

M E R G E N C E

The Board of PSG Group Ltd
35 Kerk Street
Stellenbosch
Cape Town
7600

14 June 2016

Mergence Voting at the 24 June 2016 AGM of PSG Group Ltd

To the Chairman of the Board,

Mergence Investment Managers represents clients who hold an aggregate 44,639 shares in PSG Group Ltd.

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.

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



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"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.

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.

Please note that we have sent instructions to our custodians to implement these votes at the AGM, this letter merely serves to inform the board of our vote and our reasons for voting as we have.

Kind Regards



Bradley Preston
CIO: Listed Investments

