

## PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1970/008484/06)

JSE Limited (“**JSE**”) share code: PSG

ISIN code: ZAE000013017

LEI code: 378900CD0BEE79F35A34

(“**PSG Group**” or “**the Company**”)



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## DISTRIBUTION OF CIRCULAR AND NOTICE OF GENERAL MEETING

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### 1. INTRODUCTION

- 1.1 PSG Group Shareholders are referred to the Detailed Cautionary Announcement released by PSG Group on SENS on 1 March 2022, advising PSG Group Shareholders that the PSG Group Board (with the recusal of the directors who are Remaining Shareholders) had, in principle, resolved to investigate the unlocking of value for the benefit of PSG Group Shareholders, through the steps set out therein, as well as to the Firm Intention Announcement dated 25 April 2022, advising PSG Group Shareholders that, subject to the fulfilment (or where permissible, waiver) of the PSG Group Restructuring Conditions, including receipt of the requisite Shareholder approval, PSG Group will, as one indivisible arrangement, implement the PSG Group Restructuring, a summary of which is set out in paragraph 2 below.
- 1.2 The circular detailing the PSG Group Restructuring (“**Circular**”) is being distributed to PSG Group Shareholders today, 8 July 2022.
- 1.3 All capitalised terms used but not defined in this announcement shall bear the meanings ascribed to them in the Firm Intention Announcement, read together with the Circular.

### 2. SUMMARY OF THE PSG GROUP RESTRUCTURING

- 2.1 Subject to the fulfilment (or where permissible, waiver) of the PSG Group Restructuring Conditions detailed below, PSG Group will as one indivisible arrangement:
  - 2.1.1 implement the PSG Group Unbundling by unbundling –
    - 2.1.1.1 the PSG Konsult Unbundled Shares, comprising approximately 61.1 percent of the total issued share capital of PSG Konsult, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 3.86921 PSG Konsult Shares for every PSG Group Share held on the PSG Group Unbundling Record Date;
    - 2.1.1.2 the Curro Unbundled Shares, comprising approximately 63.6 percent of the total issued share capital of Curro, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1.81597 Curro Shares for every PSG Group Share held on the PSG Group Unbundling Record Date;

- 2.1.1.3 the Kaap Agri Unbundled Shares, comprising approximately 34.7 percent of the total issued share capital of Kaap Agri, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 0.12364 Kaap Agri Shares for every PSG Group Share held on the PSG Group Unbundling Record Date;
- 2.1.1.4 the CA&S Unbundled Shares, comprising approximately 47.0 percent of the total issued share capital of CA&S, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1.03650 CA&S Shares for every PSG Group Share held on the PSG Group Unbundling Record Date; and
- 2.1.1.5 the Stadio Unbundled Shares, being a portion of PSG Group's shareholding in that company, comprising approximately 25.1 percent of the total issued share capital of Stadio, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1.02216 Stadio Shares for every PSG Group Share held on the PSG Group Unbundling Record Date,

in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, and amounting to a disposal of the greater part of PSG Group's assets or undertaking in terms of section 112 of the Companies Act;

- 2.1.2 propose that, inter-conditionally with the PSG Group Unbundling, Exiting Shareholders dispose of their shareholding in PSG Group to PSG Group by way of a scheme of arrangement under section 114 of the Companies Act, in terms of the PSG Group Scheme and under a specific authority to repurchase securities in terms of the JSE Listings Requirements ("**Specific Repurchase**"), for a cash scheme consideration of R23.00 per PSG Group Share (subject to a potential adjustment as set out in paragraph 4.14 of the Firm Intention Announcement and detailed further in the Circular) ("**Scheme Consideration**") following which the Remaining Shareholders of PSG Group will be the only Shareholders of PSG Group; and
  - 2.1.3 be delisted from the JSE following implementation of the PSG Group Unbundling and the PSG Group Scheme.
- 2.2 The JSE has in relation to the Specific Repurchase exempted PSG Group from compliance with paragraph 5.69(b) of the JSE Listings Requirements, which ordinarily requires that specific repurchases be approved by a company's shareholders, other than shareholders and their associates who are participating in the repurchase. The JSE has provided the exemption as the voting requirements for a scheme of arrangement under the Companies Act differ from the voting requirements for a specific repurchase under the JSE Listings Requirements and including both would create an anomalous situation. As a result, only Exiting Shareholders will be entitled to vote on the resolution approving the PSG Group Restructuring, with Remaining Shareholders being excluded.

### **3. PSG GROUP RESTRUCTURING CONDITIONS**

- 3.1 The PSG Group Restructuring will be subject to the fulfilment (or where applicable, waiver) of the following PSG Group Restructuring Conditions –
- 3.1.1 by no later than Monday, 15 August 2022, the requisite majority of PSG Group Shareholders passing the PSG Group Restructuring Resolution in terms of the Companies Act and Companies Regulations;
  - 3.1.2 by no later than Wednesday, 31 August 2022, to the extent that the provisions of section 115(2)(c) read together with section 115(3) of the Companies Act become applicable –
    - 3.1.2.1 the special resolution to approve the PSG Group Restructuring, being approved by the court unconditionally or, if subject to conditions, PSG Group confirms in writing that the conditions are acceptable to it;
    - 3.1.2.2 the special resolution to approve the PSG Group Restructuring not being set aside by the court; or
    - 3.1.2.3 PSG Group not treating the aforesaid special resolution to approve the PSG Group Restructuring as a nullity in terms of section 115(5)(b) of the Companies Act;
  - 3.1.3 within the period prescribed by section 164(7) of the Companies Act, no valid demands (relating to Appraisal Rights) have been received by PSG Group from any PSG Group Shareholder in terms of that section read together with section 115(8) of the Companies Act, in relation to the PSG Group Unbundling and the PSG Group Scheme, or, if such a demand has been duly delivered, PSG Group has waived this condition on or before Friday, 23 September 2022;
  - 3.1.4 by no later than the first Business Day following fulfilment (or, where applicable, waiver) of the last outstanding PSG Group Restructuring Condition (other than the condition contained in this paragraph 3.1.4), the TRP issues a compliance certificate in accordance with section 119(4)(b) of the Companies Act in respect of the PSG Group Unbundling and the PSG Group Scheme;
  - 3.1.5 by no later than Wednesday, 31 August 2022, to the extent required, the approvals, consents and/or rulings necessary to implement the PSG Group Restructuring be obtained from the JSE and the Competition Authorities, either unconditionally or on terms acceptable to PSG Group;
  - 3.1.6 by no later than the date of the General Meeting, a binding public ruling is obtained from SARS dealing with the PSG Group Unbundling on terms and conditions acceptable to PSG Group;
  - 3.1.7 to the extent applicable, by no later than Wednesday, 31 August 2022, the Remaining Shareholders in writing waive the requirement for a mandatory offer in terms of

section 123(4) of the Companies Act, pursuant to the PSG Group Scheme, and the TRP grants the required exemption in respect of this requirement;

- 3.1.8 by the date 10 (ten) Business Days following the General Meeting, *disqualified person* PSG Group Shareholders do not hold more than an additional 10% (in other words, not more than 22.9% in aggregate) of PSG Group Shares in issue (with PSG Group's *disqualified person* shareholding as at 28 February 2022 and at the Last Practicable Date being approximately 12.9%, comprising the GEPPF); and
- 3.1.9 by no later than Wednesday, 31 August 2022, the PSG Group internal restructure steps have become unconditional and are implemented in accordance with their terms.
- 3.2 The PSG Group Restructuring Conditions in –
  - 3.2.1 paragraphs 3.1.3, 3.1.6 and 3.1.8 have been inserted for the benefit of PSG Group, which will be entitled, in its sole discretion, to waive fulfilment of such conditions precedent, in whole or in part; while
  - 3.2.2 the remainder of the PSG Group Restructuring Conditions cannot be waived.
- 3.3 PSG Group may, at any time, extend the date for fulfilment of the PSG Group Restructuring Conditions.

#### **4. INDEPENDENT EXPERT'S OPINION**

- 4.1 The Independent Board, comprised of independent non-executive Directors of PSG Group, has appointed BDO Corporate Finance Proprietary Limited as independent expert ("**Independent Expert**") to prepare a report on the PSG Group Restructuring.
- 4.2 The Independent Expert has determined that the PSG Group Restructuring is fair and reasonable to Exiting Shareholders, for the reasons and on the basis set out in the Independent Expert's Report, a copy of which is annexed to the Circular. The JSE has agreed to accept the Independent Expert's Report, which has been prepared in accordance with the Companies Regulations, given that the PSG Group Restructuring is an indivisible, inter-conditional transaction.
- 4.3 The Independent Board, taking into account the Independent Expert's Report in relation to the PSG Group Restructuring, has considered the terms and conditions of the PSG Group Restructuring, and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Exiting Shareholders. Accordingly, they recommend that Exiting Shareholders vote in favour of the resolution to be proposed at the General Meeting relating to the approval of the PSG Group Restructuring.
- 4.4 PSG Group Shareholders are referred to the Circular, which contains additional detail regarding the views of the Independent Board.

## **5. IMPACT ON THE FINANCIAL INFORMATION OF PSG GROUP**

- 5.1 The Specific Repurchase, if implemented, will be settled in cash and it is anticipated that 136,934,514 PSG Group Shares will be repurchased at a cash Scheme Consideration of R23.00 per share, amounting to an aggregate Scheme Consideration of approximately R3,149m. Should the PSG Group Restructuring proceed and subject to the cash requirements of PSG Group's ongoing operations, PSG Group may be required to draw on facilities to settle the aggregate Scheme Consideration and associated implementation costs, considering that PSG Group's existing cash resources will largely be depleted following payment of the aggregate Scheme Consideration and the associated implementation costs of the PSG Group Restructuring of approximately R465m, calculated as at 28 February 2022.
- 5.2 Following the Specific Repurchase, 3,649 treasury shares will remain in the Company's issued share capital.

## **6. DISTRIBUTION OF THE CIRCULAR AND NOTICE OF GENERAL MEETING**

- 6.1 As indicated above, the Circular is being distributed to PSG Group Shareholders today, 8 July 2022. The Circular incorporates a notice convening the General Meeting to be held at 10:00 on Wednesday, 10 August 2022, entirely by electronic communication, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required for the PSG Group Restructuring and related matters.
- 6.2 The Circular is available in English only. Copies may be obtained during normal business hours from the registered office of the Company and from the offices of the Company's sponsor, PSG Capital, from 8 July 2022 until 10 August 2022 (both days inclusive). A copy of the Circular will also be available on the Company's website (<https://psggroup.co.za/>).

## 7. SALIENT DATES AND TIMES

2022

Record date for Shareholders to be recorded in the Register in order to receive the Circular	Friday, 24 June
Circular incorporating the Notice of General Meeting and Form of Proxy ( <i>grey</i> ), distributed to Shareholders on	Friday, 8 July
Announcement of distribution of Circular and notice convening the General Meeting published on SENS on	Friday, 8 July
Announcement of distribution of Circular and notice convening the General Meeting published in the South African press on	Monday, 11 July
Last day to trade in PSG Group Shares in order to be recorded in the Register to vote at the General Meeting on	Tuesday, 26 July
Record date for a Shareholder to be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 29 July
For administrative purposes, Forms of Proxy ( <i>grey</i> ) in respect of the General Meeting to be lodged at the Transfer Secretaries by 10:00 on	Friday, 5 August
Forms of Proxy ( <i>grey</i> ) not lodged timeously with the Transfer Secretaries, for convenience, to be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) before the proxy exercises the rights of the Shareholder at the General Meeting on	Wednesday, 10 August
Last day for Shareholders to give notice to PSG Group objecting, in terms of section 164(3) of the Companies Act, to the PSG Group Restructuring Resolution to be able to invoke Appraisal Rights by 10:00 on	Wednesday, 10 August
General Meeting held at 10:00 on	Wednesday, 10 August
Results of the General Meeting published on SENS on	Wednesday, 10 August
Results of the General Meeting published in the South African press on	Thursday, 11 August
<b>If the PSG Group Restructuring is approved by Exiting Shareholders at the General Meeting:</b>	
Last date on which PSG Group Shareholders who voted against the PSG Group Restructuring Resolution may require PSG Group to seek court approval in terms of section 115(3)(a) of the Companies Act, but only if the PSG Group Restructuring Resolution was opposed by at least 15% of the voting rights exercised thereon	Wednesday, 17 August
Last date on which PSG Group Shareholders who voted against the PSG Group Restructuring Resolution may make application to the court in terms of section 115(3)(b) of the Companies Act for leave to apply for a review of the PSG Group Unbundling and/or the PSG Group Scheme, as the case may be	Wednesday, 24 August

Last date for PSG Group to send objecting PSG Group Shareholders notice of the adoption of the PSG Group Restructuring Resolution, in terms of section 164(4) of the Companies Act	Wednesday, 24 August
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**Assuming that all the PSG Group Restructuring Conditions are fulfilled or waived (to the extent legally permissible) and that neither court approvals nor the review of the PSG Group Restructuring is required:**

### **PSG Group Unbundling**

Finalisation announcement in respect of the PSG Group Unbundling published on SENS on	Thursday, 25 August
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Finalisation announcement in respect of the PSG Group Unbundling published in the South African press on	Friday, 26 August
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Last day to trade Shares in order to be recorded in the Register to participate in the PSG Group Unbundling on	Tuesday, 6 September
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Shares trade <i>ex-right</i> to the Unbundled Shares	Wednesday, 7 September
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Announcement in respect of the apportionment of base costs for taxation purposes and the cash value of fractional entitlements in relation to the PSG Group Unbundling by 11:00 on	Thursday, 8 September
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PSG Group Unbundling Record Date	Friday, 9 September
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Announcement in respect of the closing share prices after market closes	Friday, 9 September
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PSG Group Unbundling Completion Date on which Shareholders will have their accounts at their CSDP or Broker updated to reflect the Unbundled Shares	Monday, 12 September
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Payment of cash amount in respect of fractional entitlements (assuming timely receipt of completed Forms of Surrender ( <i>yellow</i> )) expected to be on	Monday, 12 September
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### **PSG Group Scheme**

Announcement of final Scheme Consideration expected to be released on SENS on	Friday, 16 September
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Scheme Last Day to Trade expected to be on	Tuesday, 20 September
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Trading in Scheme Shares on the JSE expected to be suspended from commencement of trade on or about	Wednesday, 21 September
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Scheme Consideration Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on	Friday, 23 September
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Scheme Implementation Date expected to be on	Monday, 26 September
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Scheme Consideration payment to Dematerialised Shareholders expected to take place on	Monday, 26 September
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Scheme Consideration payment to Certificated Shareholders (assuming timely surrender of Documents of Title and duly completed Forms of Surrender) expected to be on Monday, 26 September

Termination of listing of Scheme Shares on the JSE expected to be at commencement of trade on or about Tuesday, 27 September

### **Delisting**

Termination of listing of remaining PSG Group Shares on the JSE expected to be at commencement of trade on or about Tuesday, 27 September

### **Notes:**

1. The above dates and times are subject to amendment at the discretion of PSG Group, subject to the approval of the TRP and (where required) the JSE. Any such amendment will be published on SENS.
2. Shareholders should note that, as transactions in PSG Group Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after such trade. Therefore, Shareholders who acquire PSG Group Shares after close of trade on Tuesday, 26 July 2022 will not be eligible to attend electronically, participate in and vote at the General Meeting.
3. In terms of the PSG Group Unbundling, Shareholders will receive the Unbundled Shares in Dematerialised form only. Certificated Shareholders wishing to receive their Unbundled Shares in Dematerialised form and Shareholders wishing to materialise their Unbundled Shares following the implementation of the PSG Group Unbundling, are referred to page 10 of the Circular, which details the steps to be taken by them in this regard.
4. Completed Forms of Proxy (*grey*) and the authority (if any) under which they are signed must be (i) lodged with, posted or emailed to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132), or at proxy@computershare.co.za, to be received by them, for administrative purposes, by no later than 10:00 on Friday, 5 August 2022 or (ii) thereafter emailed to Computershare at the aforementioned email address (for the attention of the chairperson of the General Meeting) at any time before the proxy exercises any rights of the Shareholder at such General Meeting.
5. Share certificates may not be Dematerialised or re-materialised between Wednesday, 7 September 2022 and Friday, 9 September 2022, or between Wednesday, 21 September 2022 and Friday, 23 September 2022, both days inclusive.
6. All times indicated above and in the Circular are in South African Standard Time.

### **8. RESPONSIBILITY STATEMENT**

The Independent Board individually and collectively accepts full responsibility for the accuracy of the information contained in this announcement. In addition, the Independent Board certifies that to the best of its knowledge and belief, the information contained in this announcement solely pertaining to the Company is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein or which would make any statement false or misleading, and that all reasonable enquiries to ascertain such information



have been made and the announcement contains all information required by law and the JSE Listings Requirements.

The PSG Group Board (excluding the members of the Independent Board) ("**Board**") individually and collectively accepts full responsibility for the accuracy of the information contained in this announcement. In addition, the Board certifies that, to the best of its knowledge and belief, the information contained in this announcement solely pertaining to the Company is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein or which would make any statement false or misleading, and that all reasonable enquiries to ascertain such information have been made and the announcement contains all information required by law and the JSE Listings Requirements.

Stellenbosch

8 July 2022

Transaction Advisor and Sponsor – PSG Capital

Independent Joint Sponsor – Tamela Holdings Proprietary Limited

Legal Advisor as to South African law – Cliffe Dekker Hofmeyr Incorporated

Independent Expert – BDO Corporate Finance Proprietary Limited

Auditor and Independent Reporting Accountant – Deloitte & Touche

Legal Advisor as to US and UK law – Goodwin Procter LLP

## **Disclaimers**

The release, publication or distribution of this announcement in jurisdictions other than South Africa may be restricted by law. The distribution of the Unbundled Shares to Foreign Shareholders in terms of the PSG Group Unbundling or the transfer of PSG Group Shares in terms of the PSG Group Scheme may be affected by the laws of the relevant Foreign Shareholders' jurisdictions. In this regard, Foreign Shareholders are referred to the further details set out below.

### **Foreign Shareholders: General**

No action has been taken by PSG Group to obtain any approval, authorisation or exemption to permit the distribution of the Unbundled Shares or the PSG Group Scheme or the possession or distribution of this announcement (or any other publicity material relating to the Unbundled Shares or the PSG Group Shares in terms of the PSG Group Scheme) in any jurisdictions other than South Africa.

The PSG Group Restructuring is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the PSG Group Restructuring on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult

their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons participating in the PSG Group Restructuring to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

Foreign Shareholders should refer to and take into account the disclaimers set out in this announcement and contained in the Circular in relation to those jurisdictions.

Foreign Shareholders should nevertheless consult their own professional advisors and satisfy themselves as to the applicable legal requirements in their jurisdictions.

### **Notice to Foreign Shareholders located in the United States of America (“US”)**

This announcement is not an offer of securities for sale in the US. The Unbundled Shares and the PSG Group Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or with any regulatory authority of any state or other jurisdiction in the US and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the US at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the US.

The Unbundled Shares and the PSG Group Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the US. The Company does not intend to take any action to facilitate a market in the Unbundled Shares or the PSG Group Shares in the US. Consequently, it is unlikely that an active trading market in the US will develop for the Unbundled Shares or the PSG Group Shares.

The Unbundled Shares and the PSG Group Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other regulatory authority in the US, nor have any of the foregoing authorities passed comment on, or endorsed the merit of, the PSG Group Restructuring or the accuracy or the adequacy of this announcement or the information contained herein. Any representation to the contrary is a criminal offence in the US.

### **Notice to Foreign Shareholders located in the European Economic Area (“EEA”) and the United Kingdom (“UK”)**

This announcement is not a prospectus, for the purposes of the Prospectus Regulation (EU) 2017/1129 or Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended, on the basis that the Unbundled Shares and the PSG Group Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK, nor is there an offer to the public in respect of the Unbundled Shares or the PSG Group Shares in any member state of the EEA or in the UK. Accordingly, any person making or intending to make any offer for the Unbundled Shares or the PSG Group Shares should only do so in circumstances in which no obligation arises for PSG Group or the issuers of the Unbundled Shares to produce a prospectus for such offer. The Company has not authorised the making of any offer for the Unbundled Shares or the PSG Group Shares through any financial intermediary.