's *SOTP value* as at 28 February 2022. Should such after-tax cash proceeds be returned to PSG Group shareholders, it would result in an additional DWT liability of 20% for the ultimate individual shareholders, yielding a *SOTP value* (net of CGT and DWT) of R86,59 per share, which approximated the share price at which PSG Group traded prior to announcing the PSG Group Restructuring. Accordingly, there is a strong argument that investment holding companies trade at such large discounts due to the inherent adverse tax consequences.
Poor investment decisions *Some investment holding companies have made poor investment decisions in recent times and it could well be that the market is penalising investment holding companies in general for it.*	Although PSG Group has had its fair share of failed investments in the past, its successes far exceed its failures. This is evident from the significant total return of 38% per annum that PSG Group shareholders have enjoyed since establishment – an achievement to be proud of.
Excessive fee structures *Some investment holding companies have undesirable management/performance fee structures in place or charge such fees calculated on doubtful internal valuations. This is especially irksome for investors if such companies' performance is poor and they hold onto surplus cash.*	This does not apply to PSG Group as its latest annual operating costs as a percentage of its *SOTP value* and market capitalisation as at 28 February 2022 were 0,05% and 0,07%, respectively – being markedly lower than what actively-managed unit trusts charge their investors.
Too many listed entry points *Too many listed entry points have weakened the case for investing in an investment holding company, as an investor can invest directly in the underlying investee companies based on personal preference as opposed to via the investment holding company.*	This most certainly applies to PSG Group – as mentioned earlier, listing investees formed part of PSG Group's DNA and ironically it could well be a major reason for PSG Group trading at a substantial discount, with 91% of its total asset value comprising listed companies.

In addition, investors seem to increasingly prefer private equity funds as investment vehicle or wish to invest directly in the listed underlying companies of choice. While this may change in the years to come, it is unfortunately our reality for the foreseeable future.

While PSG Group's listed investee companies initially benefitted from the "big brother effect" with PSG Group as anchor shareholder, once they become more mature, operate efficiently and are well capitalised (such as our listed investee companies are), they are penalized from a JSE Index inclusion perspective having a smaller investable free float (with PSG Group's shareholding in such investee companies being excluded for determining free float), which could adversely impact their share prices and accordingly wealth creation for both their and PSG Group shareholders.

GREATER ACTION IS REQUIRED

PSG Group continues to do what is best for its shareholders. Case in point is PSG Group's unbundling of Capitec representing approximately 66% of its total *SOTP* assets at the time in 2020, whereby significant value was unlocked for PSG Group shareholders.

To run a conservative portfolio or to sit back and wait for markets to re-rate investment holding companies in years to come, are neither in the best interest of PSG Group shareholders, nor in management's character. The discount topic and potential value-unlocking strategies to address same have been raised at every investor engagement in recent years. Management has considered various alternatives, including large share buybacks and buying out the minorities of the underlying listed investments. However, share buybacks ultimately have a relatively small positive effect on PSG Group's *SOTP value* per share, while buying out the minorities of the underlying listed investments would simply be too capital intensive and expensive as a significant premium would need to be offered – thereby depleting our cash resources and destroying value for PSG Group shareholders.

The aforementioned has necessitated a more robust approach in formulating a strategy to unlock the significant discount contemplated herein for PSG Group shareholders – hence the proposed PSG Group Restructuring, which is arguably the only viable solution to achieve such objective.

The total anticipated value that PSG Group exiting shareholders would realise from the PSG Group Restructuring represented a 41,3% premium to the PSG Group share price as at 28 February 2022, being immediately prior to announcing the PSG Group Restructuring, as detailed in the table below:

	28 Feb 2022		
	Unbundling ratio for every PSG Group share held	Closing share price R	Indicative value per PSG Group share R
PSG Konsult	3,86921	13,74*	53,16
Curro	1,81597	13,45*	24,42
Kaap Agri	0,12364	51,20*	6,33
CA&S	1,03650	4,79**	4,96
Stadio	1,02216	3,64*	3,72
Value of shares received pursuant to the Unbundlings* **			**92,59**
Cash received pursuant to the Specific Repurchase			**23,00**
Total anticipated value			**115,59**
PSG Group share price			**81,83^**
Premium			**41,3%**

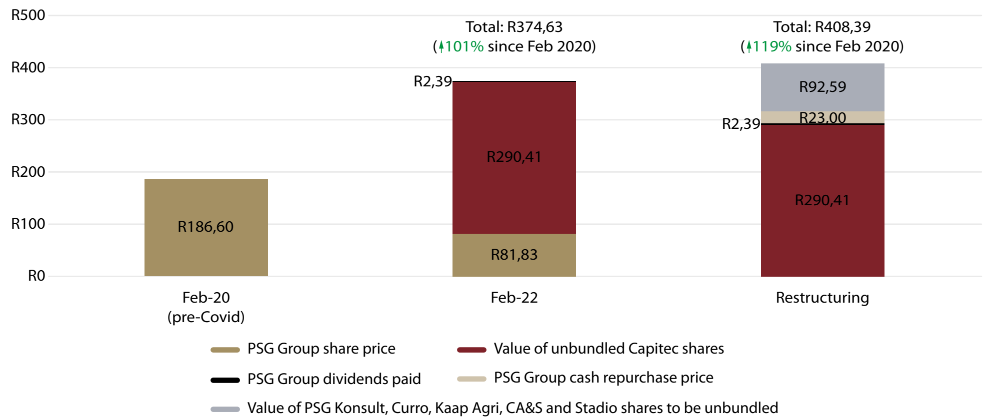
* *Listed on the JSE.*

** *Listed on both the Botswana Stock Exchange and the Cape Town Stock Exchange, with the latter listing being transferred to the JSE on 27 June 2022. The closing share price presented in the table above is the closing share price on the Botswana Stock Exchange on 28 February 2022, translated from Botswana pula into South African rand at the ruling exchange rate on such date.*

*** *This value will fluctuate in accordance with movement in the share prices of the companies to be unbundled.*

^ *PSG Group's closing share price as at 28 February 2022 immediately preceding the announcement of the proposed PSG Group Restructuring on SENS on 1 March 2022.*

Measured as at 28 February 2022, the significant value-unlock initiatives by way of the proposed PSG Group Restructuring, coupled with the Capitec unbundling, represent an increase in shareholder value of 119% since 29 February 2020, as depicted in the graph below:



In conclusion and with all things duly considered, we sincerely believe the PSG Group Restructuring to be in the best interest of PSG Group shareholders and we therefore urge you to vote in support of the transaction at the general meeting to be held during August 2022.

A WORD OF THANKS

Firstly, we want to thank our founders for their vision and our loyal shareholders for their continued support over the past 26 years. This laid the foundation for PSG Group to be built into a remarkable company that not only delivered superior returns for investors, but also made a significant positive contribution to South Africa. While we firmly believe that this course of action in the PSG Group journey is the right way forward, we cannot help but feel nostalgic about the delisting of a pioneering business that truly left an indelible mark on the South African business community.

Our sincerest gratitude goes to the various management teams and all employees throughout our group for your unwavering dedication. Also to our clients and customers – without your support, every business that we have invested in would have remained but a dream. May you and our shareholders continue to support and benefit from these great companies.

To our board of directors, thank you for your valued support, encouragement and guidance throughout the years – it is much appreciated.

Lastly, this letter would not be complete without us paying tribute to the man who carried the dream of PSG Group into reality – Jannie Mouton. Jannie, you are not only a business legend and icon, but a man of integrity and kindness that we have the deepest respect for. Your entrepreneurial flair, work ethic, fairness and passion are what shaped this company into the success story it became. We salute you and vow to carry these foundations into the next chapter of the PSG Group journey.

With gratitude,

KK Combi	**Piet Mouton**	**Wynand Greeff**	**Johan Holtzhausen**
Chairman	CEO	CFO	Executive

Stellenbosch
21 June 2022

REVIEW OF OPERATIONS

WHO WE ARE

PSG Group Ltd ("PSG Group" or "the company" or "the group") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include financial services, education and food and related business, as well as early-stage investments in select growth sectors. PSG Group's market capitalisation (net of treasury shares) was approximately R17bn as at 28 February 2022.

Following the Capitec unbundling during the prior year, there are six main business units on which we report, namely:

- PSG Konsult (wealth management, asset management and insurance);
- Curro (private basic education);
- Zeder (investments in food and related business);
- PSG Alpha (early-stage investments in select growth sectors);
- Dipeo (BEE investment holding company); and
- PSG Corporate (head office investment management and treasury services), including PSG Capital (corporate finance).

OUR OBJECTIVE

Our economic objective remains to create long-term wealth for our shareholders through capital appreciation, investment income or both, and accordingly the key benchmark used by PSG Group to measure performance is its *sum-of-the-parts ("SOTP") value* per share. To achieve this, we have invested in a diversified portfolio of businesses that should yield above-market returns over time, while contributing positively to society.

BENCHMARKING OUR PERFORMANCE

We believe that performance should be measured in terms of the return that an investor receives over time, with a focus on *per share* wealth creation. When evaluating PSG Group's performance over the long term, one should focus on the *total return index ("TRI")* as a measurement tool. The *TRI* is calculated by taking cognisance of share price appreciation, dividends and other distributions. This is a sound measure of wealth creation and a reliable means of benchmarking different companies.

PSG Group's *compound annual growth rate ("CAGR")* of its *TRI* as at 28 February 2022 was 38% per annum over the approximately 26-year period since establishment in November 1995. Had you at the time purchased R100 000 worth of PSG Group shares and reinvested all your distributions (including cash and *in specie* dividends such as the unbundled Capitec shares) into PSG Group, your investment would be worth around R491m as at 28 February 2022. The same investment in the JSE All Share Index over this period would be worth only R3,1m. We are proud of the wealth we have created for our shareholders.

REVIEW OF OPERATIONS *(continued)*

OUR PERFORMANCE OVER THE PAST FINANCIAL YEAR

The calculation of PSG Group's *SOTP value* requires limited subjectivity as approximately 91% of the total asset value is calculated using exchange-listed share prices, while other investments are included at internal valuations, of which more detail is available at *www.psggroup.co.za/sotp*. At 28 February 2022, the *SOTP value* per PSG Group share (which did not yet account for the proposed PSG Group Restructuring, as detailed in the *Letter to Shareholders*, including all the associated tax and restructuring costs) was R127,88, representing an increase of 36% when compared to the R94,24 per share as at 28 February 2021.

Asset/(liability)	28 Feb 2021 Rm	**28 Feb 2022 Rm**
PSG Konsult*	7 282	**11 130**
Curro*	3 588	**4 826**
Capitec*	2 190	
Zeder*	1 983	**2 672**
PSG Alpha	3 842	**4 508**
Stadio*	865	**1 324**
CA&S**	1 126	**1 057**
Evergreen^	869	**988**
Optimi^	296	**502**
Energy Partners^	305	**379**
Other investments^	446	**337**
Less: Minority shareholding held by PSG Alpha management	(65)	**(79)**
Dipeo^		
Other net assets (cash, prefs, loans, provisions, etc.)^^	2 020	**3 636**
Total assets	20 905	**26 772**
Perpetual pref funding*	(1 132)	
Total SOTP value	19 773	**26 772**
Shares in issue *(net of treasury shares)* (m)	209,8	**209,4**
SOTP value per share (R)	94,24	**127,88**
Share price (R)	66,51	**81,83**

** Listed on the JSE ** Listed on the BSE ^ Internal valuation ^^ Carrying value*

MAJOR CORPORATE ACTION

During the year under review, the following major corporate action was undertaken:

- PSG Group disposed of its remaining 1,6m shares (or 1,4%) in Capitec for R2,5bn cash; and
- PSG Financial Services Ltd, a wholly-owned subsidiary and the only directly-held asset of PSG Group, repurchased all its JSE-listed cumulative, non-redeemable, non-participating preference shares in issue for R1,5bn cash. PSG Group accordingly no longer has any funding obligations.

MAJOR CORPORATE ACTION SUBSEQUENT TO YEAR-END

Major corporate action subsequent to year-end, included the following:

- The proposed PSG Group Restructuring;
- PSG Group received a special cash dividend of R692m from Zeder pursuant to the disposal of its investment in The Logistics Group;
- By virtue of Zeder's unbundling of its entire shareholding in Kaap Agri, PSG Group received 15,2m Kaap Agri shares, which will form part of the assets to be unbundled in terms of aforementioned proposed PSG Group Restructuring.

OUR INVESTMENTS AS AT 28 FEBRUARY 2022

PSG KONSULT (61,5%)

- *Simple and focused business model*
  - the provision of wealth management, asset management and insurance solutions
- *High barriers to entry*
  - onerous regulatory compliance requirements
- *Key competitive advantage*
  - extensive distribution platform
  - trusted brand
- *High growth potential*
  - each of the three operating divisions, namely *PSG Wealth*, *PSG Asset Management* and *PSG Insure*, has a relatively low market share

PSG Konsult is a financial services company, focused on providing wealth management, asset management and insurance solutions to clients. It has the largest independent financial advisor distribution network in southern Africa with 953 advisors.

With the legal and regulatory environment within the industry having become increasingly onerous, PSG Konsult continues to attract quality advisors. It provides them with support through its well-established systems and its risk and regulatory compliance platform, allowing the advisors to focus on serving their clients.

PSG Konsult reported a 32% increase in *recurring headline earnings* per share for the year under review following strong performance from the *Asset Management* division in particular, and solid performance from the *Wealth* and *Insure* divisions.

During the year under review, PSG Group accounted for a fair value gain of R3 848m following an increase in PSG Konsult's listed share price since 28 February 2021, and earned dividend income of R215m in respect of this investment.

PSG Konsult has its primary listing on the JSE, with secondary listings on the Namibian Stock Exchange and Mauritian Stock Exchange, and its comprehensive results are available at *www.psg.co.za*.

CURRO

CURRO (60%)

- *Simple and focused business model*
  - private school education
- *High barriers to entry*
  - capital intensive
- *High growth potential*
  - Curro's capacity utilisation of completed schools is at only 70%, and at 60% of eventual capacity once all schools under construction are operational
  - greater usage of digital offerings to service learners' needs and reduce Curro's cost base over time

Curro is the largest provider of private school education in southern Africa with more than 70 000 learners across 76 campuses as at 28 February 2022.

Curro reported an 8% increase in *recurring headline earnings* per share for the year ended 31 December 2021.

During the year under review, PSG Group accounted for a fair value gain of R1 238m following an increase in Curro's listed share price since 28 February 2021.

Curro is listed on the JSE and its comprehensive results are available at *www.curro.co.za*.

ZEDER INVESTMENTS LIMITED

ZEDER (48,6%)

- *Simple and focused business model*
  - investment in food and related business
- *Focused management throughout the underlying investments*

Zeder is an investor in the broad agribusiness industry.

During the year under review, PSG Group accounted for a fair value gain of R689m following an increase in Zeder's listed share price since 28 February 2021, and earned dividend income of R150m in respect of this investment.

Subsequent to year-end, Zeder:

- Unbundled its entire interest in Kaap Agri to shareholders; and
- Declared and paid a special dividend of 92,5 cents per share amounting to R1 420m pursuant to the disposal of its investment in The Logistics Group.

Zeder is listed on the JSE and its comprehensive results are available at *www.zeder.co.za*.

PSG alpha

PSG ALPHA (98,3%)

PSG Alpha serves as an incubator to identify and help build the businesses of tomorrow. In line with PSG Group's investment philosophy, PSG Alpha's focus is therefore predominantly on early-stage investing.

The PSG Alpha portfolio currently comprises nine investments, the majority of which are in a development phase. We continue to support these investments not only through providing capital when necessary and deemed appropriate, but also working alongside management in building these businesses – be it to help determine strategy, acting as a soundboard, assisting with problem solving, complementary deal-making, stakeholder relationships, promoting good corporate governance, establishing appropriate remuneration structures, and the like. Members of the PSG Group Exco and/or PSG Alpha Exco as a rule serve as directors on such investees' boards and on numerous sub-committees, including the finance/audit and risk committees.

During the year under review, PSG Group accounted for a fair value gain of R666m in respect of its investment in PSG Alpha following an increase in its *SOTP value* since 28 February 2021.

A complete list of PSG Alpha's investees is set out below, with additional information being provided on its five major investments –

		Interest (%)	
Investment	**Description**	2021	**2022**
Carter	Redefine new car sales experience	76,0	**73,0**
CA&S	Route-to-market services for fast-moving consumer goods in southern Africa	48,8	**47,9**
Energy Partners	Private energy utility	57,2	**56,7**
Evergreen	Retirement lifestyle villages	50,0	**50,0**
Optimi	Innovative and accessible education solutions	92,3	**96,0**
ProVest	Diversified mining services	44,2	**42,4**
SNC	Scalable, high-throughput nanofiber production	61,1	**Impaired**
Spirit Capital	Investment holding company focused on leveraged transactions	49,3	**49,9**
Stadio	Private higher education	43,2	**42,9**

More detail on the valuations of PSG Alpha's investments is available at *www.psggroup.co.za/sotp*.

CA&S (47,9%)

CA&S is a leading provider of sales, merchandising and other related services to blue-chip fast-moving consumer goods principals. It has a footprint in eight southern Africa countries with a presence in all major centres. CA&S has broad trade coverage from bottom end and convenience through to formal and corporate stores, and each of its businesses has in-depth local market and country knowledge. Long-standing customer relationships combined with regional connectivity and shared collective expertise give CA&S a powerful competitive advantage across the region in which it operates.

CA&S is listed on the Botswana Stock Exchange and Cape Town Stock Exchange, with the latter being replaced by a listing on the JSE during the course of June 2022.

More information about CA&S is available at *www.casholdings.co.za*.

Energy Partners (56,7%)

Energy Partners is a turnkey developer, owner and operator of energy-producing assets (which include solar, steam and refrigeration) with integrated construction and maintenance capabilities.

More information about Energy Partners is available at *www.energypartners.co.za*.

Evergreen (50%)

Evergreen develops, owns and operates retirement lifestyle villages on a life-right model. Although this model is well established in other parts of the world, especially in the United States, Australia and New Zealand, it is still a fairly new concept in South Africa.

Evergreen provides its residents with significant benefits, the most important being peace of mind from both a financial security as well as a healthcare perspective. It offers i) state-of-the-art lifestyle centres, typically including a bistro, lounge, salon, bar, library, gym, games room and entertainment area; ii) health and frail care; iii) excellent security; and iv) a sense of community among fellow retirees.

More information about Evergreen is available at *www.evergreenlifestyle.co.za*.

Optimi (96%)

Optimi provides accessible learning and support to learners using technology and centralised assistance to reduce the cost of and improve the quality of education. Services are rendered to the following distinct segments – i) *Home* (home and supplementary education); ii) *Classroom* (classroom and extra-class teaching and learning solutions); iii) *Workplace* (workplace and community education and training); and iv) *College* (accredited qualifications and short courses).

More information about Optimi is available at *www.optimi.co.za*.

Stadio (42,9%)

Stadio is a JSE-listed private higher education provider.

It currently offers 86 accredited qualifications, ranging from higher certificates to doctorates, to approximately 38 000 students through mainly distance learning (±80% of students), but also contact learning (±20% of students) at 14 campuses. Stadio opened its first large multi-faculty campus in Centurion in 2022.

More information about Stadio is available at *www.stadio.ac.za*.

DIPEO (49%)

Dipeo, a BEE investment holding company, is 51%-owned by the Dipeo BEE Education Trust of which all beneficiaries are black individuals. This trust will use its share of any value created in Dipeo to fund black students' education.

Dipeo's investments as at 28 February 2022 included shareholdings in Curro (3,6%), Stadio (3,3%) and Kaap Agri (20%).

During the financial year ended 28 February 2019, Dipeo's *SOTP value* turned negative (i.e. liabilities exceeded assets) following a decline in the value of its investment portfolio, which had a negative impact on PSG Group's *SOTP value* through reducing its investment in Dipeo to zero and impairing PSG Group's pref share investment in Dipeo to the extent required. During the year under review, PSG Group recognised an impairment reversal of R221m following an increase in the value of Dipeo's investment portfolio. The accumulated impairment of PSG Group's pref share investment in Dipeo amounted to R625m as at 28 February 2022.

KEY STATISTICS

STOCK EXCHANGE PERFORMANCE

Year ended February	**2022**	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Market price on the JSE (R)													
High for the year	**94,99**	73,39[1]	276,87	259,98	297,03	252,12	284,91	146,75	91,50	73,32	53,65	44,00	27,49
Low for the year	**65,96**	37,79[1]	185,36	204,71	194,89	172,00	134,19	88,00	58,80	44,70	37,99	22,15	13,02
Closing	**81,83**	66,51	186,60	259,78	217,50	251,43	173,69	136,81	89,02	61,26	47,00	43,20	22,05
Volume-weighted average	**78,01**	49,97[1]	232,68	226,69	241,11	200,79	202,95	109,87	71,31	60,76	46,19	32,74	21,00
Volume of shares traded ('000)	**83 030**	264 568	106 749	102 668	148 287	64 300	102 855	32 198	17 963	24 272	13 210	20 127	21 326
Value of shares traded (Rm)	**6 477**	23 100	24 838	23 274	35 753	12 911	20 875	3 538	1 281	1 475	610	659	448
Volume-traded/weighted-average shares (%)	**39,6**	122,7	48,9	47,3	68,8	30,0	50,0	16,7	9,8	13,3	7,6	12,0	12,3

TRACK RECORD

Year ended February	**2022[2]**	2021[2]	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Headline earnings (Rm)	**7 409**	1 038	2 583	2 194	1 956	2 145	1 370	1 574	1 012	875	567	512	431
HEPS (R)	**35,37**	4,81	11,84	10,11	9,08	10,01	6,66	8,19	5,53	4,80	3,26	3,07	2,49
Recurring earnings (Rm)	**n/a[3]**	n/a[3]	2 794	2 357	2 142	1 985	1 620	1 142	821	715	536	404	359
Recurring EPS (R)	**n/a[3]**	n/a[3]	12,81	10,86	9,94	9,27	7,88	5,94	4,49	3,92	3,09	2,42	2,07
Dividend per share (cents)													
Normal (cumulative: 3 162)		164,0	239,0	456,0	415,0	375,0	300,0	200,0	133,0	111,0	82,0	67,0	42,0
Special (cumulative: 470)													
Ordinary shareholders' equity (Rm)	**26 690**	19 254	19 083	18 115	17 143	15 900	13 634	9 999	6 862	5 990	4 760	3 585	2 947
Net asset value per share (R)	**127,49**	91,76	87,49	83,06	79,39	73,81	63,64	49,39	37,51	32,62	26,50	21,56	17,65
Total assets (Rm)	**26 793**	21 438	105 853	96 819	90 421	82 061	71 748	45 607	33 700	25 857	20 961	17 410	14 686
Sum-of-the-parts value (Rm)	**26 772**	19 773	60 320	67 958	55 510	52 397	40 383	33 395	18 040	13 844	10 315	8 018	4 572
Sum-of-the-parts value per share (R)	**127,88**	94,24	276,43	311,45	255,17	240,87	186,67	163,28	95,01	72,67	55,92	46,81	26,60
Market capitalisation (Rm)													
Gross of treasury shares	**18 270**	14 883	43 322	60 297	50 340	58 193	40 084	30 157	18 480	12 747	9 528	8 219	4 211
Net of treasury shares	**17 132**	13 955	40 699	56 658	46 967	54 166	37 211	27 694	16 284	11 250	8 442	7 182	3 682
Number of shares ('000)													
Issued	**223 268**	223 778	232 163	232 108	231 449	231 449	230 779	220 432	207 589	208 082	202 724	190 262	190 953
Treasury shares	**(13 912)**	(13 954)	(14 054)	(14 009)	(15 508)	(16 018)	(16 543)	(18 004)	(24 666)	(24 440)	(23 111)	(24 001)	(23 959)
Net	**209 356**	209 824	218 109	218 099	215 941	215 431	214 236	202 428	182 923	183 642	179 613	166 261	166 994
Weighted average	**209 444**	215 659	218 131	217 028	215 468	214 247	205 669	192 328	182 994	182 224	173 872	167 055	173 113

1 *Calculated for the period since the distribution pursuant to the unbundling of an effective 26,4% interest in Capitec during August 2020.*

2 *Reported amounts should be considered in light of PSG Group's change in status to that of an investment entity with effect from 1 March 2020 and the aforementioned Capitec unbundling as detailed in the prior year annual report and the audited consolidated financial statements available at www.psggroup.co.za.*

3 *Pursuant to aforementioned change in status to that of an investment entity, PSG Group's performance is measured with reference to the fair value (i.e. sum-of-the-parts value) of its investment portfolio.*

STOCK EXCHANGE PERFORMANCE

Year ended February	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Market price on the JSE (R)														
High for the year	21,00	30,50	29,25	23,00	7,05	5,20	6,50	8,85	9,86	15,85	19,00	15,50	5,10	3,00
Low for the year	12,15	19,00	15,70	6,20	2,53	2,55	3,75	4,40	5,27	8,00	4,95	4,45	2,10	0,20
Closing	14,56	20,85	27,20	22,66	7,00	3,85	5,20	4,76	6,60	10,00	11,70	15,30	4,70	2,25
Volume-weighted average	16,92	27,14	22,57	10,60	4,28	4,60	5,12	6,75	6,85	11,14	11,72	9,66	4,01	0,78
Volume of shares traded ('000)	18 290	43 409	37 787	13 933	48 528	56 204	42 636	47 775	49 009	45 265	30 219	23 443	14 120	22 210
Value of shares traded (Rm)	309	1 178	853	148	208	258	218	322	336	504	354	227	57	17
Volume-traded/weighted-average shares (%)	10,9	26,5	30,1	13,7	45,1	50,3	35,5	38,5	36,8	33,1	31,7	32,2	35,7	101,8

TRACK RECORD

Year ended February	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Headline earnings (Rm)	110	483	651	358	97	85	85	175	200	165	82	35	10	3
HEPS (R)	0,65	2,95	5,19	3,52	0,90	0,76	0,71	1,41	1,50	1,21	0,86	0,47	0,26	0,14
Recurring earnings (Rm)	293	212												
Recurring EPS (R)	1,74	1,30												
Dividend per share (cents)														
Normal	57,0	112,5	90,0	67,5	45,0	30,0	20,0	50,0	45,0	36,0	25,0			
Special	200,0					70,0	200,0							
Ordinary shareholders' equity (Rm)	2 755	3 295	2 373	719	362	336	993	1 218	1 141	1 085	638	535	78	7
Net asset value per share (R)	16,40	19,48	15,85	7,04	3,56	3,20	8,28	10,15	8,99	7,78	6,69	6,17	1,47	0,34
Total assets (Rm)	14 127	14 206	5 501	1 833	2 794	2 384	2 594	4 477	3 416	3 474	2 543	1 258	233	25
Sum-of-the-parts value (Rm)	2 610	4 447												
Sum-of-the-parts value per share (R)	15,31	25,99												
Market capitalisation (Rm)														
Gross of treasury shares	2 760	3 953	4 621	2 701	834	443	624	571	838	1 395	1 117	1 325	249	49
Net of treasury shares	2 446	3 528	4 073	2 315	711	404	624	571	838	1 395	1 117	1 325	249	49
Number of shares ('000)														
Issued	189 579	189 579	169 885	119 195	119 195	115 000	120 000	120 000	126 900	139 500	95 445	86 611	52 930	21 818
Treasury shares	(21 559)	(20 386)	(20 133)	(17 015)	(17 619)	(10 000)								
Net	168 020	169 193	149 752	102 180	101 576	105 000	120 000	120 000	126 900	139 500	95 445	86 611	52 930	21 818
Weighted average	168 352	163 505	125 446	101 888	107 519	111 700	120 000	124 204	133 200	136 613	95 445	72 869	39 588	21 818

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. BACKGROUND

PSG Group Ltd ("PSG Group" or "the company" or "the group") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include financial services, education and food and related business, as well as early-stage investments in select growth sectors.

PSG Group remains committed to:

- Investing in companies that act responsibly in respect of environmental, social and governance ("ESG") matters.
- Exercising ethical and effective leadership to achieve the four governance outcomes: ethical culture, good performance, effective control and legitimacy, as advocated in the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™"). A detailed analysis of PSG Group's compliance with King IV™ is available at *www.psggroup.co.za.*

Approximately 91% of PSG Group's total asset value comprises investees that are separately listed on exchanges and independently managed. These companies are similarly committed to act responsibly in respect of ESG matters, and to report thereon to stakeholders in terms of King IV™. Whether listed or not, PSG Group expects all its underlying investees to act responsibly in respect of ESG matters and our representatives on the respective companies' boards of directors and finance/audit and risk committees have been tasked to ensure same.

2. ENVIRONMENTAL

PSG Group believes in responsible investing and supports the notion of protecting our planet through, amongst other, combating climate change by reducing our environmental footprint, both at a PSG Group and investee level.

PSG GROUP

Since PSG Group is an investment holding company with limited operations, its head office comprises only 12 employees dedicated full-time to the day-to-day running of PSG Group and PSG Alpha, a 98,3%-held subsidiary which houses, inter alia, PSG Group's early-stage investments. PSG Group and its employees continuously aim to reduce their environmental footprint to promote sustainability through various means (as also embraced by many investees) such as to:

- Reduce air and ground travel to limit our carbon footprint by:
  - Making use of virtual electronic means for meetings (and not just owing to Covid-19 remote working arrangements).
  - Holding PSG Group's results presentations, investor presentations and other meetings by way of virtual electronic means, rather than in-person meetings.
- Reduce paper usage significantly through:
  - Utilising meeting portal software and other electronic means instead of printing out large hardcopy information packs.
  - No longer publishing PSG Group's financial results in the printed media, to the extent allowed by the JSE Listings Requirements.
  - Conducting internal communication electronically, including placing staff manuals and policy documents online.
- Conserve water and electricity through awareness initiatives and the installation of energy-efficient solutions, such as low-energy LED globes.
- Recycle waste and to dispose of electronic waste in a responsible manner.
- Limit the use of single-use plastic, such as bottled water.

INVESTEES

PSG Group believes in conducting its business in a responsible manner, with due regard for the potential impact thereof on the environment in which it operates and on society at large. All its investees are similarly committed.

With this notion in mind, PSG Group has intentionally not invested in businesses engaged in the production of harmful products or whose operations are detrimental to the environment, but has instead invested in companies providing financial services (PSG Konsult), renewable energy (Energy Partners), retirement lifestyle villages (Evergreen), food and related business offerings (through Zeder in Zaad, Capespan and Agrivision Africa, as well as in Kaap Agri) and education (Curro, Stadio and Optimi) – all also making a positive contribution to society.

3. SOCIAL MATTERS

As a good corporate citizen with the best interest of our country and its people at heart, PSG Group contributes significantly to society. We thoroughly believe that an educated community will sustainably improve the long-term well-being of society. PSG Group, as an investment holding company, has therefore primarily directed its corporate social investment ("CSI") efforts at supporting education on various levels. PSG Group also subscribes to and support social upliftment through broad-based black economic empowerment ("B-BBEE"), having established, funded and invested in various B-BBEE initiatives throughout the years, through which significant value has been created for B-BBEE participants.

Below are some of the CSI initiatives undertaken by PSG Group and its investees. Although this is not a comprehensive list, it illustrates our dedication to making South Africa a better place.

PSG GROUP

A significant theme throughout the group is our contribution to all levels of education – from early-childhood development, all the way through to higher and adult education. We firmly believe in the multiplier effect that education brings, not only to the individual, but to society at large.

The PSG Group/Jannie Mouton Foundation Bursary Scheme at Stellenbosch University

We started this initiative in 2007, when PSG Group and Jannie Mouton each donated 100 000 PSG Group shares, currently worth approximately R74m in the aggregate (inclusive of the Capitec shares unbundled to PSG Group shareholders during 2020), to provide financial support to gifted disadvantaged students to study at Stellenbosch University. To date, 110 students have benefit from financial support through this scheme with over R7,2m granted. Their fields of study include medicine, law, actuarial science, accounting, investment management, engineering, social sciences and visual arts.

Akkerdoppies

PSG Group and the PSG Group BEE Education Trust have provided this pre-primary school with ongoing financial support since its establishment in 2008. Akkerdoppies is committed to early-childhood development providing essential education and skills to children from the disadvantaged communities of Stellenbosch. The school has 160 children and employs 18 people. We remain committed to a long-term relationship with this initiative and appreciate their significant positive contribution to the community.

During the past year, the PSG Group BEE Education Trust also provided additional funding to Akkerdoppies to assist with their new Akker-Fikelela project, whereby they aim to reach out to at least 30 other early-childhood development centres and offer training to the teachers and parents in order to ensure school readiness for the children, focusing on gross motor, fine motor, perceptual and life skills, as well as language development.

PSG Group BEE Education Trust

This trust owns unencumbered PSG Group and Capitec shares worth approximately R930m in aggregate. Dividends received from these shares are used to grant bursaries to black learners/trainees (including through contributions to Akkerdoppies, the Ruta Sechaba Foundation and Amicus Trust), while annual distributions are made to black employees.

Ruta Sechaba Foundation

The foundation was established in 2016 and provides academic and sport scholarships to qualifying black learners at Curro and Curro-managed schools. PSG Group was the founder of both the PSG Group BEE Education Trust and Dipeo BEE Education Trust, being the initial donors to the foundation. The foundation is open to all corporates and individuals who wish to contribute to education in South Africa in a structured manner.

Collectively, the PSG Group BEE Education Trust and Dipeo BEE Education Trust have to date contributed more than R56m to the foundation, with more than 183 beneficiaries having completed grade 12 with such assistance. Some of these learners are from South Africa's poorest townships – we aim to give them an opportunity to graduate with a grade 12 certificate from a high-quality educational institution. We are proud of the achievements of the 2021 beneficiaries – 14% of our grade 12 learners passed with an A-average, while at least 72% of our grade 12 learners passed with no less than one subject distinction.

Amicus Trust

The PSG Group BEE Education Trust continues to provide this initiative with financial support for its training and skill-based programmes in Stellenbosch, which include –

- Bergzicht Training, which provides frail care, childcare and hospitality training. 303 individuals completed their training during the past year, of whom approximately 66% was successfully placed in positions of employment.
- Stellemploy, which provides training in artisan skills, including plumbing, painting and carpentry. 127 individuals completed their training during the past year, of whom approximately 80% was successfully placed in positions of employment.
- Pinotage Youth Development Academy, which provides training in occupations related to the wine, fruit and related industries. 89 individuals completed their training during the past year, of whom approximately 66% was successfully placed in positions of employment.

INVESTEES

It is evident from the aforementioned that PSG Group makes a significant *direct* contribution to society. However, as an investment holding company, with our underlying investments also having various CSI initiatives, PSG Group also makes a substantial *indirect* contribution to society. Below, in no particular order and by no means exhaustive, are some of the CSI projects undertaken by our investees:

PSG Konsult

PSG Konsult invests in educational and social programmes that aim to further employment and economic empowerment. Below are some of their CSI projects:

- Adopt-a-School: a programme that supports and enhances the learning and teaching environment in disadvantaged schools, with the aim of addressing inequalities and inadequacies in rural areas. PSG Konsult has adopted four such schools with more than 2 100 learners in total. These schools are located close to the economic hubs, thereby enabling PSG Konsult employees to provide hands-on support.
- Childcare and children's homes are provided with monthly food parcels and funding.
- PSG Konsult has invested more than R32m in the ASISA Enterprise Development Fund since February 2015. This initiative invests in the sustainability of small and medium-sized enterprises ("SMEs") in South Africa, and supports government's drive for job creation and economic growth.
- Graduate and bursary programme with 39 graduates enrolled and nine students supported through bursaries currently.

Curro

PSG Group has to date invested more than R3bn cash in Curro, the largest private school group in southern Africa. Curro plays an important part in educating the youth. Its business model assists government by carrying part of the significant capital burden of building new schools, while Curro's running costs to educate more than 70 000 learners save the country well over R1bn annually. Curro employs in excess of 6 000 people.

Capespan

Capespan's initiatives are aimed at improving the quality of life of farmworkers and rural communities in the fruit production areas where the company operates. CSI initiatives are developed in partnership with local communities, local government and industry stakeholders. Initiatives integrate socio-economic, occupational health and education development activities based on the communities' needs. Below are some of their CSI initiatives:

- Place of Mercy and Hope Pre-school located in Valentia Township (Addo, Eastern Cape), which educates more than 170 pre-school children:
  - Capespan contributed to the installation of synthetic grass at the pre-school outdoor play area.
  - Capespan annually provides a uniform and protective clothing to the facility gardener, who propagates his own vegetable seedlings with the produce supplementing the daily meals served to the children attending the pre-school, and which also benefits some 300 community members reliant on the weekly soup kitchen operated from the premises.
- Capespan constructed a farm worker community clinic and training & early childhood development facility at their Norriseep farm in the Northern Cape. The Northern Cape Department of Health's Covid-19 vaccination campaign recently utilised this facility.

Kaap Agri

Kaap Agri's CSI projects focus on training and skills development in the agriculture sector. Below are some of their CSI initiatives:

- Kaap Agri Academy empowers emerging farmers and farmworkers through offering learnership programmes in mixed farming (NQF level 2), animal production (NQF level 4) and plant production (NQF level 4). The academy also trains farmworkers through various short courses. Kaap Agri's investment in the academy during the past year amounted to R1,3m.
- Kaap Agri supports the Virtual Classroom Programme, which aims to bring the best technology and classroom practices to informal settlement and rural schools. Wemmershoek Primary in Franschoek, with its 189 grade 1 to 3 learners, was chosen to participate in the programme and Kaap Agri's investment during the past year amounted to R0,4m.
- During 2019, Kaap Agri committed to donate R100 000 annually to the Nelson Mandela Children's Fund, which commitment Kaap Agri has now renewed for a further three years. With the funding received from Kaap Agri, afterschool programmes (including mathematics and literacy classes) have been implemented at Soetendal Primary School.
- The Kaap Agri Bursary Programme aims to use education to break the cycle of poverty for both learners and their families, with 46 secondary school learners and six university students having benefited from this programme during the past year. The investment in secondary and tertiary education amounted to R2,1m during the past year.

Zaad

Zaad's CSI projects focus on the development of emerging agriculture and include the distribution of vegetable garden kits to previously disadvantaged communities and feeding schemes. The donation of seeds to the Qhumanco agricultural project has contributed to a successful harvest of the 50ha trial planting, with a second round of 50ha having been planted during December 2021.

The Logistics Group ("TLG")

TLG's CSI projects focus on social and economic development through making donations to various initiatives:

- Domino Foundation, facilitating access to the economy for individuals through the implementation of development programmes for women and youth, healthcare interventions and education programmes.
- Girls and Boys Town, providing care for children coming from difficult home circumstances. The donation will assist in providing programmes designed to develop their academic success, healthy relationships, leadership and citizenship skills.
- Child Welfare South Africa, providing child abuse prevention programmes, life skills programmes and food and basic necessity parcels.

Optimi

Optimi has undertaken several CSI initiatives in education over the past year, including:

- Offering 30 weekend tutoring sessions of two hours each for mathematics, physical science and accounting to grade 11 learners at Bona Lesedi Secondary School in Mamelodi, Gauteng.
- Providing bursaries for two learners at Boys and Girls Town.
- Assisting Durban Child Welfare through sponsoring gardening services.
- As part of the Mandela Day initiative, Optimi supported the TLC Children's Home in Centurion and the Wollies Animal Shelter in Pretoria, Gauteng.

Energy Partners

Over the past year, Energy Partners supported the We Love Football Academy by providing essential stationery to all the children at the academy, and participated in a donation drive whereby staff brought sneakers, sporting goods, toiletries and non-perishable items for distribution to families in need over the year-end holidays, as well as fun and sweet packs for the kids to enjoy. The academy provides sport and life skills coaching to youth in underprivileged communities.

Energy Partners further provides funding and volunteer their employees' time to Develop Dental, a registered non-profit organisation determined to eradicate oral diseases and reduce the prevalence of dental decay, the most common chronic disease world-wide, by increasing oral health awareness among children, youth and their families. Their focus is on empowering children and youth in under-resourced communities to make healthier choices concentrating on nutrition, health education and personal development.

ProVest

ProVest's CSI initiatives are focused on the community where it operates, which included the following during the past year:

- Rasimone Village Cemetery: ProVest sponsored and renovated the ablution facility, including the installation of a new toilet system, tiling, painting and the installation of security gates. ProVest believes that this initiative will restore the dignity of the communities when visiting the cemetery to pay their respects to their departed family members.
- Sponsored school uniforms to 54 orphaned learners of Maphooko Primary School, Ga-Sekhukhune in Limpopo. Furthermore, ProVest donated masks and three sanitizer stands to support the school's adherence to Covid-19 protocols.
- Donated school shoes to 26 learners of different schools in Seraleng Community, as well as 100 learners of Sekete High School and Maile Primary School in Rustenburg, North West.
- Sponsored the installation of blinds at the administration block of Sekete High School and donated 100 classroom chairs to the school.
- Donated grade R classroom furniture to Rasimone Primary School in Rustenburg, North West.

Evergreen

Evergreen's residents and staff are always exceptionally willing to assist in any community improvement initiatives, which in the past year included replacing the heat pump and storage tank at Douglas Murray Home for the aged in the underprivileged community of Retreat, Western Cape, to provide hot water to its 66 residents.

CA&S

The CA&S group operates in various geographical areas throughout southern Africa and its CSI initiatives are mainly focused on education, children and the elderly in the communities in which they operate. Below are some of the CSI projects that CA&S supported during the past year:

Botswana

- Provided food and toiletries to assist the Monax Shelter for Hope Trust in Metsimothlabe care for the elderly.
- Provided food and toiletries to assist the Olorato Children Care Centre in Kanye care for orphans and vulnerable children.

Namibia

- Provided food and basic groceries to 28 families and 54 elderlies through Die Helpende Hande, a community-based charity organisation.
- Provided meal packs to MakeANoise, a community safety initiative that aims to help prevent gender-based violence, child abuse and rape.
- Supported the Shoprite Namibia initiative to provide underprivileged children in informal settlements with a warm meal.

South Africa

- Supported the Potato Foundation, which aims to improve the lives of children by providing educational opportunities and facilitating feeding schemes. They have a pay-it-forward philosophy in that all beneficiaries of funds or donations must in turn give back to their community. They do this by volunteering at the Potato Foundation Soup Days and various other projects and initiatives.

Eswatini

- Food packs were provided to Bulembu Ministries, a children's home caring for 370 vulnerable children.

Stadio

Stadio spent R25m on bursaries, scholarships and fee discounts to students, and further engaged with students during Covid-19 to enter into various payment extensions, where necessary. Various other CSI initiatives, to name a few, included:

- Collaborated with various businesses to support nurses at the Netcare Olivedale Clinic on International Nurses Day by donating hampers containing care items.
- Supported the A-CARE-DEMICS initiative, being an outreach platform to schools and charities. It included knitting scarves, beanies, boot cuffs and gloves, as well as items for new-born babies at Tygerberg Hospital, and providing sanitary towels and sweets to Tygerberg Hospital Children's Trust and Alpha Primary School in Morning Star, Western Cape.
- Sponsored the winners of the Exxaro Special Jersey at the Absa Cape Epic, reserved for riders under the age of 26 who hail from previously disadvantaged backgrounds.
- Sponsorships and donations to various old age homes, children homes, orphanages, youth programmes and community development programmes.

4. LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

4.1 The PSG Group board of directors ("Board")

The Board comprises 10 directors of whom three serve in an executive capacity. Five of the remaining seven non-executive directors are independent. Details of PSG Group's directors are provided on pages 4 and 5 of this annual report. The Board is satisfied with its diversity from an age, gender, race and culture perspective, and that its composition contains the appropriate mix of knowledge, skills, experience and independence.

The Board operates in terms of a board-approved charter, the provisions of which have been complied with during the year under review.

There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Board is satisfied that its current composition ensures such a balance of power and authority.

4.2 Key roles and responsibilities of the Board

The Board's key roles and responsibilities include, inter alia, the following:

- Promoting the interests of all stakeholders;
- Formulation and approval of strategy;
- Exercising effective control; and
- Ultimate accountability and responsibility for the performance and affairs of PSG Group.

The Board is the ultimate custodian of shareholder funds, with a responsibility to invest it wisely to deliver on PSG Group's stated objective of long-term value creation for shareholders.

4.3 Chairman and lead independent director

Mr ZL Combi fulfils the role of independent non-executive chairman and Mr PE Burton serves as lead independent director.

4.4 Chief executive officer ("CEO")

Mr PJ Mouton continues to serve as CEO and has been employed within the broader group for the past 18 years. His employment agreement is customary for positions of this nature, and his resignation notice period is three calendar months.

The Board continuously considers succession planning for the CEO role, as well as for other key executives, and is satisfied that sufficient plans are in place. The company is in a fortunate position to retain the services of Messrs WL Greeff (chief financial officer ("CFO")) and JA Holtzhausen (PSG Capital CEO) as executive directors alongside Mr PJ Mouton. They have a wealth of experience and have respectively served within the broader group for the past 20 and 24 years. Similarly, Messrs Greeff and Holtzhausen are supported by a dynamic team of long-serving and capable employees within their respective roles.

Mr PJ Mouton serves as representative on the boards of all PSG Group's core investees, including PSG Konsult, Curro and Zeder. He has no professional commitments other than his role as PSG Group CEO.

4.5 *Board meetings and attendance*

The Board met four times during the past year and the attendance at such meetings is detailed in the table below:

Director	19 Apr 2021	8 Jul 2021	13 Oct 2021	22 Feb 2022
PE Burton	✓	✓	✓	✓
ZL Combi (chairman)	✓	✓	✓	✓
FJ Gouws	✓	✓	✓	✓
WL Greeff	✓	✓	✓	✓
AM Hlobo	✓	✓	✓	✓
JA Holtzhausen	✓	✓	✓	✓
B Mathews	✓	✓	✓	✓
JJ Mouton	✓	✓	✓	✓
PJ Mouton	✓	✓	✓	✓
CA Otto	✓	✓	✓	✓

✓ *Present*

4.6 *Board performance and independence evaluations*

Both the effectiveness and ethical leadership of the Board are continuously considered and any areas of concern are addressed as and when they arise. The Board is assessed annually by the PSG Group Nomination Committee dealing with individual directors, including the chairman, the Board as a whole, as well as its various subcommittees. The Board is satisfied that it functions effectively.

The independence of non-executive directors and factors that could potentially impair it are evaluated on an ongoing basis. The Board is satisfied with the independence of all the non-executive directors classified as being independent, including Messrs ZL Combi, PE Burton and CA Otto, who have served on the Board for more than 10 years. These individuals have a thorough understanding and valuable knowledge of PSG Group's business and associated risks, and always act in the best interest of all stakeholders.

4.7 *Broader diversity policy adopted by the Board*

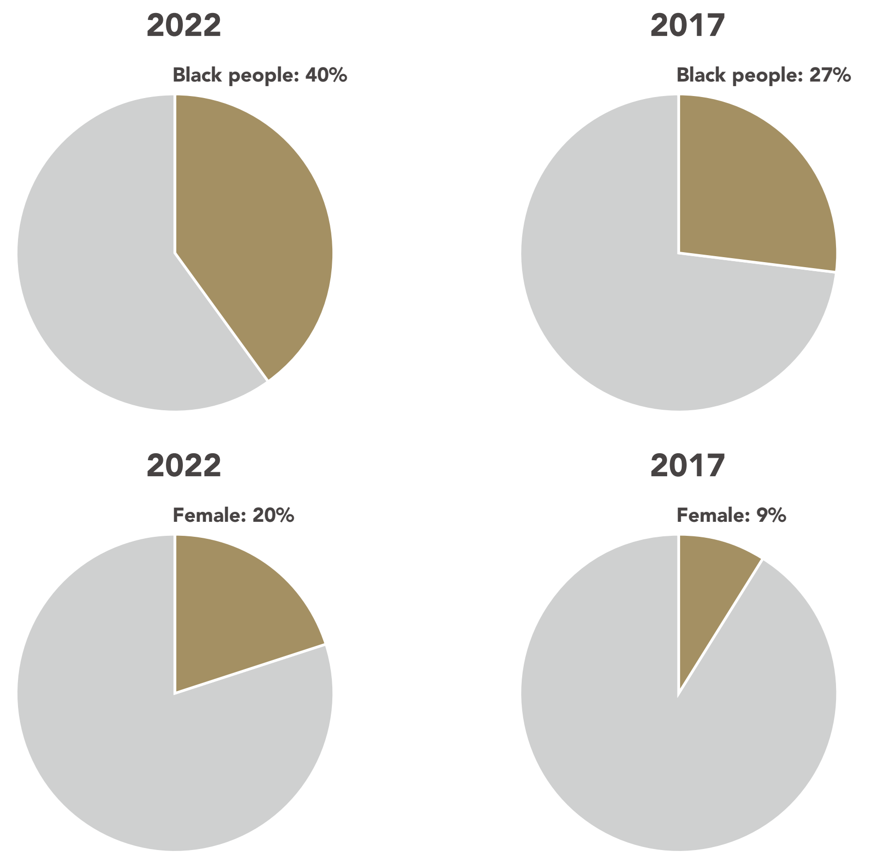
PSG Group believes that diversity at board level helps the company to achieve its business goals by providing the Board with an improved understanding of the diversity of South Africa and its people, including the environment in which the group operates. A truly diverse board will include and make good use of differences in age, gender, race, culture, skills, field of knowledge, industry experience and other distinctions.

The PSG Group Nomination Committee will consider and agree on measurable targets for achieving broader diversity at board level, to the extent deemed necessary. In identifying suitable candidates for appointment to the Board, the nomination committee will consider individuals on merit measured against objective criteria and with due regard for the potential benefits of, inter alia, race and gender diversity.

PSG Group's level of compliance against its voluntary targets is as set out in the table below:

Percentage of directors	Actual	Target
Black people	**40%**	**≥30%**
Female	**20%**	**≥10%**

The Board continues to make a concerted effort to transform from, inter alia, a race and gender perspective:



4.8 *Board subcommittees*

The Board has appointed the following committees to assist it in the performance of its duties:

- Executive committee;
- Remuneration committee;
- Nomination committee;
- Audit and risk committee; and
- Social and ethics committee.

4.8.1 *Executive committee ("Exco")*

The Exco is chaired by Mr PJ Mouton (CEO) and further comprises Messrs WL Greeff (CFO) and JA Holtzhausen (executive director). Mr A Rossouw (as representative of PSG Corporate Services (Pty) Ltd ("PSGCS"), being the appointed company secretary to PSG Group) attends the Exco meetings as a permanent invitee, while non-executive directors are always welcome to attend.

The Exco meets every month, or more frequently if required, and:

- Is responsible for determining and implementing strategy, as approved by the Board;
- Acts as the PSG Group investment committee;
- Oversees the management of PSG Alpha;

- Acts as PSG Group treasurer – it monitors and manages the capital requirements, gearing and liquidity of PSG Group, and it allocates and invests its resources;
- Monitors the group's performance and provides strategic input and direction to the underlying companies;
- Facilitates good corporate governance throughout the group; and
- Assumes overall responsibility for the growth and performance of PSG Group.

The Board is satisfied that the authority associated with the day-to-day running of PSG Group is adequately delegated to the executive directors and their teams to ensure the effective management of PSG Group.

4.8.2 Remuneration committee

The remuneration committee's composition, duties, responsibilities and focus areas are comprehensively addressed in the Remuneration Report on page 36 of this annual report. Messrs PJ Mouton and WL Greeff are invitees to the remuneration committee meetings. However, they do not form part of the remuneration committee's formal decision-making process and merely attend to answer any potential questions.

The remuneration committee is satisfied that it operated in accordance with its Board-approved charter. Its focus areas for the ensuing year will include the ongoing evaluation and refinement of PSG Group's remuneration practices to help achieve the company's stated business objectives – always with due regard to ensure remuneration remains fair and responsible to both the employee and PSG Group shareholders.

4.8.3 Nomination committee

The nomination committee comprises three independent non-executive directors, namely Messrs CA Otto (chairman), ZL Combi and PE Burton. The nomination committee meets as and when required and is, among other functions, responsible for assisting the Board with the appointment of new directors by making appropriate recommendations, with due regard for, inter alia, race and gender diversity. The nomination committee is satisfied that it operated in terms of its board-approved charter during the past year.

4.8.4 Audit and risk committee

The audit and risk committee comprises four independent non-executive directors, namely Mr PE Burton (chairman), Ms AM Hlobo, Ms B Mathews and Mr CA Otto, who have served as members of the audit and risk committee for 15, three, five and 10 years, respectively. The committee met twice during the past financial year on 16 April 2021 and 12 October 2021, as well as after financial year-end on 19 April 2022, with all members being present.

Messrs PJ Mouton, WL Greeff, select PSG Group finance employees and the external auditor are permanent invitees to the audit and risk committee meetings. However, they do not form part of the audit and risk committee's formal decision-making process.

The audit and risk committee is satisfied that it operated in terms of its board-approved charter during the past year. A report by the audit and risk committee containing details of how the committee discharged its duties and responsibilities in the past year, is included on page 58 of this annual report.

Apart from its normal duties and responsibilities, the audit and risk committee's areas of focus for the ensuing financial year will include the implementation of the PSG Group Restructuring (as detailed in the *Letter to Shareholders*), if approved.

4.8.5 Social and ethics committee

The social and ethics committee comprises two independent non-executive directors and the CEO, being Messrs PE Burton (chairman), ZL Combi and PJ Mouton. The committee met once during the past year on 8 July 2021, with all members being present.

The social and ethics committee is responsible for monitoring the company's activities, with due regard for any relevant legislation, legal requirements and prevailing codes of best practice relating to matters, which include:

- Social and economic development;
- Good corporate citizenship;
- The environment, health and public safety;
- Client relationships; and
- Labour and employment.

The social and ethics committee is satisfied that it operated in terms of its board-approved charter during the past year. The committee is furthermore satisfied with the social and ethical aspects pertaining to PSG Group, as detailed above.

The social and ethics committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act of South Africa, and there were no instances of material non-compliance to disclose.

4.9 Appointments to the Board

Executive directors are appointed by the Board with the assistance of the nomination committee for periods as the Board deems fit, and on such further terms as are set out in their letters of appointment.

Where appropriate, the CEOs and other executive directors of PSG Group's investees have entered into service contracts with those investees.

Newly appointed board members are formally inducted through a programme comprising, inter alia, the reading of company-related material and one-on-one information sessions. All board members have an open invitation to attend further training courses as and when required.

PSG Group's memorandum of incorporation requires a minimum of one third of the non-executive directors of the company, including non-executive directors having served for three consecutive years without rotating, to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting of the company. In addition, the appointment by the Board of any new director should be confirmed by shareholders at the first annual general meeting following such appointment. Hence, in accordance with the company's memorandum of incorporation, Messrs ZL Combi and PE Burton, as well as Ms B Mathews, who retire by rotation and offer themselves for re-election, will be available for re-election by shareholders at PSG Group's annual general meeting to be held on 7 October 2022.

4.10 Company secretary

PSGCS is the appointed company secretary to PSG Group. It acts as conduit between the Board and the company. The company secretary is responsible for Board administration, as well as for liaising with the Companies and Intellectual Property Commission and the JSE. Board members also have access to legal and other expertise when required in such capacity and at the cost of the company through the company secretary. The Board is satisfied with the availability of legal and other expertise on offer.

The company secretary maintains a professional relationship with Board members, giving direction on matters such as good corporate governance, if required. The Board, via the audit and risk committee, has reviewed, through discussion and assessment, the qualifications, experience and competence of the individuals employed by the company secretary, and concluded that it had performed all formalities and its duties timeously and in an appropriate manner. The Board is satisfied that an arm's-length relationship exists with the company secretary.

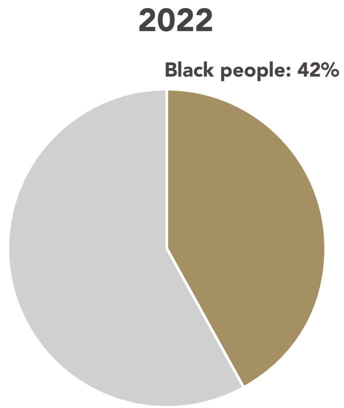
The certificate that the company secretary, herein represented by Mr A Rossouw, is required to issue in terms of section 88(2)(e) of the Companies Act of South Africa, is included on page 59 of this annual report.

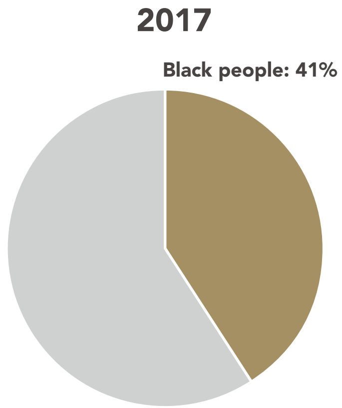
4.11 Transformation

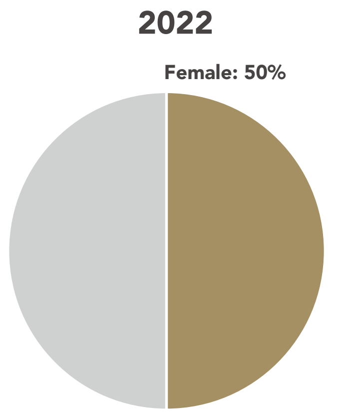
PSG Group is committed to creating and maintaining an environment that provides equal opportunities for all its employees, with a view to promote transformation. The company recognises that there are disparities in employment, occupation, income and opportunities within the labour market, with black people, women and people with disabilities historically being disadvantaged.

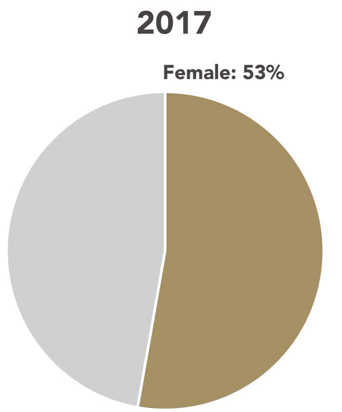
The 12 employees at head office responsible for the day-to-day running of PSG Group, its wholly-owned subsidiaries and PSG Alpha, are employed by PSGCS, a wholly-owned subsidiary. To promote transformation at head office level, PSGCS has previously established a transformation committee consisting of Messrs ZL Combi (chairman), PE Burton and WL Greeff, all being directors of PSG Group, with the majority being independent non-executives. The transformation committee met once during the past year on 12 January 2022 and all members were present. At such meeting, the committee again approved an employment equity plan for PSGCS to improve equity in the workplace containing, inter alia, five-year employment equity targets.

PSGCS continues to make a concerted effort to transform from both a race and gender perspective:









4.12 *Other policies*

Apart from policies mentioned elsewhere in this report, such as the broader diversity policy, PSG Group previously adopted and continues to apply, inter alia, the following policies:

- Anti-money laundering policy;
- Dealing in securities policy;
- Price-sensitive information policy; and
- Whistleblowing policy.

Such policies are available for information purposes from the company secretary.

4.13 *Compliance with the Companies Act of South Africa and memorandum of incorporation*

The PSG Group directors have confirmed that, to the best of their knowledge, PSG Group i) complied with the provisions of the Companies Act of South Africa, and ii) operated in accordance with its memorandum of incorporation during the year under review.

4.14 *Material risks*

A description of all immediately identifiable material risks which are specific to PSG Group, its industry and/or its issued ordinary shares are available at *www.psggroup.co.za*.

5. STRATEGY, PERFORMANCE AND REPORTING TO STAKEHOLDERS

PSG Group has set out its strategy, as well as feedback on its performance there against, in the *Letter to Shareholders* on page 6 of this annual report.

PSG Group fully subscribes to the notion of honesty and transparency, which includes timely, clear, succinct and accurate reporting to all stakeholders. Such reporting includes the publication of PSG Group's bi-annual financial results and any other information considered appropriate and for the benefit of all stakeholders, be it voluntarily or as required by the JSE Listings Requirements.

6. GOVERNANCE MATTERS

6.1 *Risk management and internal control*

The Board acknowledges that it is accountable for PSG Group's process of risk management and systems of internal control. Each of PSG Group's investees similarly has its own board of directors responsible for the risk management and systems of internal control of that company and its business.

Certain of the group's investees, such as PSG Konsult, operate in highly regulated environments and accordingly risk management in those entities is performed by dedicated risk and compliance teams, as well as internal audit functions where appropriate.

The following risk management measures have been implemented at PSG Group and its investees:

- Detailed risk assessments, containing the identified risk(s) together with control(s) implemented to mitigate such risk(s), to the extent possible; and
- Risk control logs, containing details of the occurrence of risk events, together with management's response thereto and, where appropriate, additional control(s) implemented to help prevent such events from re-occurring and/or reduce the impact thereof.

On the recommendation of the audit and risk committee, the Board has decided not to establish an internal audit function at PSG Group level given the nature and extent of its day-to-day activities as an investment holding company, its strong internal control environment and its limited staff complement comprising 12 employees. In addition, PSG Group's major investees have, where necessary, either established or outsourced their own internal audit functions.

The Board, on recommendation from the audit and risk committee, concluded that the systems of internal control and the risk management process at PSG Group level were effective for the financial year under review. The Board is satisfied that there was no material breakdown in controls at either PSG Group or its investees during the past financial year.

6.2 *Technology and information governance*

PSG Group's head office employs a dedicated information technology ("IT") manager responsible for IT governance, who reports to PSG Group's CFO. IT is essential to all PSG Group's investees, with IT governance continuously treated as a priority by all.

As IT does not play a significant role in the continuity of our business at a PSG Group head office level due to its nature and size, the risk associated therewith is somewhat limited. However, continued data security remains a key focus area for the IT manager.

6.3 Compliance function

PSG Group has not appointed a dedicated compliance officer as it has continuous access to the inhouse corporate finance advisory and legal expertise of PSG Capital. If required, PSG Group will obtain further independent advice from reputable third-party consultants.

As mentioned earlier, certain of the group's investees operate in highly regulated environments and therefore have appointed dedicated compliance officers and established the necessary support structures.

6.4 Remuneration governance

Remuneration governance is comprehensively addressed in the Remuneration Report contained on page 36 of this annual report.

6.5 Assurance

PSG Group, being an investment holding company, does not require independent assurance in respect of any reports other than its annual financial statements. Such assurance is provided by PSG Group's external auditor, whose report is included on page 63 of this annual report.

7. STAKEHOLDER RELATIONSHIPS

PSG Group subscribes to the principles of objective, honest, accurate, transparent, timeous, balanced, relevant and understandable communication of financial and non-financial information to stakeholders at all times. PSG Group has individuals responsible for dealing with stakeholder queries.

PSG Group acknowledges the vital role and responsibility of regulators as stakeholders. Our relationships with them are maintained in a professional manner – always frank, open and respectful.

REPORT FROM THE REMUNERATION COMMITTEE

1. REMUNERATION WITHIN AN INVESTMENT HOLDING COMPANY

PSG Group Ltd ("PSG Group") is an investment holding company with approximately 91% of its investment value represented by independently managed exchange-listed investments, each with its own remuneration committee and policy designed specifically for its business and the industry in which it operates.

An investment holding company is distinctly different from an operational company. It has limited day-to-day operations and its primary focus is to make and help grow investments that will procure long-term value creation for shareholders. The remuneration policy for such an investment holding company therefore needs to be conducive to driving long-term focus and decision-making in order to achieve the company's objectives. Accordingly, the primary responsibilities of the PSG Group Remuneration Committee ("PSG Group Remcom" or "Remcom" or "Committee") are to:

- Oversee the remuneration and incentives of PSG Group's executive directors and other key employees at head office to ensure it is fair and responsible toward such individuals as well as the company (i.e. shareholders and other stakeholders);
- Review PSG Group's non-executive directors' fees and make appropriate recommendations to shareholders for approval thereof; and
- Provide guidance to the remuneration committees of unlisted companies forming part of the broader PSG Group.

The PSG Group Remcom comprises three independent non-executive directors – KK Combi, Chris Otto and me as chairman. After comprehensive prior consultation with management, the Committee held one formal meeting during the past year on 28 February 2022, and all members were present.

2. PSG GROUP'S REMUNERATION PHILOSOPHY

PSG Group aims to align remuneration practices with its business strategies to deliver on its stated objective of long-term value creation for all shareholders through a combination of share price appreciation, cash dividends and other distributions, as circumstances may dictate.

Remuneration practices should always be fair and responsible to both the employee and the company (i.e. shareholders and other stakeholders), whilst continuously reporting thereon in a transparent manner.

PSG Group has provided its shareholders with superior returns over the past 26 years since establishment. Long-term value creation will always depend on, amongst other, PSG Group attracting and retaining the services of talented individuals. To do so, it is imperative that PSG Group's remuneration practices are appropriate and competitive.

PSG Group's three executive directors have each served in their respective current roles for at least 12 years. Over such period, PSG Group's *total return index* ("*TRI*") is 28% per annum. Shareholders have accordingly benefited significantly from the value created, while executive directors have been remunerated commensurately through both their shareholding and long-term incentives due to their interests being materially aligned with those of shareholders.

3. KEY FEATURES OF PSG GROUP'S REMUNERATION POLICY

The Remcom previously introduced an appropriate remuneration policy for PSG Group's head office employees (including PSG Group's executive directors) to help drive long-term focus and decision-making in order to ultimately deliver on PSG Group's stated objective of long-term value creation for shareholders.

PSG Group's most significant successes to date emanated from early-stage investing – Capitec and PSG Konsult are prime examples. As with any start-up business, it will likely take years to determine success, and it is accordingly imperative for management to maintain a long-term focus to help achieve this objective. It would be irrational to remunerate management based on meeting short-term operational targets or when making new investments while the ultimate success thereof is still unknown. PSG Group's remuneration policy has consequently been designed to suitably align the interests of its employees with those of shareholders – if PSG Group shareholders do well, the employees will do well, and importantly so, vice versa.

The table below lists some of the key features of PSG Group's remuneration policy and cross references to the relevant sections of the remuneration policy:

Key feature		Page
Short-term incentives ("STI")		
Benchmarking of base salaries	✓	40
Portion of base salary deferred for 12 months	✓	40
Subject to malus/clawback provisions	✓	40
No bonus payments to CEO, CFO and managers	✓	41
Long-term incentives ("LTI") (share options)		
Share options awarded at ruling market price – i.e. participants will only realise value if there is share price appreciation	✓	42
Vesting occurs over time	✓	42
Vesting subject to *financial* performance measures	✓	42
Vesting subject to *non-financial* personal key performance measures	✓	43
Award and vesting subject to minimum shareholding requirements for executive directors (including CEO and CFO), as well as other participants	✓	44
Subject to malus/clawback provisions	✓	44

4. VOTING AT THE PREVIOUS ANNUAL GENERAL MEETING ("AGM")

As prescribed by the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and required by the JSE Listings Requirements, PSG Group presented its remuneration policy and the implementation report thereon to shareholders for *non-binding* advisory votes at its previous AGM held on 9 July 2021. Shareholders representing 80,9% of the total votes exercisable were in attendance, whether in person, by proxy or authorised representative, and the results of their voting were:

Resolution	For	Against
Non-binding endorsement of remuneration policy	85,3%	14,7%
Non-binding endorsement of implementation report on the remuneration policy	97,7%	2,3%

5. PSG GROUP'S REMUNERATION POLICY AND VOTING AT UPCOMING AGM

As announced on SENS on 1 March 2022 and also 25 April 2022, PSG Group has proposed the PSG Group Restructuring (as detailed in the *Letter to Shareholders* on page 6) as major value-unlocking initiative.

Considering the recent shareholder support obtained for PSG Group's remuneration policy and implementation report thereon and that it remains conducive to delivering on PSG Group's stated objective of long-term value creation for shareholders, and given that the PSG Group Restructuring remains subject to aforementioned approvals and other conditions precedent, the Remcom has decided against making any changes to PSG Group's existing remuneration policy or implementation report thereon at this time.

Both PSG Group's remuneration policy and its implementation report thereon will again be presented to shareholders for separate *non-binding* advisory votes at PSG Group's upcoming AGM to be held on 7 October 2022. In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report thereon at the meeting, PSG Group will engage with such shareholders through dialogue, requesting written submissions or otherwise, in order to address their concerns, always with due regard to meeting PSG Group's stated business objectives while being fair and responsible toward both the employees and shareholders.

However, should the PSG Group Restructuring be approved and implemented prior to PSG Group's upcoming AGM to be held on 7 October 2022, then only the Remaining Shareholders will be entitled to attend and vote at such AGM.

6. CEO VERSUS EMPLOYEE PAY

Given the nature of an investment holding company's operations, the vast majority of PSG Group's head office employees are highly skilled and trained individuals, which include chartered accountants, an engineer, and a mathematician. These individuals are remunerated accordingly and therefore the difference in the average annual base salary of an employee and that of PSG Group's CEO is relatively low when compared to operational companies in particular. The table below sets out the calculation hereof:

Annual base salary (STI)*	2022 R'000
CEO	12 383
Average pay for employees (excl. the CEO)	2 233
Times	**5,5**
CEO	12 383
Average pay for employees (excl. the CEO and CFO)	1 387
Times	**8,9**

* *Excluding all PSG Capital employees.*

7. DEVELOPMENT AND RETENTION OF TALENT

The development and retention of talent are of paramount importance to PSG Group, especially considering the small number of employees (only 12) employed at a head office level and the significance of employee continuity considering PSG Group's long-term value-creation objective.

8. TRANSFORMATION

Transformation in PSG Group's workplace remains a priority and preference is always given to transformation candidates should a vacancy arise for whatever reason.

In summary – the Committee believes that PSG Group's remuneration policy is ideal for an investment holding company with a long-term value-creation objective, is more stringent than that of most comparable companies in nature and size and is fair and responsible to both the individual and shareholders. The Committee accordingly urges shareholders to consider PSG Group's remuneration report in detail and in context, and to support the non-binding advisory votes on its remuneration policy and implementation report thereon at PSG Group's upcoming AGM, to the extent that they are eligible to attend and vote thereon with reference to the PSG Group Restructuring. The Committee remains committed to ongoing consultation on an individual shareholder level and welcomes any constructive input from shareholders throughout the year.

PE Burton
Remcom Chairman

Stellenbosch
21 June 2022

REMUNERATION POLICY

1. PROVIDING CONTEXT TO PSG GROUP'S OPERATIONS AT HEAD OFFICE LEVEL

1.1 As at 28 February 2022, the total employees at head office level, including the three PSG Group executive directors, comprised 25 individuals. However, 13 of these individuals work in the PSG Capital corporate finance advisory division, with only the remaining 12 employees being dedicated full-time to the day-to-day running of PSG Group and PSG Alpha. These 12 individuals comprise the PSG Group CEO and CFO, three managers and seven support staff providing finance, information technology and general administrative support services. It is important to note that PSG Group makes use of PSG Capital's corporate finance and advisory services, thereby allowing PSG Group to have a small staff complement.

1.2 The PSG Capital corporate finance division provides professional services to PSG Group, its investees and to third parties. Considering the extensive services rendered to third parties, this division operates in terms of a revenue-sharing arrangement whereby the division is entitled to a percentage of fee income generated, while being responsible for carrying all its operating and employment costs (apart from 25% of Johan Holtzhausen's base salary cost detailed below). The remaining balance essentially constitutes a bonus pool available for distribution to such division's employees, serving as both an incentive and a retention mechanism with a percentage of such bonuses generally deferred and being subject to the employee remaining in this division's service. In the event that such balance is negative (i.e. should the division make a loss) at financial year-end, the division must first generate sufficient future profits to eliminate the loss before its employees become eligible for bonuses again.

1.3 Johan Holtzhausen, an executive director of PSG Group, is employed as CEO of the PSG Capital corporate finance division. His total remuneration and incentives are determined by the Remcom, similarly to that of PSG Group's CEO and CFO. PSG Group carries 25% of his base salary per annum for services rendered to PSG Group (including, but not limited to, his contribution as member of the PSG Group Executive Committee and the PSG Group Board), while the balance of his employment costs is borne by the PSG Capital corporate finance division – including any costs associated with his PSG Group share option awards, as well as any discretionary bonus as determined in accordance with their aforementioned revenue-sharing arrangement.

1.4 Accordingly, the PSG Group head office's operating and employment costs are limited to that of the aforementioned 12 employees and 25% of Johan Holtzhausen's base salary. For the year ended 28 February 2022, PSG Group's total head office operating and employment costs (net of fee and other income generated, but excluding underwriting and commitment fees earned) amounted to 0,05% (2021: 0,36%) of PSG Group's *SOTP value* as at the reporting date. This percentage remains significantly lower than the management fees (including performance fees) generally charged to investors in the local asset management industry. In the case of flexible funds for example, it is generally in excess of 1% per annum. In addition, PSG Group is arguably much more actively involved in the management and growing of its underlying investments compared to the local asset management industry.

2. COMPONENTS OF REMUNERATION

2.1 The remuneration of the aforementioned 12 PSG Group employees is reviewed annually by the Remcom, which seeks to ensure that balance is maintained between the respective remuneration components (i.e. short-term ("STI") versus long-term ("LTI"), and fixed versus variable), being:

Group	Number of employees	Focus	Strategic view	Remuneration component	Longest period of remuneration deferral
CEO and CFO	2	Formulate, drive and oversee implementation of strategy	Longest term	Base salary (STI) and share options (LTI)	Five years
Managers	3	Strategy implementation	Long term	Base salary (STI) and share options (LTI)	Five years
Other staff (group no. 1)	1	Operational	Short to long term	Base salary (STI), discretionary bonus (STI) and share options (LTI)	Five years
Other staff (group no. 2)	6	Support	Short term	Base salary and discretionary bonus (both STI)	One year
Total	**12**				

2.2 Total remuneration incorporates the following components:

Fixed remuneration

Base salary (STI)

2.2.1 Base salary is guaranteed annual pay on a cost-to-company basis. It is subject to annual review and adjustments are effective 1 March of each year, coinciding with the commencement of PSG Group's financial year. Benchmarking is performed to ensure that remuneration is market-related with reference to companies comparable in nature, business complexity and the level of responsibility that the individual assumes.

2.2.2 The payment of 30% of the CEO, CFO and managers' annual base salary is deferred for a period of 12 months, with such deferred payment being subject to:

2.2.2.1 The individual being in PSG Group's service 12 months later, thereby serving as a retention mechanism in addition to the share incentive scheme (LTI) detailed below; and

2.2.2.2 Malus/clawback provisions in the event of the wilful material misstatement of financial results or fraudulent activity for a further 12 months after payment of the 30% deferred portion to the individual. If triggered, such malus/clawback provisions would require that the total deferred salary amount received by the individual during the preceding 12 months be repaid to PSG Group; and

2.2.2.3 Meeting *non-financial* personal key performance objectives, with those of the CEO and CFO detailed below.

2.2.3 Benefits, forming part of total cost to company, are limited to:

2.2.3.1 Group life cover (providing death, disability and dread disease benefits);

2.2.3.2 Membership to a retirement fund; and

2.2.3.3 Membership to a medical aid scheme.

Variable remuneration

Discretionary bonuses (STI)

2.2.4 The CEO, CFO and managers do not qualify for discretionary bonuses.

2.2.5 Johan Holtzhausen, an executive director of PSG Group, remains eligible for a discretionary bonus exclusively in terms of PSG Capital's aforementioned revenue-sharing arrangement as its CEO.

2.2.6 PSG Group's operational and support staff remain eligible for discretionary bonuses, subject to meeting both company (i.e. *financial*) and personal (i.e. *non-financial*) performance objectives.

Share incentive scheme (LTI)

2.2.7 PSG Group shareholders adopted a share incentive scheme at PSG Group's AGM held on 19 June 2009, and subsequently approved amendments thereto at PSG Group's AGMs held on 22 June 2018 and 9 July 2021, respectively.

2.2.8 In terms of the share incentive scheme, PSG Group share options are awarded to PSG Group's executive directors (being the CEO, CFO and Johan Holtzhausen), managers and other qualifying employees with the primary objectives of retaining their services and to align their interests with those of shareholders.

2.2.9 A key feature of PSG Group's share incentive scheme is that participants will only benefit if there is long-term share price appreciation, driven largely by long-term growth in PSG Group's *SOTP value* per share. This should ultimately depend on sustained *recurring earnings* per share growth from PSG Group's underlying investee companies, management's ability to continuously invest in and help build new businesses with attractive long-term growth prospects, as well as to pursue value-unlocking initiatives when opportune. In line with shareholders, participants in the share incentive scheme will consequently share in the results of any good or bad business decisions.

2.2.10 Importantly, the share incentive scheme also ensures a rolling long-term focus for participants, considering the:

2.2.10.1 Annual vesting of share options in 25%-tranches on each of the 2nd, 3rd, 4th and 5th anniversary of the award date, subject to meeting the required *financial* performance measures of which PSG Group's *TRI financial* performance hurdle is measured over a rolling five-year period; and

2.2.10.2 Annual share option top-up awards, as detailed below.

Award

2.2.11 Share options are awarded annually (usually at 28 February) at the discretion of the Remcom, but subject to:

2.2.11.1 The participant meeting his/her *non-financial* personal key performance measures; and

2.2.11.2 The participant meeting the minimum shareholding requirement; and

2.2.11.3 Malus/clawback provisions.

2.2.12 Such number of share options to be awarded is calculated using a mathematical formula based on the respective participant's base salary and a multiple (ranging between 1x and 10x depending on the participant's seniority and accordingly the level of responsibility assumed within the organisation) applied thereto. In calculating the annual share option top-up awards, the strike value of previously awarded but unvested share options are taken into account.

2.2.13 Considering the pending PSG Group Restructuring, no share option top-up awards were made as at 28 February 2022. However, should the PSG Group Restructuring fail to materialise, the Remcom will then need to make share option top-up awards at such time, whereafter it will continue with annual share option top-up awards at 28 February 2023 on the same basis as usual and detailed above.

2.2.14 All share options are awarded at a strike price equal to PSG Group's 30-day volume weighted average traded share price immediately preceding such award date (i.e. awarded at the ruling market price), thereby creating an embedded performance hurdle whereby participants will only benefit from the share incentive scheme if there is long-term share price appreciation and thus value creation for all PSG Group shareholders.

Vesting

2.2.15 Share options vest over a five-year period in 25%-tranches on each of the 2nd, 3rd, 4th and 5th anniversary of the award date. The vesting of such 25% tranches in respect of share options awarded from 28 February 2018 onwards will occur as follows:

2.2.15.1 40% of share options will vest on a linear basis as detailed below, and be subject to the following conditions:

- The participant remaining in service; and
- The participant meeting his/her *non-financial* personal key performance measures; and
- PSG Group meeting its *TRI financial* performance measure in terms of which its *TRI*, as measured over the five years immediately preceding such vesting date (the *TRI* measurement is over a rolling five-year period due to the vesting of any PSG Group share option award occurring over a five-year period), must outperform the average *TRI* measured over the same period of a peer group of JSE-listed companies that share similar traits to PSG Group and its investees (such peer group include investment holding companies Remgro, Hosken Consolidated Investments, Kap Industrial Holdings and Long4Life, as well as Alexander Forbes Group Holdings (financial services provider operating in a similar segment as PSG Konsult), Advtech (private education provider operating in a similar segment as Curro) and Hyprop Investments (SA-focused property company, with the likes of Curro and Evergreen having a significant property underpin)); and
- The participant meeting the minimum shareholding requirement; and
- Malus/clawback provisions.

2.2.15.2 40% of share options will vest as detailed below, and be subject to the following conditions:

- The participant remaining in service; and
- The participant meeting his/her *non-financial* personal key performance measures; and
- PSG Group meeting its head office costs *financial* performance measure whereby its total head office operating and employment costs (net of fee and other income generated, but excluding underwriting and commitment fees earned) for the preceding financial year expressed as a percentage of PSG Group's *SOTP value* upon such vesting date, need to be less than the average *total expense ratio* ("*TER*") of South African flexible collective investment schemes (i.e. flexible funds); and
- The participant meeting the minimum shareholding requirement; and
- Malus/clawback provisions.

2.2.15.3 20% of share options will vest as detailed below, and be subject to the following conditions:

- The participant remaining in service; and
- The participant meeting his/her *non-financial* personal key performance measures; and
- PSG Group meeting its gearing *financial* performance measure whereby its total *SOTP* debt needs to be less than 20% of its total *SOTP* assets (i.e. a maximum gearing level of 20%) upon such vesting date; and
- The participant meeting the minimum shareholding requirement; and
- Malus/clawback provisions.

2.2.16 Share options which are subject to the *TRI financial* performance measure (refer to paragraph 2.2.15.1 above) will vest in accordance with the following linear vesting model:

2.2.16.1 No share options will vest if PSG Group's *TRI* is less than 80% of that of the peer group; and

2.2.16.2 Linear vesting will apply such that:

- 30% of share options will vest if PSG Group's *TRI* is 80% of that of the peer group;
- 100% of share options will vest if PSG Group's *TRI* is 120% of that of the peer group;

with PSG Group and the respective peer group companies' *TRIs* measured over the five years immediately preceding such vesting date.

2.2.17 In the event of any major corporate action, the Remcom will duly re-evaluate the reasonability of the *financial* performance measures for purposes of the LTI.

Non-financial personal key performance measures

2.2.18 The table below sets out the various *non-financial* personal key performance measures forming part of the CEO and CFO roles (with some overlapping responsibilities), as well as the respective weightings of such *non-financial* personal key performance measures:

	Weighting (%)	
	CEO	**CFO**
Formulating strategy and providing strategic guidance and direction throughout the broader group, including problem-solving when needed	40	25
Assessing investment/divestment opportunities for PSG Group and its investees	20	5
Implementation of investment/divestment decisions taken by the PSG Group Executive Committee/Board	–	5
Ensuring that sound corporate governance is entrenched at PSG Group and its investees – including maintaining a strong internal financial control environment and appropriate risk management processes, as well as promoting transformation throughout the group	10	20
Financial reporting and shareholder communication in a transparent, accurate, concise and timely manner	5	15
Maintaining investor relations in a professional and transparent fashion	10	5
Managing PSG Group's capital structure and resources in a responsible and effective manner, while enhancing shareholder returns	15	25
Total	**100**	**100**

Minimum shareholding requirements

2.2.19 The Remcom encourages management to hold shares in PSG Group to better align their interests with those of shareholders, and as a tangible demonstration of their commitment to PSG Group. Accordingly, both the award and vesting of share options are subject to meeting the following minimum shareholding requirements:

2.2.19.1 Executive directors: must hold PSG Group shares on such award/vesting date to the value of at least 300% (CEO) or 200% (other executive directors) of his/her current base salary.

2.2.19.2 Other participants: with effect from 28 February 2022, the award and vesting of such participants' share options are subject to the participant retaining at least 60% of all PSG Group shares delivered to him/her on or after 28 February 2021 by way of the exercise of share options on a net-equity-settled basis.

2.2.20 In the case of a new executive director being appointed, the Remcom will allow sufficient time for such director to reach the required minimum shareholding level.

2.2.21 In the event of any major corporate action, the Remcom will duly re-evaluate the reasonability of the minimum shareholding requirement applicable to executive directors for the LTI.

Exercise of share options

2.2.22 Participants to the SIT have a 180-day period following vesting date in which to exercise share options. Such period may under certain circumstances be extended with the permission of the SIT trustees, for example when in a closed period.

2.2.23 Where malus/clawback provisions apply in the event of a participant being found guilty of the wilful material misstatement of financial results or other fraudulent activity, such participant will be liable to repay PSG Group the after-tax gain made pursuant to the vesting and exercise of his/her share options during such period of the transgression.

2.2.24 The SIT no longer provides loan funding to participants to assist them with the exercise of share options.

2.2.25 Should the participant not be able to exercise his/her share options on a cash basis (i.e. full settlement of the strike value plus any Section 8C income tax payable on the unrealised gain upon exercise of such share options), the share options will be settled on a "net-equity basis" (i.e. the participant's after-tax upside will be settled through the issue of fully paid-up PSG Group shares to the participant, and PSG Group will pay the related Section 8C income tax payable in cash to SARS on the participant's behalf).

2.2.26 As an alternative to issuing shares to settle its obligation to participants, PSG Group in its sole discretion has the option to settle such obligation in cash, provided that the participant will remain in compliance with the minimum shareholding requirement.

Termination of service

2.2.27 In the case of resignation, dismissal or early retirement of a participant (i.e. bad leaver), unvested share options are generally forfeited.

2.2.28 In the case of the death, permanent disability, compulsory retirement or retrenchment of a participant (i.e. good leaver), share options capable of being exercised within a period of 12 months thereafter, will generally continue to be exercisable provided it is exercised during such 12 months.

2.2.29 However, in the case of the termination of employment for any reason other than dismissal, the Remcom may in its absolute discretion permit the exercise of any unvested share options upon such additional terms and conditions as it may determine (e.g. as part of non-compete provisions in the case of early retirement of key management).

3. TERMINATION OF EMPLOYMENT BENEFITS

PSG Group employees are not entitled to any payments upon termination of their service, except for those provided for in law (e.g. accrued annual leave and retrenchment payments).

4. GENDER PAY PARITY

PSG Group fully subscribes to the equal pay for work of equal value philosophy, and consequently there is no pay differentiation on the basis of gender.

5. NON-EXECUTIVE DIRECTORS

The remuneration of non-executive directors is reviewed annually by the PSG Group Executive Committee and thereafter referred to the Remcom, which seeks to ensure that fees are fair considering the nature of PSG Group's operations, for formal approval by shareholders. Changes to the fee structure are generally effective 1 March, subject to approval by shareholders at PSG Group's next AGM. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. However, in the event of non-attendance on a regular basis, this will be reconsidered.

The proposed fee structure of PSG Group's non-executive directors for the financial year ending 28 February 2023, which will be presented to shareholders for approval, is set out in the table below (excluding value-added tax, to the extent applicable):

	Annual fee 2022 R	Annual fee 2023 R	Change %
PSG Group Board			
Chairman	676 000	**716 560**	6
Member	276 900	**293 510**	6
PSG Group Audit and Risk Committee			
Chairman	193 830	**205 460**	6
Member	166 140	**176 110**	6
PSG Group Remuneration Committee			
Chairman	83 070	**88 050**	6
Member	55 380	**58 700**	6
PSG Group Social and Ethics Committee			
Chairman	33 230	**35 220**	6
Member	22 150	**23 480**	6

PSG Group pays all reasonable travelling and accommodation expenses incurred by non-executive directors to fulfil their duties and responsibilities, including the attendance of board and committee meetings.

Apart from Mr FJ Gouws as CEO of PSG Konsult, PSG Group's non-executive directors do not have any employment contracts, nor receive any benefits associated with permanent employment in the group. None of PSG Group's non-executive directors participate in PSG Group's share incentive scheme.

IMPLEMENTATION REPORT

The Remcom confirms that PSG Group has in all respects complied with its remuneration policy for the year ended 28 February 2022.

All components of remuneration paid to PSG Group's executive and non-executive directors in accordance with PSG Group's remuneration policy are comprehensively disclosed and reported on herein.

1. EXECUTIVE DIRECTORS' REMUNERATION

The *non-financial* personal key performance measures for the PSG Group CEO and CFO are detailed in PSG Group's remuneration policy on page 43. The table below sets out such *non-financial* personal key performance measures, as well as the Remcom's assessment and rating of the performance of the CEO and CFO there against.

***Non-financial* personal key performance measure and assessment**	**Weighting (%)**		**Rating (%)**	
	CEO	**CFO**	**CEO**	**CFO**
Formulating strategy and providing strategic guidance and direction throughout the broader group, including problem-solving when needed The Remcom is satisfied that PSG Group continues to be suitably guided by the CEO and CFO: • PSG Group's ultimate objective remains continued shareholder wealth creation, driven through a relentless focus by management on sustained growth in the underlying investee companies, as well as pursuing value-unlocking strategies – again being evident considering the PSG Group Restructuring as major value-unlock initiative. • PSG Group's most significant successes have stemmed from early-stage investing whereby it built businesses alongside entrepreneurs from the development stage – this remains a key focus area. • The CEO and CFO also continuously provide strategic guidance to PSG Group's core investee companies where needed and assist with problem solving when necessitated. This is also evident in the key role that the CEO and CFO continue to play to proactively help identify and address the various challenges brought about by the Covid-19 pandemic at both a PSG Group and investee company level. For more detail, also refer to the *Letter to Shareholders* (page 6) and *Review of Operations* (page 11).	40	25	100	100
Assessing investment/divestment opportunities for PSG Group and its investees The Remcom is satisfied that the CEO and CFO suitably assess investment opportunities (whether accepted or rejected) for PSG Group and its investees in accordance with its investment strategy. Furthermore, the CEO and CFO continue to identify, formulate and drive certain potential value-unlocking strategies. In this regard, the CEO and CFO have been instrumental in formulating the PSG Group Restructuring whereby significant value will be unlocked for PSG Group shareholders if successfully concluded.	20	5	100	100
Implementation of investment/divestment decisions taken by the PSG Group Executive Committee/Board Any investment/divestment decisions taken by the PSG Group Executive Committee/Board are implemented appropriately – timely and in accordance with the relevant IFRS accounting principles and legal and tax advice obtained.	–	5	–	100
Ensuring that sound corporate governance is entrenched at PSG Group and its investees – including maintaining a strong internal financial control environment and appropriate risk management processes, as well as promoting transformation throughout the group The Remcom is satisfied that the CEO and CFO continue to play an integral part in the ongoing entrenchment of good corporate governance throughout the group, with details thereof reported throughout this annual report: • PSG Group remains committed to exercising ethical and effective leadership to achieve the four governance outcomes: ethical culture, good performance, effective control and legitimacy. • It is further evident from the way in which PSG Group conducts its business – in an open, honest and ethical manner. • This includes, but is not limited to, concerted efforts to promote transformation within PSG Group and its investee companies, as well as at PSG Group board level. For more detail, refer to the corporate governance section of the *Environmental, Social and Governance Report* (page 27).	10	20	100	100
Financial reporting and shareholder communication in a transparent, accurate, concise and timely manner The Remcom is satisfied that PSG Group's ongoing financial reporting and shareholder communication are of the highest standard – always transparent, accurate, concise, relevant and timely. This is evident from: • All correspondence, be it internal or external. • Our annual report and the numerous announcements made by way of SENS and newspaper publications, also being available on PSG Group's website.	5	15	100	100
Maintaining investor relations in a professional and transparent fashion The Remcom is satisfied that the CEO and CFO continue to maintain PSG Group's investor relations in a professional and transparent fashion: • PSG Group's interim and year-end results are formally presented to investors bi-annually. • Investors are provided with formal feedback at PSG Group's AGM. • Investor presentations are made to local and international investor conferences. • Regular ad hoc meetings are held locally at the request of predominantly local and international institutional investors. For more detail, refer to PSG Group's website at *www.psggroup.co.za* containing the presentations made to investors.	10	5	100	100

***Non-financial* personal key performance measure and assessment**	**Weighting (%) CEO**	**Weighting (%) CFO**	**Rating (%) CEO**	**Rating (%) CFO**
Managing PSG Group's capital structure and resources in a responsible and effective manner, while enhancing shareholder returns The Remcom is satisfied that PSG Group's capital structure and resources continue to be managed in a responsible and effective manner: • Capital is always allocated with due regard to enhancing shareholder returns, while managing the associated risk appropriately. • There is a relentless focus on effective cash flow management and planning on both a current and forward-looking basis to ensure a healthy liquidity position, which remains a key priority and entrenched in the PSG Group culture. • PSG Group maintains a conservative gearing policy. • During the year under review, PSG Group settled its only remaining funding obligation being the perpetual (i.e. non-redeemable) preference shares previously issued by PSG Financial Services. For more detail, refer to the *Letter to Shareholders* (page 6) and *Review of Operations* (page 11).	15	25	100	100
Weighted average rating (%)			**100**	**100**

1.1 *Total (single-figure) remuneration*

The table below provides information on the total ("single-figure" as contemplated in King IV™) remuneration of PSG Group's executive directors, which includes both STI and LTI:

Audited R'000	**STI: Base salary: Approved**	**Deferred for 12 months[1]**	**Prior year deferral paid out[1]**	**Paid during the year[2]**	**Discretionary performance-based bonus[3]**	**Total short-term remuneration**	**LTI: Gains from exercise of share options**	**Total remuneration**
For the year ended 28 Feb 2022								
WL Greeff	**10 695**	**(3 209)**	**3 355**	**10 841**		**10 841**	**3 246**	**14 087**
JA Holtzhausen	**10 695**	**(3 209)**	**3 355**	**10 841**	**3 000**	**13 841**	**3 223**	**17 064**
PJ Mouton	**12 383**	**(3 715)**	**3 884**	**12 552**		**12 552**	**5 318**	**17 870**
	33 773	**(10 133)**	**10 594**	**34 234**	**3 000**	**37 234**	**11 787**	**49 021**
For the year ended 28 Feb 2021								
WL Greeff	10 695	(3 209)	3 414	10 900		10 900	518	11 418
JA Holtzhausen	10 695	(3 209)	3 414	10 900		10 900	532	11 432
PJ Mouton	12 383	(3 715)	3 952	12 620		12 620	674	13 294
	33 773	(10 133)	10 780	34 420	–	34 420	1 724	36 144

[1] *The 30% deferred portion of base salaries is increased by the South African Revenue Services' official interest rate to compensate for time value of money, and paid out 12 months later on a monthly basis during the ensuing year, subject to i) malus/clawback provisions, ii) the executive director remaining in PSG Group's service and iii) the executive director meeting non-financial personal key performance measures.*

[2] *Includes all benefits.*

[3] *The PSG Group CEO and CFO do not qualify for discretionary bonuses to help drive long-term focus and decision-making in order to ultimately deliver on PSG Group's stated objective of long-term value creation for shareholders. PSG Capital's CEO, also serving as an executive director of PSG Group, remains eligible for a discretionary performance-based bonus in terms of PSG Capital's revenue-sharing arrangement.*

1.1.1 *Base salary and discretionary performance bonuses*

Benchmarking

Benchmarking is performed to ensure that remuneration is market-related with reference to companies comparable in nature, business complexity and the level of responsibility that the individual assumes.

Having given due consideration to numerous factors, including benchmarking, the Remcom concluded that the PSG Group CEO and CFO's base salaries are market-related and fair to both the individual and shareholders. *It is important to note that the CEO and CFO do not qualify for performance bonuses*.

The table below sets out the total of the PSG Group CEO and CFO's STI for each of the past five financial years compared to PSG Group's market capitalisation (net of treasury shares) as at year-end:

Reporting date	STI Rm	Market capitalisation as at year-end Rm	STI as percentage of market capitalisation as at year-end %
28 Feb 2018	21	46 967	0,04
28 Feb 2019	22	56 684	0,04
29 Feb 2020	23	40 699	0,06
28 Feb 2021	23	13 955[1]	0,16
28 Feb 2022	23	17 132	0,13

[1] *Decrease in market capitalisation owing to the Capitec unbundling as detailed in the 2021 annual report.*

Base salary increases

Base salary increases are determined with reference to the South African consumer price inflation rate and other generally accepted benchmarks, always with due regard to market-comparable remuneration. According to independent research, salary inflation generally equates to between 1% and 2% above consumer price inflation; however, the Remcom does not consider real salary inflation to be sustainable over the long term.

Considering South Africa's consumer price inflation rate of 5,7% as at 28 February 2022 and a higher forecast consumer price inflation rate for the year ahead, the Remcom has approved 6% as the general base salary increase for the financial year commencing 1 March 2022. However, with further consideration to the ongoing Covid-19 pandemic and its long-lasting damage to our economy, the executive directors have again proposed to the Remcom to forfeit any potential inflationary increase to their base salaries (they also forfeited an increase in the previous two financial years). After careful consideration, the Remcom accepted such proposal.

Discretionary bonuses

PSG Group's support staff remain eligible for discretionary bonuses, subject to meeting company (*financial*) and personal (*non-financial*) key performance measures. The total of such discretionary bonuses paid amounted to approximately R0,4m (2021: R0,1m) for the year ended 28 February 2022.

1.1.2 *LTI*

Share incentive scheme

The three executive directors have all served in their current capacity for at least 12 years and have accordingly participated in the share incentive scheme over this period.

Gains from exercise of share options

Gains from exercise of share options, as included in the *total (single-figure) remuneration* table on page 49, should be considered in light of PSG Group's remuneration policy which has been designed to specifically align the interests of the executive directors with those of shareholders, together with their successful execution on PSG Group's stated objective of value creation for its shareholders. So, if shareholders do well, management will do well – and importantly so, vice versa.

The information below illustrates that PSG Group has provided its shareholders with above-market returns over the past five years, despite obvious challenging trading conditions. PSG Group's success is in part owing to it attracting and retaining the services of talented individuals, which is only achievable if PSG Group's remuneration practices are appropriate and competitive.

When evaluating PSG Group's performance over the long term, we believe one should focus on the *TRI* as measurement tool. The *TRI* is calculated by taking cognisance of share price appreciation, dividends and other distributions. This is a sound measure of wealth creation and a reliable means of benchmarking different companies.

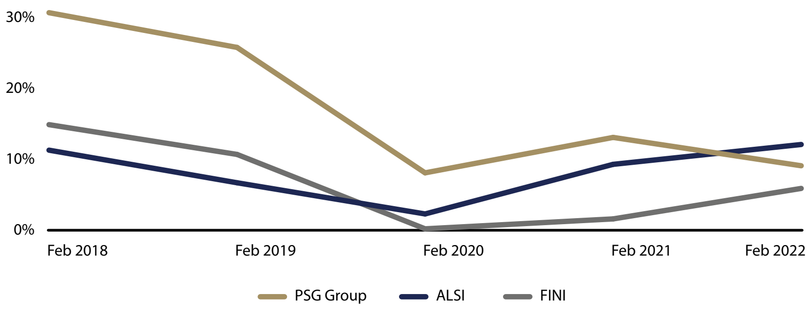
PSG Group's *compound annual growth rate* ("*CAGR*") of its *TRI* as at 28 February 2022 was 9,1% over the past five years, compared to the JSE All Share Index's ("ALSI") 12,1% and the JSE Financial Index's ("FINI") 5,9%. However, the ALSI's *TRI* needs to be considered in light of the extensive rand-hedge companies included therein that have significantly outperformed local companies in the past five years. Had you thus purchased R100 000 worth of PSG Group shares on 28 February 2017, and reinvested all your dividends and other distributions (i.e. unbundled Capitec shares received reinvested into PSG Group shares), your investment would be worth around R155 000 as at 28 February 2022. The same investment with dividends reinvested in either the ALSI or FINI over the same period, would be worth R177 000 (14,2% higher) or R133 000 (14,2% lower), respectively.

Below table and graph compare PSG Group's rolling five-year *TRI* growth to that of the ALSI and FINI for each of the comparative periods:

	Rolling five-year TRI growth[1]		
Reporting date	PSG Group %	ALSI %	FINI %
28 Feb 2018	30,7	11,3	14,9
28 Feb 2019	25,8	6,7	10,7
29 Feb 2020	8,1	2,3	0,2
28 Feb 2021	13,1	9,3	1,6
28 Feb 2022	9,1	12,1	5,9

[1] *Calculated based on independent Bloomberg data.*

Rolling five-year TRI performance graph



Financial performance measures

It is evident from the calculations below that all the *financial* performance measures applicable to such share options had been met upon the vesting date of 28 February 2022, and that 100% of such share options had accordingly vested.

- *TRI – applicable to 40% of such share options*

  The table below sets out PSG Group's rolling five-year *TRI* performance against the average rolling five-year *TRI* performance of a peer group (as detailed on page 42), for the five-year period ended 28 February 2022 (i.e. the latest vesting date), as well as for comparative purposes the five-year periods ended 28 February 2018, 28 February 2019, 29 February 2020 and 28 February 2021. It is evident that PSG Group had outperformed such *financial* performance measure in each of the past five years:

	Rolling TRI performance measured over the preceding five years[1]	
Measurement date	**PSG Group %**	**Peer Group %**
28 Feb 2018	**30,7**	**16,6**
28 Feb 2019	**25,8**	**8,5**
29 Feb 2020	**8,1**	**(7,7)**
28 Feb 2021	**13,1**	**6,3**
28 Feb 2022[2]	**9,1**	**(6,2)**

[1] *Calculated based on independent Bloomberg data.*

[2] *PSG Group's rolling five-year TRI as a percentage of that of the peer group as at 28 February 2022 reflected an outperformance of more than the required 120% for 100% of share options subject to such financial performance measure to vest and, accordingly, 100% of such share options vested in terms of the linear vesting model.*

- *Head office costs – applicable to 40% of such share options*

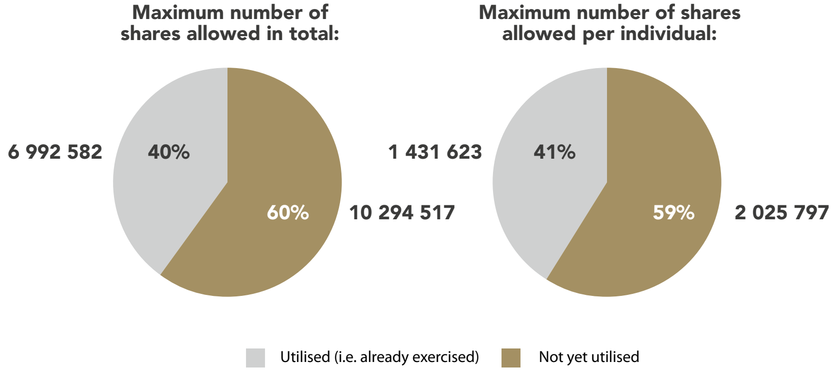
  For the year ended 28 February 2022, PSG Group's total head office operating and employment costs (net of fee and other income generated, but excluding underwriting and commitment fees earned) amounted to 0,05% of PSG Group's *SOTP value* as at the reporting date, being less than the average *total expense ratio* ("*TER*") of South African flexible collective investment schemes (i.e. flexible funds) of 1,9%, and accordingly such *financial* performance measure had been met upon the vesting date.

- *Gearing – applicable to 20% of such share options*

  During the year under review, PSG Group settled its only remaining funding obligation being the perpetual (i.e. non-redeemable) preference shares previously issued by PSG Financial Services. As a result, PSG Group had no gearing as opposed to the maximum allowable level of 20%, and accordingly such *financial* performance measure had been met upon the vesting date.

Extent of the share incentive scheme

PSG Group shareholders previously approved the maximum absolute number of PSG Group shares that may be utilised for purposes of the share incentive scheme (both in total and on a per individual basis). The charts below depict the number of shares already utilised for such purpose up to 28 February 2022 expressed as a percentage of the maximum number of shares that may be utilised for purposes hereof. It correctly only includes shares actually delivered (for example, in the case of share options settled on a net-equity basis (being fully paid-up shares delivered to settle the SIT's obligation to participants net of the strike value and Section 8C tax paid), only such net number of shares delivered has been included):



At 28 February 2022, the share incentive scheme had 10 participants, comprising the three executive directors, managers and other qualifying head office employees (including employees forming part of the PSG Capital division – however, the IFRS 2 share-based payment expense associated with such share options is carried by the PSG Capital division, as explained on page 39).

At 28 February 2022, the total number of share options that had already been awarded but remained either unvested or unexercised amounted to 2 063 070, representing 1% of PSG Group's total number of shares in issue (net of treasury shares). However, assuming that all share options are settled either on a net-equity or net-cash basis, the dilution to PSG Group shareholders should be significantly less than aforementioned 1%.

Unvested or unexercised share option awards

The table below contains the unvested or unexercised share option awards of PSG Group's executive directors as at 28 February 2022:

Audited	Number of share options as at 28 Feb 2021	Number of share options during the year Awarded[1]	Number of share options during the year Vested[2]	Market price per share on vesting date R	Strike price per share option R	Date granted	Number of share options as at 28 Feb 2022	Gains from exercise of share options during the year R'000	Value of unvested share options as at 28 Feb 2022[3] R'000
WL Greeff	13 717		(13 717)	79,74		29/02/2016	–	800	
	[4] 54 219		(18 073)	79,74	19,50 to 28,37	28/02/2018	36 146	734	2 243
	[4] 185 877		(46 469)	79,74	14,73 to 32,11	28/02/2019	139 408	1 712	8 741
	[4] 131 082				(2,51) to 22,27	28/02/2020	131 082		9 996
	[4] 209 756				67,12	26/02/2021	209 756		3 960
	594 651	–	(78 259)				516 392	3 246	
JA Holtzhausen	13 220		(13 220)	79,74		29/02/2016	–	771	
	[4] 54 667		(18 222)	79,74	19,50 to 28,37	28/02/2018	36 445	740	2 262
	[4] 185 807		(46 452)	79,74	14,73 to 32,11	28/02/2019	139 355	1 712	8 738
	[4] 131 084				(2,51) to 22,27	28/02/2020	131 084		9 996
	[4] 208 896				67,12	26/02/2021	208 896		3 944
	593 674	–	(77 894)				515 780	3 223	
PJ Mouton	20 999		(20 999)	79,74		29/02/2016	–	1 225	
	42 101		(21 051)	79,74	28,68	28/02/2017	21 050	848	1 207
	[4] 84 763		(28 255)	79,74	19,50 to 28,37	28/02/2018	56 508	1 148	3 507
	[4] 227 700		(56 925)	79,74	14,73 to 32,11	28/02/2019	170 775	2 097	10 708
	[4] 183 503				(2,51) to 22,27	28/02/2020	183 503		13 993
	[4] 349 875				67,12	26/02/2021	349 875		6 606
	908 941	–	(127 230)				781 711	5 318	
	2 097 266	–	(283 383)				1 813 883	11 787	

[1] *In light of the pending PSG Group Restructuring, no share options were awarded on 28 February 2022.*

[2] *At 28 February 2022, the executive directors had not yet exercised their right in terms of the provisions of the share incentive scheme to exercise their share options that became exercisable on such date, being in a closed period persuant to the pending PSG Group Restructuring.*

[3] *Based on the 30-day volume weighted average PSG Group share price of R86,00 as at 28 February 2022.*

[4] *Vesting subject to additional requirements, including financial and non-financial performance measures.*

2. NON-EXECUTIVE DIRECTORS' REMUNERATION

The table below provides information on the total remuneration paid to PSG Group's non-executive directors, including fees paid by subsidiaries of PSG Group to PSG Group non-executive directors for services rendered in either an executive or non-executive capacity:

Audited R'000 (excluding value-added tax, to the extent applicable)	Paid for services rendered to PSG Group	Paid for services rendered to subsidiaries					
	Fees	Fees	Base salary	Discretionary performance-based bonus	Gains from exercise of share options	Total	Total remuneration
For the year ended 28 Feb 2022							
PE Burton	587	729				729	1 316
ZL Combi	754	490				490	1 244
FJ Gouws[1,2]			5 714	29 186	17 548	52 448	52 448
AM Hlobo	443					–	443
B Mathews	443					–	443
JJ Mouton	277					–	277
CA Otto	498	785				785	1 283
	3 002	2 004	5 714	29 186	17 548	54 452	57 454
For the year ended 28 Feb 2021							
PE Burton	564	702				702	1 266
ZL Combi	725	899				899	1 624
FJ Gouws[1,2]			5 537	23 211	3 202	31 950	31 950
AM Hlobo	426					–	426
B Mathews	426					–	426
JJ Mouton	266					–	266
CA Otto	479	747				747	1 226
	2 886	2 348	5 537	23 211	3 202	34 298	37 184

[1] *Mr FJ Gouws is the CEO of PSG Konsult, a subsidiary. The total performance-based bonus earned on a PSG Konsult level was R32m (2021: R24m; 2020: R21,2m), of which the payment of 70% (2022: R22,4m; 2021: R16,8m; 2020: R14,9m) is unconditional, while the payment of 15% each (2022: R4,8m; 2021: R3,6m; 2020: R3,2m) is subject to malus/clawback provisions and conditional on the director remaining in service for one and two years, respectively.*

[2] *R276 900 (2021: R266 250) was paid to PSG Management Services (Pty) Ltd, a wholly-owned subsidiary of PSG Konsult, for Mr FJ Gouws's services as PSG Group non-executive director.*

Mr FJ Gouws, being the CEO of PSG Konsult and also a non-executive director of PSG Group, has been awarded PSG Konsult share options in terms of the PSG Konsult Group Share Incentive Trust. His share options are summarised below:

Audited	Number of share options as at 28 Feb 2021	Number of share options during the year		Market price per share on vesting date R	Strike price per share option R	Date granted	Number of share options as at 28 Feb 2022	Gains from exercise of share options during the year R'000	Value of unvested share options as at 28 Feb 2022[2] R'000
		Awarded[1]	Vested						
FJ Gouws	2 583 894		(2 583 894)	11,20	6,81	01/04/2016	**–**	**11 343**	
	1 578 279		(789 140)	11,20	7,59	01/04/2017	**789 139**	**2 849**	**4 853**
	2 812 500		(937 500)	11,20	8,74	01/04/2018	**1 875 000**	**2 306**	**9 375**
	4 000 000		(1 000 000)	11,20	10,15	01/04/2019	**3 000 000**	**1 050**	**10 770**
	4 800 000				7,13	01/04/2020	**4 800 000**		**31 728**
		8 500 000			9,08	01/04/2021	**8 500 000**		**39 610**
	15 774 673	8 500 000	(5 310 534)				**18 964 139**	**17 548**	

[1] *On 26 April 2022, Mr FJ Gouws accepted a further 5 250 000 PSG Konsult share options at a strike price of R12,71 per share, being the 30-day volume weighted average PSG Konsult share price as at 31 March 2022. On 3 May 2022, he exercised 3 926 640 PSG Konsult share options at the closing PSG Konsult share price on such date of R13,65 per share.*

[2] *Based on the 30-day volume weighted average PSG Konsult share price of R13,74 as at 28 February 2022.*

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

These summary consolidated financial statements comprise a summary of the audited consolidated annual financial statements of PSG Group Ltd for the year ended 28 February 2022.

The consolidated annual financial statements, including these summary consolidated financial statements, were compiled under the supervision of the group CFO, Mr WL Greeff, CA(SA), and were audited by PSG Group Ltd's external auditor, Deloitte & Touche.

The consolidated 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 Group Ltd during office hours.

REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 28 February 2022

The PSG Group Audit and Risk Committee ("the Committee") is an independent statutory committee appointed by the board of directors in terms of section 94 of the Companies Act of South Africa. The Committee also acts as the statutory audit committee of public company wholly-owned subsidiaries that are legally required to have such a committee.

The Committee comprises four independent non-executive directors, namely Mr PE Burton (chairman), Ms AM Hlobo, Ms B Mathews and Mr CA Otto, who have served as members of the Committee for 15, three, five and 10 years, respectively. The Committee met twice during the past financial year on 16 April 2021 and 12 October 2021, as well as after financial year-end under review on 19 April 2022, with all members being present.

The Committee operates in terms of a board-approved charter. It conducted its affairs in compliance with, and discharged its responsibilities in terms of, such charter for the year ended 28 February 2022.

The Committee performed the following duties in respect of the year under review:

- Satisfied itself that the external auditor is independent of PSG Group, as set out in section 94(8) of the Companies Act of South Africa, and suitable for appointment for the year under review by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- Ensured that the appointment of the external auditor complied with the Companies Act of South Africa;
- In consultation with management, agreed to the audit engagement letter terms, audit plan and budgeted audit fees for the 2022 financial year;
- Approved the nature and extent of non-audit services of the external auditor;
- Nominated Deloitte & Touche for election at the 2021 annual general meeting as the external audit firm for the 2022 financial year;
- In terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements, satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the system of internal financial control is effective and forms a basis for the preparation of reliable financial statements;
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that PSG Group be regarded as a going concern;
- Reviewed the formal policy and rationale for PSG Group not declaring an ordinary dividend for the year under review;
- Reviewed the accounting policies, including the ongoing classification of PSG Group as an *investment entity*, and annual financial statements for the year ended 28 February 2022 and, based on the information provided to the Committee, considers that the company and group comply, in all material respects, with the JSE Listings Requirements; International Financial Reporting Standards ("IFRS"); the IFRIC interpretations; 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
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the group chief financial officer, as well as the group finance function, have the appropriate expertise and experience.

PE Burton
Audit and Risk Committee Chairman

Stellenbosch
21 June 2022

COMPANY SECRETARY DECLARATION

for the year ended 28 February 2022

We declare that, to the best of our knowledge, the company has filed 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 A Rossouw
Company Secretary

Stellenbosch
21 June 2022

APPROVAL OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2022

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 and group. 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 group'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 the JSE Listings Requirements; International Financial Reporting Standards ("IFRS"); the IFRIC interpretations; 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.

These summary consolidated financial statements were derived from the consolidated 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 summary consolidated financial statements, therefore, is not a substitute for reading the consolidated annual financial statements of PSG Group Ltd.

The audit and risk committee of the 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 audit and risk committee.

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

The annual financial statements, including these summary consolidated financial statements set out on pages 61 to 62 and 64 to 75, were approved by the board of directors of PSG Group Ltd and are signed on its behalf by:

PJ Mouton
CEO

WL Greeff
CFO

Stellenbosch
21 June 2022

DIRECTORS' REPORT

for the year ended 28 February 2022

Nature of business

PSG Group Ltd ("PSG Group" or "the company" or "the group") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include financial services, education and food and related business, as well as early-stage investments in select growth sectors.

Operating results

The operating results and state of affairs of the group are set out in the attached summary consolidated income statement and summary consolidated statements of financial position, changes in equity and cash flows, as well as the notes thereto. For the year under review, the group's *headline earnings* and earnings attributable to owners of the parent amounted to R7 409m (2021: R1 038m) and R7 409m (2021: R29 994m), respectively, while the group's total profit (gross of non-controlling interests) amounted to R7 409m (2021: R30 101m).

Stated capital

Movements in the number of ordinary shares in issue during the year under review were as follows:

	Number of shares	
	2022	2021
Shares in issue at beginning of the year, gross of treasury shares	**223 778 107**	232 163 254
Less: Treasury shares		
Held by a subsidiary (PSG Financial Services Ltd)	**(13 908 770)**	(13 908 770)
Held by a subsidiary (PSG Group Ltd Supplementary Share Incentive Trust)	**(45 000)**	(45 000)
Held by related parties of management and acquired by way of loan funding advanced		(100 000)
Shares in issue at beginning of the year, net of treasury shares	**209 824 337**	218 109 484
Movement in treasury shares		
Shares acquired by the PSG Group Ltd Supplementary Share Incentive Trust	**(75 000)**	
Shares released in terms of the PSG Group Ltd Supplementary Share Incentive Trust to participants	**116 351**	
Shares released following full settlement of loan funding previously advanced to related parties of management		100 000
Shares repurchased using cash at an average price of R74,78 (2021: R54,73) per share (including costs)	**(509 644)**	(8 385 147)
Shares in issue at end of the year, net of treasury shares	**209 356 044**	209 824 337

Dividends

Details of dividends appear in the summary consolidated statement of changes in equity and note 2 to these summary consolidated financial statements.

Directors

Details of the company's directors at the date of this report appear on pages 4 and 5.

DIRECTORS’ REPORT *(continued)*

for the year ended 28 February 2022

Directors’ emoluments

Details of directors’ emoluments appear in the *Remuneration Report* on pages 49 and 55.

Prescribed officers

The members of the PSG Group Executive Committee (“Exco”) are regarded as being the prescribed officers of the company. The Exco comprises the PSG Group executive directors, being Messrs PJ Mouton (chief executive officer), WL Greeff (chief financial officer) and JA Holtzhausen (executive). Their remuneration is detailed in the *Remuneration Report* (page 36). The duties and responsibilities of the Exco are set out in the *Environmental, Social and Governance Report* (page 22).

Shareholding of directors

The shareholding of directors in the issued share capital of PSG Group as at 28 February 2022 was as follows:

	Beneficial		Non-beneficial	**Total shareholding 2022[4]**		Total shareholding 2021	
Audited	Direct	Indirect	Indirect	**Number**	**%**	Number	%
PE Burton		300 000		**300 000**	**0,1**	300 000	0,1
ZL Combi[1]	354 000			**354 000**	**0,2**	354 000	0,2
WL Greeff	8 124	1 069 887		**1 078 011**	**0,5**	1 055 621	0,5
AM Hlobo		1 500		**1 500**	**–**	1 500	–
JA Holtzhausen[2]	633 453	500 000	3 804	**1 137 257**	**0,5**	1 115 030	0,5
JJ Mouton[2,3]	200 000	1 587 667	508 200	**2 295 867**	**1,1**	2 282 267	1,1
PJ Mouton[2,3]	90 825	5 417 547	531 075	**6 039 447**	**2,9**	5 952 449	2,8
CA Otto	200			**200**	**–**	200	–
Total	1 286 602	8 876 601	1 043 079	**11 206 282**	**5,3**	11 061 067	5,2

[1] *Mr ZL Combi’s shareholding is fully hedged by way of a European scrip-settled collar due to expire in equal portions on 5 July 2022 and 12 July 2022.*

[2] *The shareholding of the immediate family members of Messrs JA Holtzhausen, JJ Mouton and PJ Mouton (i.e. wives and minor children held in own name or via trusts) have been included as non-beneficial indirect shareholding.*

[3] *Messrs JJ Mouton and PJ Mouton are also trustees and discretionary beneficiaries of the JF Mouton Familietrust with an effective holding of 42 304 198 PSG Group ordinary shares, representing approximately 20,2% of PSG Group’s issued share capital (net of treasury shares).*

[4] *The shareholding of directors did not change between year-end and the date of approval of these summary consolidated financial statements.*

INDEPENDENT AUDITOR’S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of PSG Group Ltd

Opinion

The summary consolidated financial statements of PSG Group Ltd, set out on pages 61 to 62, 64 to 72 and 74 to 75, which comprise the summary consolidated statement of financial position as at 28 February 2022, the summary consolidated income statement, the summary consolidated statements of changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of PSG Group Ltd for the year ended 28 February 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements of PSG Group Ltd, in accordance with the requirements of the JSE Listings Requirements for summary financial statements, set out in the introduction to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited consolidated annual financial statements of PSG Group Ltd and the auditor’s report thereon. The summary consolidated financial statements and the audited consolidated annual financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited consolidated annual financial statements.

The Audited Consolidated Annual Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated annual financial statements in our report dated 25 May 2022. That report also includes:

- The communication of other key audit matters as reported in the auditor’s report of the audited consolidated annual financial statements.
- A “Report on Other Legal and Regulatory Requirements” paragraph: In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of PSG Group Ltd for one year.

Directors’ Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Listings Requirements for summary financial statements, set out in the introduction to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The JSE Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche
Registered Auditor
Per: JHW de Kock
Partner
21 June 2022

The Ridge Building, 6 Marina Road, Victoria & Alfred Waterfront, Cape Town, 8000

INTRODUCTION TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2022

Basis of presentation and accounting policies

These summary consolidated financial statements are prepared in accordance with the requirements of the Companies Act of South Africa and the JSE Listings Requirements. The JSE Listings Requirements require reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of these summary consolidated financial statements are in terms of IFRS and consistent with those previously applied.

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the group's accounting policies related mainly to the fair value of unlisted investments as detailed in Annexure A.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2022

	Notes	2022 Rm	2021 Rm
Assets			
Investments at fair value through profit or loss ("FVTPL")	1.1	**23 136**	18 885
Property, plant and equipment ("PPE")		**54**	55
Right-of-use assets		**1**	1
Loans and advances		**22**	54
Debt securities	1.2	**895**	715
Deferred income tax assets			12
Trade and other receivables		**50**	70
Cash and cash equivalents		**2 635**	1 646
Total assets		**26 793**	21 438
Equity			
Ordinary shareholders' equity		**26 690**	19 254
Non-controlling interests[1]			1 556
Total equity		**26 690**	20 810
Liabilities			
Deferred income tax liabilities		**13**	488
Lease liabilities		**1**	1
Derivative financial liabilities			42
Employee benefit liabilities		**34**	25
Trade and other payables		**22**	36
Loans payable[2]		**33**	36
Total liabilities		**103**	628
Total equity and liabilities		**26 793**	21 438
SOTP value per share (R)[3]		**127,88**	94,24
Net asset value per share (R)[3]		**127,49**	91,76
Net tangible asset value per share (R)		**127,49**	91,76

[1] *Prior year balance related to the PSG Financial Services Ltd ("PSG Financial Services") perpetual preference shares repurchased in full during the year.*

[2] *Balance comprises a loan payable to PSG Alpha Investments (Pty)Ltd ("PSG Alpha") (2021: mainly PSG Alpha and head office-administered Black-Economic Empowerment Trusts) not being consolidated.*

[3] *The difference between the SOTP value per share and net asset value per share relates to PPE (2021: PPE and PSG Financial Services perpetual preference shares) carried at fair value in the SOTP value, while at historical cost (net of depreciation in the case of PPE) in the net asset value. PSG Group previously adopted net asset value per share as its trading statement measure for purposes of the JSE Listings Requirements.*

SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 28 February 2022

	Notes	2022 Rm	2021 Rm
CONTINUING OPERATIONS			
Fair value gains/(losses) on investments at FVTPL	1.1	**6 734**	(962)
Investment income	1.1	**570**	2 054
Revenue earned from corporate finance and other activities[1]		**107**	80
Other income		**42**	3 939
Gain upon deemed disposal and reacquisition of subsidiaries at fair value			3 945
Fair value gains/(losses)		**42**	(6)
Expenses		**103**	(35)
Reversal of previously recognised impairment loss on debt securities	1.2	**221**	126
Reversal of previously recognised impairment loss/(impairment loss recognised) on loans and advances		**9**	(33)
Operating expenses[1]		**(127)**	(128)
Profit on deemed disposal and reacquisition of interest in associate (Capitec shares retained and subsequently sold)			5 158
Profit before finance costs and taxation		**7 556**	10 234
Finance costs		**(59)**	(138)
Profit before taxation		**7 497**	10 096
Taxation[2]		**(88)**	(1 083)
Profit for the year from continuing operations		**7 409**	9 013
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations		**–**	21 088
Gain upon unbundling of Capitec interest at fair value			21 099
Capitec unbundling transaction costs			(11)
Profit for the year[3]		**7 409**	30 101
Attributable to:			
Owners of the parent		**7 409**	29 994
Continuing operations		**7 409**	8 906
Discontinued operations			21 088
Non-controlling interests			107
		7 409	30 101
Earnings per share (R)			
Attributable		**35,37**	139,08
Continuing operations		**35,37**	41,30
Discontinued operations			97,78
Diluted attributable		**34,30**	138,26
Continuing operations		**34,30**	40,89
Discontinued operations			97,37

[1] *Fee income and operating costs pertain to the wholly-owned head office subsidiaries providing investment-related services to PSG Group, as well as corporate finance advisory services.*
[2] *Includes the capital gains tax provided for in respect of the Capitec Bank Holding Ltd ("Capitec") shareholding retained and subsequently sold.*
[3] *The group had no other comprehensive income during the years under review.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

	2022 Rm	2021 Rm
Ordinary shareholders' equity at beginning of the year	**19 254**	19 083
Profit for the year	**7 409**	29 994
Share buy-back[1]	**(38)**	(459)
Share-based payment costs – employees	**25**	33
Treasury shares released	**11**	7
Other movements	**29**	(4)
Dividends paid		(516)
Capitec unbundling		(28 884)
Ordinary shareholders' equity at end of the year	**26 690**	19 254
Non-controlling interests at beginning of the year	**1 556**	11 843
Profit for the year		107
Subsidiaries deconsolidated upon change in status to that of an investment entity		(10 265)
Repurchase by PSG Financial Services of its perpetual preference shares	**(1 506)**	
Dividends paid	**(50)**	(129)
Non-controlling interests at end of the year	**–**	1 556
Total equity	**26 690**	20 810

[1] *During the year, PSG Group repurchased 509 644 (2021: 8 385 147) shares at an average price of R74,78 (2021: R54,73) per share (including costs).*

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2022

	Notes	2022 Rm	2021 Rm
Net cash flow from operating activities		**34**	1 264
Cash generated from operations	3	**35**	12
Interest received		**113**	59
Dividends received	1.1 & 1.2	**495**	1 959
Finance costs paid		**(57)**	(157)
Taxation paid		**(552)**	(609)
Net cash flow from investing activities		**2 527**	1 868
Cash and cash equivalents deconsolidated upon change in status to that of an investment entity			(409)
Additions to investments at FVTPL			(1 139)
Disposals of investments at FVTPL	1.1	**2 483**	3 502
Other investing activities		**44**	(86)
Net cash flow from financing activities		**(1 572)**	(2 081)
Dividends paid to:			
PSG Group shareholders			(516)
PSG Financial Services perpetual preference shareholders		**(50)**	(129)
Repurchase by PSG Financial Services of its perpetual preference shares		**(1 460)**	
Borrowings repaid			(1 000)
Other financing activities[1]		**(62)**	(436)
Net increase in cash and cash equivalents		**989**	1 051
Cash and cash equivalents at beginning of the year		**1 646**	595
Cash and cash equivalents at end of the year		**2 635**	1 646

[1] *Cash outflow related mainly to PSG Group share repurchases as detailed in the summary consolidated statement of changes in equity.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2022

	Fair value[1] 28 Feb 21 Rm	Reconciliation for the year: Fair value gains Rm	Disposals[2] Rm	Fair value[1] 28 Feb 22 Rm	Investment income Rm
1. Investments					
1.1 Investments at FVTPL					
PSG Konsult	7 282	**3 848**		**11 130**	**215**
Curro	3 588	**1 238**		**4 826**	
Capitec	2 190	**293**	**(2 483)**	**–**	**14**
Zeder	1 983	**689**		**2 672**	**150**
PSG Alpha	3 842	**666**		**4 508**	
Total	18 885	**6 734**	**(2 483)**	**23 136**	**379**
Interest income on cash and cash equivalents and loans and advances, as well as preference share dividends accrued on debt securities					**191**
Total investment income					**570**

[1] *The investments in PSG Konsult Ltd ("PSG Konsult"), Curro Holdings Ltd ("Curro"), Capitec and Zeder Investments Ltd ("Zeder") are valued with reference to their JSE-listed closing share prices, while PSG Alpha's fair value is derived from the valuation of its underlying portfolio of listed and unlisted investments as detailed in Annexure A.*

[2] *The disposal of the group's remaining approximately 1,6m Capitec shares during the year under review raised R2 483m in cash (pre-tax).*

1.2 Debt securities

Debt securities relate to PSG Group's investment in Dipeo Capital (RF) (Pty) Ltd ("Dipeo") cumulative, redeemable, convertible preference shares. Below is a reconciliation of movement in such debt securities balance for the year under review:

	2022 Rm
Opening balance	**715**
Cash collected	**(116)**
Preference share dividends accrued[1]	**75**
Reversal of previously recognised impairment loss[2]	**221**
Closing balance[3]	**895**

[1] *Preference share dividends are accounted for at the contractual rate of Prime plus 2% on the balance net of impairment losses (i.e. stage 2 under-performing financial asset).*

[2] *Pursuant to an increase in the fair value of Dipeo's underlying assets since the previous reporting date.*

[3] *At the reporting date, the carrying value of the debt securities is supported by Dipeo's investments in JSE-listed Curro (3,6%), Stadio Holdings Ltd ("Stadio") (3,3%) and Kaap Agri Ltd ("Kaap Agri") (20%), and accordingly the remaining carrying value is deemed fully recoverable (i.e. lifetime expected credit losses have been provided for).*

	2022 Continuing operations Rm	2021 Continuing operations Rm	2021 Discontinued operations Rm	2021 Total Rm
2. Headline earnings and earnings/dividend per share				
Profit for the year attributable to owners of the parent	**7 409**	8 906	21 088	29 994
Non-headline items	**–**	(7 868)	(21 088)	(28 956)
Gross amounts	**–**	(9 103)	(21 088)	(30 191)
Gain upon deemed disposal and reacquisition of subsidiaries at fair value		(3 945)		(3 945)
Profit on deemed disposal and reacquisition of interest in associate (Capitec shares retained and subsequently sold)		(5 158)		(5 158)
Gain upon unbundling of Capitec interest at fair value			(21 099)	(21 099)
Capitec unbundling transaction costs			11	11
Taxation		1 235		1 235
Headline earnings	**7 409**	1 038	–	1 038

	2022	2021
Earnings per share (R)		
Headline (continuing operations)	**35,37**	4,81
Attributable	**35,37**	139,08
Continuing operations	**35,37**	41,30
Discontinued operations		97,78
Diluted headline (continuing operations)	**34,30**	4,56
Diluted attributable	**34,30**	138,26
Continuing operations	**34,30**	40,89
Discontinued operations		97,37
Dividend per share (R)	**–**	1,64
Interim		1,64
Final		
Number of shares (m)		
In issue	**223,3**	223,8
In issue (net of treasury shares)	**209,4**	209,8
Weighted average	**209,4**	215,7
Diluted weighted average	**210,5**	216,6

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

for the year ended 28 February 2022

	2022 Rm	2021 Rm
3. Cash generated from operations		
Profit before taxation	**7 497**	10 096
Depreciation and amortisation	**3**	3
Investment income	**(570)**	(2 054)
Finance costs	**59**	138
Working capital changes and other non-cash items [1]	**(220)**	(30)
Fair value (gains)/losses on investments at FVTPL (note 1.1)	**(6 734)**	962
Gain upon deemed disposal and reacquisition of subsidiaries at fair value		(3 945)
Profit on deemed disposal and reacquisition of interest in associate (Capitec shares retained and subsequently sold)		(5 158)
Cash generated from operations	**35**	12

[1] *Relates mainly to the reversal of previously recognised impairment losses on debt securities.*

4. Capital commitments and contingencies

PSG Group, as an *investment entity*, and its wholly-owned subsidiaries that provide investment-related services to PSG Group have no material capital commitments or contingencies as at the reporting date.

5. Events subsequent to the reporting date

No material event has occurred between the reporting date and the date of approval of this annual report other than those detailed in the *Review of Operations*, as well as the receipt of an ordinary cash dividend of R178m from PSG Konsult.

6. Financial instruments

6.1 Financial risk factors

PSG Group's activities as an *investment entity* expose it mainly to i) price risk in respect of its investments at FVTPL and ii) credit risk in respect of its debt securities, loans and advances and cash and cash equivalents.

Risk management continues to be carried out by each investee of PSG Group under policies approved by the respective boards of directors.

6.2 Price risk

The information below analyses financial assets and liabilities, which are carried at fair value, by level of hierarchy as required by IFRS 13 *Fair Value Measurement*. The different levels in the hierarchy are defined below:

Level 1: quoted prices (unadjusted) in active markets.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

6.2 Price risk (continued)

The carrying value of financial assets carried at amortised cost approximates their fair value, while those measured at fair value can be summarised as follows:

28 February 2022	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Investments at FVTPL	**20 968**		**2 168**	**23 136**
Opening balance			**1 883**	
Unrealised fair value gains included in fair value gains on investments at FVTPL as per the summary consolidated income statement			**285**	

Valuation techniques and main inputs used to determine fair value for assets are detailed in Annexure A.

6.3 Credit risk

Debt securities

Debt securities relate to PSG Group's investment in Dipeo cumulative, redeemable, convertible preference shares, as detailed in note 1.2. Dipeo has no external borrowings or funding obligations apart from the preference shares held by PSG Group (also being a 49% ordinary shareholder in Dipeo) and the Dipeo BEE Education Trust (being the remaining 51% ordinary shareholder in Dipeo). However, PSG Group holds approximately 94% of Dipeo's total preference share exposure.

As noted in note 1.2, the carrying value of the debt securities at the reporting date is fully supported by underlying JSE-listed investments at their respective fair values (i.e. level 1 fair value measurement).

Loans and advances

The carrying value of PSG Group's loans and advances at the reporting date is fully supported by underlying JSE-listed investments at their respective fair values (i.e. level 1 fair value measurement).

Cash and cash equivalents

PSG Group's cash and cash equivalents are held in current/call accounts and term deposits (with a maturity of seven days or less) spread across two South African banks (both rated by Fitch as having national short-term and long-term ratings of F1+(zaf) and AA+(zaf), respectively).

7. Segment report

The group has seven reportable segments, namely PSG Konsult, Curro, Capitec (until the disposal of the group's remaining interest therein during the year under review), Zeder, PSG Alpha, Dipeo and PSG Corporate. Apart from PSG Corporate, these segments represent the major investments of the group. The products and services offered by the respective remaining segments are detailed in the *Review of Operations*. All segments operate predominantly in South Africa. However, the group has exposure to operations outside of South Africa through, inter alia, PSG Konsult, Curro, PSG Alpha's investment in CA&S and through Zeder's investments in The Logistics Group (disposed of subsequent to year-end), Capespan, Zaad and Agrivision Africa.

The *SOTP value* remains a key tool used to measure PSG Group's performance pursuant to its objective of shareholder value creation through, inter alia, capital appreciation. In determining the *SOTP value*, listed assets are valued using quoted market prices, whereas unlisted assets are valued internally using appropriate valuation methods.

7. Segment report (continued)

The segments' performance can be analysed as set out below and also in Annexure A:

Year ended 28 February 2022	Fair value gains on investments at FVTPL Rm	Dividend income Rm	Other income, expenses and taxation[1] Rm	Headline earnings Rm	SOTP value Rm
PSG Konsult	3 848	215		4 063	11 130
Curro	1 238			1 238	4 826
Capitec	293	14	(59)	248	
Zeder	689	150		839	2 672
PSG Alpha	666			666	4 508
Dipeo				–	
PSG Corporate			(20)	(20)	
Funding and other			375	375	3 636
Cash and cash equivalents					2 635
Preference share investments and net loans receivable					884
Other					117
Total	6 734	379	296	7 409	26 772
Taxation				88	
Profit before taxation (continuing operations)				7 497	

[1] *Comprise all other line items in the summary consolidated income statement, including fee income, expenses, reversal of previously recognised impairment losses, finance costs and taxation.*

8. Ordinary shareholder analysis

Unaudited	Shareholders Number	Shareholders %	Shares held Number	Shares held %
Range of shareholding				
1 – 1 000	16 627	78,2	4 147 103	1,9
1 001 – 10 000	3 683	17,3	10 644 684	4,8
10 001 – 100 000	749	3,5	22 091 741	9,9
100 001 – 1 000 000	181	0,9	48 540 858	21,7
Over 1 000 000	27	0,1	123 931 658	55,5
	21 267		209 356 044	
Treasury shares				
Shares held by PSG Financial Services (a wholly-owned subsidiary)	1		13 908 770	6,2
Shares held by employee share scheme	1		3 649	
Total	21 269	100,0	223 268 463	100,0
Non-public	45	0,2	76 249 663	34,2
Public	21 224	99,8	147 018 800	65,8
Individual shareholders holding 5% or more of total shares in issue as at 28 February 2022				
JF Mouton Familietrust and its subsidiaries (including effective interest held through a joint venture)			42 304 198	18,9
Government Employees Pension Fund			26 972 362	12,1
			69 276 560	31,0

Refer to the directors' report for details of directors' shareholdings.

ANNEXURE A: *SOTP VALUE*

as at 28 February 2022

	2022					SOTP value					IFRS 13 fair value	
Audited	**Share-holding**	**Nr of shares held m**	**Industry**	**Listed/ unlisted**	**IFRS classification at 28 Feb 2022**	**28 Feb 2021 Rm**	**Movement Rm**	**28 Feb 2022 Rm**	**Portion of *SOTP value***	**Valuation method**	**Categorisation**	**R/share**
PSG Konsult	61,5%	810,1	Financial services	JSE-listed[1]	Subsidiary	7 282	**3 848**	**11 130**	42%	Closing JSE-listed share price	Level 1	13,74
Curro	60,0%	358,8	Private education	JSE-listed	Subsidiary	3 588	**1 238**	**4 826**	18%	Closing JSE-listed share price	Level 1	13,45
Capitec			Banking	JSE-listed		2 190	(2 190)	–				
Disposals (note 1.1)							2 483					
Fair value gain							**293**					
Zeder	48,6%	748,4	Investment holding (food and related business)	JSE-listed	Subsidiary	1 983	**689**	**2 672**	10%	Closing JSE-listed share price	Level 1	3,57
PSG Alpha	98,3%		Investment holding (early-stage investments)	Unlisted	Subsidiary	3 842		**4 508**	17%			
Stadio	42,9%		Private higher education	JSE-listed		865	459	**1 324**	5%	Closing JSE-listed share price	Level 1	3,64
CA&S	47,9%		Route-to-market services for fast-moving consumer goods in Sub-Saharan Africa	BSE-listed[2]		1 126	(69)	**1 057**	4%	Closing BSE-listed share price converted from Botswana pula to South African rand at the ruling spot exhange rate	Level 1	4,79
Evergreen	50,0%		Retirement lifestyle villages	Unlisted		869	119	**988**	4%	Net asset value, underpinned by investment property subject to external valuation annually	Level 3	
Optimi	96,0%		Innovative and accessible education solutions to schools, tutors, parents and learners	Unlisted		296	206	**502**	2%	17,1x (2021: 13,7x) price-earnings multiple	Level 3	
Energy Partners	56,7%		Private energy utility	Unlisted		305	74	**379**	1%	6x and 10x multiples applied to annualised recurring EBITDA for the operations and investment businesses, respectively, plus cash and work-in-progress, less all debt	Level 3	
Other			Various	Unlisted		446	(109)	**337**	1%	Various	Level 3	
Sub-total						3 907		**4 587**				
Less: Minority shareholding held by PSG Alpha management[3]						(65)	(14)	**(79)**				
Fair value gain							**666**					
Dipeo	49,0%		BEE investment holding	Unlisted						SOTP value; however, liabilities exceed assets		
Sub-total						18 885		**23 136**				
Other net assets						2 020		**3 636**	13%			
Cash and cash equivalents						1 646		**2 635**				
Preference share investments and net loans receivable/payable						733		**884**				
Other[4]						(359)		**117**				
Total before funding						**20 905**		**26 772**				
PSG Financial Services perpetual preference share funding[5]						(1 132)						
Total SOTP value						**19 773**		**26 772**	**100%**			
SOTP value per share (R)						**94,24**		**127,88**				
Fair value gains from investments at FVTPL (note 1.1)							**6 734**					
Fair value gain from derivative financial instruments							42					
Total fair value gains included in the income statement							**6 776**					

[1] *Secondary listings on the Namibian Stock Exchange ("NSE") and Mauritian Stock Exchange ("MSE").*
[2] *Also listed on the Cape Town Stock Exchange (in process of transferring such listing to the JSE).*

[3] *PSG Alpha management holds ±1,7% in PSG Alpha.*
[4] *The balance as at the prior reporting date included, inter alia, a capital gains tax provision in respect of the Capitec shares held.*
[5] *Repurchased in full during the year under review.*

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the annual general meeting of shareholders of PSG Group Ltd ("PSG Group" or "the Company") to be held at 10:00 on Friday, 7 October 2022 ("AGM"), in the event that PSG Group is still listed on the JSE on that date pursuant to the PSG Group Restructuring as detailed in the *Letter to Shareholders*.

The AGM will be conducted entirely by electronic communication as contemplated in section 63(2)(a) of the Companies Act, 2008 (Act No. 71 of 2008) ("Companies Act").

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretary of the Company ("Share Register") for purposes of being entitled to receive this notice is Friday, 17 June 2022.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the AGM is Friday, 30 September 2022, with the last day to trade being Tuesday, 27 September 2022.

Participation process

	Certificated shareholders & own-name dematerialised shareholders	Dematerialised shareholders (excluding own-name dematerialised shareholders)
Shareholders who wish to vote at, but not attend the AGM	• Complete the form of proxy attached to this notice of the AGM and email same, together with proof of identification (i.e. valid South African ("SA") identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), to the transfer secretary, Computershare Investor Services (Pty) Ltd ("transfer secretary"), at *proxy@computershare.co.za* so as to be received by the transfer secretary by no later than 10:00 on Wednesday, 5 October 2022, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretary verifying and registering the form of proxy and proof of identification before any shareholder rights are exercised.	• Provide your central securities depository participant ("CSDP") or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker. • You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them. • If your CSDP or broker does not receive voting instructions from you, it will be obliged to vote in accordance with the instructions in the custody agreement.

	Certificated shareholders & own-name dematerialised shareholders	Dematerialised shareholders (excluding own-name dematerialised shareholders)
Shareholders who wish to attend and vote at the AGM	• Register online at *https://meetnow.global/za* (refer page 86) by no later than 10:00 on Wednesday, 5 October 2022. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM. • As part of the registration process you will be requested to upload proof of identification (i.e. valid SA identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), as well as to provide details, such as your name, surname, email address and contact number. • Following successful registration, the transfer secretary will provide you with details in order to connect electronically to the AGM. • Participate in the AGM by following the steps set out in the Electronic Participation Meeting Guide.	• Request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker. • Register online at *https://meetnow.global/za* (refer page 86) by no later than 10:00 on Wednesday, 5 October 2022. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM. • As part of the registration process you will be requested to upload your letter of representation and proof of identification (e.g. valid SA identity document, SA driver's license or passport), as well as to provide details, such as your name, surname, email address and contact number. • Following successful registration, the transfer secretary will provide you with details in order to connect electronically to the AGM. • Participate in the AGM by following the steps set out in the Electronic Participation Meeting Guide.

1. Each PSG Group shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in their stead at the AGM.
2. Voting will take place by way of a poll and accordingly each shareholder will have one vote in respect of each share held.
3. The cost (e.g. mobile data consumption or internet connectivity) of electronic participation in the AGM will be carried by the participant.
4. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company and its directors/employees/company secretary/transfer secretary/service providers/advisors against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company or its directors/employees/company secretary/transfer secretary/service providers/advisors, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the AGM.

Purpose of the AGM

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

Agenda of the AGM

- Presentation of the audited annual financial statements of the Company, including the remuneration report and the reports of the directors and the audit and risk committee for the year ended 28 February 2022. The annual report, of which this notice forms part, contains the summary consolidated financial statements and the aforementioned reports. The audited annual financial statements, including the unmodified audit opinion, are available on PSG Group's website at *www.psggroup.co.za*, and electronic copies may be requested and obtained, at no charge, from the company secretary at *cosec@psggroup.co.za*.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note:
For ordinary resolutions numbers 1 to 8 (inclusive) to be adopted, more than 50% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof. Should 25% or more of the votes exercised in respect of ordinary resolutions numbers 9 or 10 be against either resolution, or both resolutions, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.

1. Retirement and re-election of directors

1.1 Ordinary resolution number 1

"Resolved that Mr PE Burton, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr PE (Patrick) Burton

Patrick graduated with a BCom (Hons) Financial Management degree and postgraduate Diploma in Tax Law. He is a founding director of Siphumelele Investments, a black economic empowerment company, and currently serves on the boards of various companies as a non-executive director.

1.2 Ordinary resolution number 2

"Resolved that Mr ZL Combi, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr ZL (KK) Combi

KK holds a diploma in public relations and was awarded the Ernst & Young South African Entrepreneur of the Year award in 2000, as well as the World Entrepreneur of the Year in Managing Change award in 2001. He is a member of the Institute of Directors and currently serves on the boards of various companies as a non-executive director.

1.3 Ordinary resolution number 3

"Resolved that Ms B Mathews, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Ms B (Bridgitte) Mathews

Bridgitte is a Chartered Accountant (SA) and currently serves on the boards of various companies as a non-executive director. She has been a member of the African Women Chartered Accountants since 2007 and a member of the Institute of Directors since 2011.

The reason for ordinary resolutions numbers 1 to 3 (inclusive) is that the memorandum of incorporation of the Company, the JSE Ltd ("JSE") Listings Requirements and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotates at every annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

2. Re-appointment of the members of the audit and risk committee of the Company

Note:
For avoidance of doubt, all references to the audit and risk committee of the Company refer to the audit committee as contemplated in the Companies Act.

2.1 Ordinary resolution number 4

"Resolved that Mr PE Burton, subject to the approval of ordinary resolution number 1, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

While Patrick has served on PSG Group's board for the past 21 years, the board is satisfied that he remains independent.

A summary of his curriculum vitae has been included in paragraph 1.1 above

2.2 Ordinary resolution number 5

"Resolved that Ms AM Hlobo, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

Summary curriculum vitae of Ms AM (Modi) Hlobo

Modi is a Chartered Accountant (SA) and holds an MCom (Finance) degree. Modi has served as a director and audit and risk committee member of numerous public-sector and listed companies. She is currently a senior lecturer at the University of Johannesburg's School of Accounting.

2.3 Ordinary resolution number 6

"Resolved that Ms B Mathews, subject to the approval of ordinary resolution number 3, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

A summary of Bridgitte's curriculum vitae has been included in paragraph 1.3 above

2.4 Ordinary resolution number 7

"Resolved that Mr CA Otto, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

While he has served on PSG Group's board for the past 26 years, the board is satisfied that he remains independent.

Summary curriculum vitae of Mr CA (Chris) Otto

Chris graduated BCom LLB from Stellenbosch University and is a founding director of PSG Group, Capitec Bank Holdings Ltd and Zeder Investments Ltd. He also serves on the boards of various other listed companies. Since his appointment as PSG Group director in 1995, he has attended all board meetings without fail.

The reason for ordinary resolutions numbers 4 to 7 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of such company.

3. Re-appointment of auditor

Ordinary resolution number 8

"Resolved that Deloitte & Touche be and is hereby re-appointed as auditor of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the designated auditor being Mr JHW de Kock, as registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the Company."

The reason for ordinary resolution number 8 is that the Company, being a public listed company, must have its annual financial results audited and such auditor must be appointed or re-appointed, as the case may be, at each annual general meeting of the Company, as required by the Companies Act and the JSE Listings Requirements.

4. Non-binding advisory vote on PSG Group's remuneration policy

Ordinary resolution number 9

"Resolved that the Company's remuneration policy, as set out on pages 39 to 45 of the annual report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 9 is that the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") recommends, and the JSE Listings Requirements require, that the remuneration policy of a listed company be tabled for a non-binding advisory vote thereon by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 9, if passed, will be to endorse the Company's remuneration policy. Ordinary resolution number 9 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements.

5. Non-binding advisory vote on PSG Group's implementation report on its remuneration policy

Ordinary resolution number 10

"Resolved that the Company's implementation report on its remuneration policy, as set out on pages 46 to 56 of the annual report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 10 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a listed company's remuneration policy be tabled for a non-binding advisory vote thereon by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 10, if passed, will be to endorse the Company's implementation report on its remuneration policy. Ordinary resolution number 10 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements.

Should 25% or more of the votes exercised in respect of ordinary resolution number 9 or ordinary resolution number 10 be against either resolution, or both resolutions, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.

- To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

  Note:
  For special resolutions numbers 1 to 4 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable special resolution must be exercised in favour thereof.

6. Remuneration of non-executive directors

Special resolution number 1

"Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors, which include serving on various sub-committees, and to make payment of the amounts set out below (plus any value-added tax, to the extent applicable), provided that this authority will be valid until the next annual general meeting of the Company:"

	Annual fee (excluding value-added tax) Feb 2023 R
PSG Group Board	
Chairman	**716 560**
Member	**293 510**
PSG Group Audit and Risk Committee	
Chairman	**205 460**
Member	**176 110**
PSG Group Remuneration Committee	
Chairman	**88 050**
Member	**58 700**
PSG Group Social and Ethics Committee	
Chairman	**35 220**
Member	**23 480**

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of section 66(9) of the Companies Act.

The effect of special resolution number 1, if passed, is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors in respect of the financial year ending 28 February 2023 without requiring further shareholder approval until the next annual general meeting of the Company.

7. Inter-company financial assistance

7.1 Special resolution number 2: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect, if passed, of special resolution number 2 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

7.2 Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the Company may deem fit to any person, including any company or corporation that is related or inter-related to the Company ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the board of the Company may determine for the purpose of, or in connection with the, subscription for any option, or any shares or other securities, issued or to be issued by the Company or by a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect, if passed, of special resolution number 3 is to grant the directors the authority, until the next annual general meeting of the Company, to provide financial assistance to any person, including any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raises funds by issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to such third-party funder arising from the issue of the preference shares. As mentioned on page 44, loan funding is no longer provided to participants of the SIT.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the board will only approve the provision of any financial assistance contemplated in special resolutions numbers 2 and 3 above, where:

- the board is satisfied that the terms under which any financial assistance is proposed to be provided, are fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

8. Special resolution number 4: Share repurchases by PSG Group and its subsidiaries

"Resolved, as a special resolution, that the Company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements, including, inter alia, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares in issue acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its wholly-owned subsidiaries ("the Group") have satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the volume weighted average of the market price of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five-business-day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period, as defined in terms of the JSE Listings Requirements, unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third-party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect, if passed, of special resolution number 4 is to grant the directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4. This authority will provide the board with the necessary flexibility to repurchase shares in the market, should the board believe that it is in the best interest of the Company to do so.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, (i) a pro rata repurchase by the Company from all its shareholders; and (ii) intra-group repurchases by the Company of its shares from wholly-owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the JSE Listings Requirements and/or non-dilutive share incentive schemes controlled by the Company, where such repurchased shares are to be cancelled, will not require shareholder approval, save to the extent as may be required by the Companies Act.

Information relating to the special resolutions

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 4 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:
   - the Company and the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this notice of AGM and for a period of 12 months after the repurchase;
   - the consolidated assets of the Company and the Group (fairly valued) will at the time of this notice of AGM and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the Company and the Group (fairly valued);
   - the ordinary share capital and reserves of the Company and the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after this notice of AGM and after the date of the share repurchase; and
   - the working capital available to the Company and the Group after the repurchase will be sufficient for ordinary business purposes for a period of 12 months after the date of this notice of AGM and for a period of 12 months thereafter and/or after the date of the repurchase.

   General information in respect of major shareholders, material changes since the 2022 financial year-end and the share capital of the Company is contained in the annual report of which this notice forms part, as well as the full set of annual financial statements, being available on PSG Group's website at *www.psggroup.co.za* or which may be requested and obtained, at no charge, from the company secretary at *cosec@psggroup.co.za*.
2. The directors, whose names appear on pages 4 and 5 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of AGM contains all information required by law and the JSE Listings Requirements.
3. Special resolutions numbers 1, 2, 3 and 4 are renewals of resolutions taken at the previous annual general meeting held on Friday, 9 July 2021.

9. Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

By order of the board

PSG Corporate Services (Pty) Ltd
Per A Rossouw
Company Secretary

Stellenbosch
21 June 2022

Computershare

HOW TO PARTICIPATE IN VIRTUAL MEETINGS

Attending the meeting online

Our online meetings provide you with the opportunity to participate online using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

Visit https://meetnow.global/za

Access

Access the online meeting at https://meetnow.global/za, select the applicable meeting from the drop down option. Click 'JOIN MEETING NOW'.

If you are a shareholder:
Select 'Invitation' on the login screen and enter the applicable information as per your invitation. Accept the Terms and Conditions and click Continue.

If you are a guest:
Select 'Guest' on the login screen. As a guest, you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

Please note, guests will not be able to vote at the meeting. Guests would not need to register and can join the meeting 30 minutes before the start by going to https://meetnow.global/za.

If you are a proxy holder:
You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.

Contact

If you have any issues accessing the website please email proxy@computershare.co.za.

Navigation

When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.

Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.

Q&A

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.

FORM OF PROXY

PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1970/008484/06)
JSE share code: PSG ISIN code: ZAE000013017
LEI code: 378900CD0BEE79F35A34
("PSG Group" or "the Company")

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

For use at the annual general meeting of ordinary shareholders of the Company to be held entirely by electronic means, at 10:00 on Friday, 7 October 2022 ("AGM").

I/We (full name in print) ____________________

of (address) ____________________

being the registered holder of ____________________ ordinary shares hereby appoint:

1. ____________________ or failing him/her,
2. ____________________ or failing him/her,
3. the chairman of the AGM,

as my/our proxy to attend, speak and vote on my/our behalf at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions 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 shares registered in my/our name(s) in accordance with the following instructions (see notes):

		Number of shares		
		In favour	**Against**	**Abstain**
1.1	Ordinary resolution number 1: To re-elect Mr PE Burton as director			
1.2	Ordinary resolution number 2: To re-elect Mr ZL Combi as director			
1.3	Ordinary resolution number 3: To re-elect Ms B Mathews as director			
2.1	Ordinary resolution number 4: To re-appoint Mr PE Burton as a member of the audit and risk committee			
2.2	Ordinary resolution number 5: To re-appoint Ms AM Hlobo as a member of the audit and risk committee			
2.3	Ordinary resolution number 6: To re-appoint Ms B Mathews as a member of the audit and risk committee			
2.4	Ordinary resolution number 7: To re-appoint Mr CA Otto as a member of the audit and risk committee			
3.	Ordinary resolution number 8: To re-appoint Deloitte & Touche as auditor			
4.	Ordinary resolution number 9: Non-binding endorsement of PSG Group's remuneration policy			
5.	Ordinary resolution number 10: Non-binding endorsement of PSG Group's implementation report on its remuneration policy			
6.	Special resolution number 1: Remuneration of non-executive directors			
7.1	Special resolution number 2: Inter-company financial assistance			
7.2	Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company			
8.	Special resolution number 4: Share repurchases by PSG Group and its subsidiaries			

Please indicate your voting instruction by inserting the number of shares (or a cross should you wish to vote all of your shares) in the space provided.

Signed at ____________________ on this ____________ day of ____________________ 2022.

Signature(s) ____________________

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

Each PSG Group shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in his/her stead at the AGM.

FORM OF PROXY *(continued)*

Notes

1. A PSG Group shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A PSG Group shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided or by the insertion of a cross if all shares should be voted on behalf of that shareholder. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares 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 shares, any one of such persons may vote at the AGM in respect of such shares as if he/she is solely entitled thereto, but, if more than one of such joint holders be present or represented at the AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and emailed, together with proof of identification and authority to do so (where acting in a representative capacity), to the transfer secretary, Computershare Investor Services (Pty) Ltd, at *proxy@computershare.co.za* so as to be received by the transfer secretary no later than 10:00 on Wednesday, 5 October 2022, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretary verifying and registering the form of proxy and proof of identification before any shareholder rights are exercised.
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 secretary or waived by the chairman of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from connecting electronically to the AGM and speaking and voting by way of electronic means to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

ADMINISTRATION

Details of PSG Group Ltd
Registration number: 1970/008484/06
Share code: PSG
ISIN code: ZAE000013017
LEI code: 378900CD0BEE79F35A34

Company secretary and registered office
PSG Corporate Services (Pty) Ltd
Registration number: 1996/004840/07
First floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
PO Box 7403
Stellenbosch, 7599
Telephone: +27 21 887 9602
Email: *cosec@psggroup.co.za*

Transfer secretary
Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
Private Bag X9000
Saxonwold, 2132

Website address
www.psggroup.co.za

Corporate advisor and sponsor
PSG Capital
First floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
PO Box 7403
Stellenbosch, 7599
and
Second floor, Building Three
11 Alice lane
Sandhurst
Sandton, 2196
PO Box 650957
Benmore, 2010

Independent sponsor
Tamela Holdings (Pty) Ltd
Ground floor, Golden Oak House
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston, 2021

Broker
PSG Online

Auditor
Deloitte & Touche

SHAREHOLDERS' DIARY

	2022
Financial year-end	28 February
Financial results announcement	25 April
Annual general meeting of PSG Group Ltd	7 October
Interim results reported for the six months ending 31 August 2022	20 October

www.psggroup.co.za