

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”)



PSG GROUP RESTRUCTURING: FINAL SCHEME CONSIDERATION

1. INTRODUCTION

- 1.1 Shareholders are referred to the various announcements released by PSG Group on the JSE’s Stock Exchange News Service and the circular distributed to Shareholders on Friday, 8 July 2022 (“Circular”), regarding the PSG Group Restructuring in terms of which PSG Group will, as one indivisible arrangement, implement the PSG Group Unbundling, the PSG Group Scheme and the Delisting on the terms set out in the Circular.
- 1.2 All capitalised terms used but not defined in this announcement shall bear the meanings ascribed to them in the Circular.

2. FINAL SCHEME CONSIDERATION

- 2.1 As indicated in paragraph 3.14 of the Circular, the Scheme Consideration of R23.00 per Scheme Share could have been reduced should there have been an increase in PSG Group’s *disqualified person* shareholding (as defined in Annexure 4 of the Circular) between the Last Practicable Date (amounting to approximately 12.9% at that date) and the PSG Group Unbundling Record Date, being Friday, 9 September 2022.
- 2.2 Shareholders are advised that as at the PSG Group Unbundling Record Date, the extent and percentage of PSG Group’s *disqualified person* shareholding remained unchanged at approximately 12.9%. Accordingly, the Scheme Consideration will not be adjusted, meaning that the Scheme Consideration will remain **R23.00 per Scheme Share**.
- 2.3 The PSG Group Scheme will be implemented in accordance with the timetable contained in the Circular and the Company’s finalisation announcement dated 25 August 2022.

3. TAX TREATMENT OF THE PSG GROUP SCHEME

- 3.1 It should be noted that the full Scheme Consideration will not be funded by PSG Group from contributed tax capital or be treated as a return of share capital, resulting in it being treated as a dividend for tax purposes. In this context, a dividend is subject to dividend withholding tax unless there is a specific exemption that applies, for example to resident companies of South Africa. However, the exemption will only apply if the relevant declaration and undertaking have been given by the exempt entity concerned beforehand. It is also possible that non-resident PSG Group Shareholders would be able to enjoy an exemption or a reduction in the rate of dividend withholding tax depending on the application of the relevant

tax treaty concluded between South Africa and their country of residence, provided that the relevant declaration and undertaking have been provided beforehand. The Company will pay the full Scheme Consideration to the Transfer Secretaries, which will withhold a portion thereof required to settle any dividend withholding tax payable, as may be applicable. Accordingly, the net cash amount that will be received by those Shareholders that are **not** exempt from dividend withholding tax or entitled to a reduction in the rate of dividend withholding tax, is thus R18.40 per Scheme Share on the basis that the dividend withholding tax will be paid on their behalf by the Transfer Secretaries to the South African Revenue Service.

- 3.2 Securities transfer tax payable on the repurchase of the Scheme Shares by the Company will be borne by the Company.
- 3.3 Neither PSG Group, its advisors, directors nor employees can be held responsible for the tax consequences of the PSG Group Scheme. PSG Group Shareholders are advised to consult their own professional tax advisors in this regard.
- 3.4 PSG Group will in due course determine and publish on its website (www.psggroup.co.za) the exact amount of tax payable by PSG Group in respect of the PSG Group Unbundling insofar as it pertains to the distribution of Unbundled Shares to *disqualified persons*, as well as the allocation thereof to the cost of the Unbundled Shares based on the binding class ruling obtained from SARS.

4. RESPONSIBILITY STATEMENT

- 4.1 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.
- 4.2 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.

PSG Group wishes to thank Shareholders for their support throughout the PSG Group Restructuring process, as well as those Shareholders who have continuously supported the Company on its journey over many years – it is much appreciated.

Stellenbosch

16 September 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

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.