

M E R G E N C E

14 June 2016

Proxy Voting Concerns

To Whom It May Concern:

We would like to inform you of Mergence Investment Managers decision to vote “against” ordinary resolutions numbered 1.2; 1.3; 2.1; 2.2 & 2.4 at the PSG Group Ltd - AGM on 24 June 2016 and our reasons for this vote.

These votes are in accordance with Mergence’s proxy voting guidelines¹ as highlighted below.

“**Against**” vote on ordinary resolution 1.2 is guided by the following:

We challenge the independence of Mr J du Toit given his significant financial exposure to the PSG group and his length of service. We do not believe that the total return swap entered into by Mr du Toit removes this issue as he still has significant financial exposure to the group through this instrument.

“**Against**” vote on ordinary resolution 1.3 is based on the following:

We challenge the independence of Mr M du Toit given his significant financial exposure to the PSG group. We do not believe that the total return swap entered into by Mr du Toit removes this issue as he still has significant financial exposure to the group through this instrument.

“**Against**” vote on ordinary resolution 2.1 is based on the following:

We challenge the independence of Mr P Burton given his significant financial exposure to the PSG group and his length of service.

“**Against**” vote on ordinary resolution 2.2 is based on the following:

We challenge the independence of Mr J du Toit given his significant financial exposure to the PSG group and his length of service. We do not believe that the total return swap entered into by Mr du Toit removes this issue as he still has significant financial exposure to the group through this instrument.

“**Against**” vote on ordinary resolution 2.4 is based on the following:

We challenge the independence of Mr C Otto given his significant financial exposure to the PSG group and his length of service.

¹ Mergence’s Proxy Voting Guidelines are available on request.



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We are happy to engage on our reasons for these votes as well as any other issues of corporate governance with the board or management at any time.

Kind Regards


Bradley Preston
CIO: Listed Investments

