

Notice of Annual General Meeting 2016

Notice is hereby given that the Annual General Meeting of the Company will be held at the RACV Club, 501 Bourke Street, Melbourne at 10.30 am (Melbourne time) on Monday 31 October 2016.

Notice of Annual General Meeting 2016

Business

1. Financial and Other Reports

To receive and consider the Financial Report and the Reports of the Directors and the Auditor for the financial year ended 30 June 2016.

2. Election of Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

To elect as a Director Mr Melvyn Sims who was appointed as a Director since the last Annual General Meeting and, being eligible, offers himself for election.

3. Approve the Grant of Options (Long Term Incentive Plan)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That approval is given for the grant of 600,000 Options to Mr Sims, with an effective date of 8 July 2016, in accordance with the rules of the Company's Long Term Incentive Plan on the terms summarised in the Explanatory Notes to this notice.

Voting exclusion for Item 3

The Company will disregard any votes cast on Item 3 by Mr Sims or any of his associates, in any capacity, as well as any votes cast as a proxy on Item 3 by a person who, at the date of the meeting, is a member of the Company's Key Management Personnel (KMP) or that KMP's closely related party, unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the meeting as proxy for a person entitled to vote, pursuant to an express authority to vote undirected proxies as the Chairman sees fit.

4. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

The Remuneration Report for the year ended 30 June 2016 be adopted.

Voting exclusion for Item 4

The Company will disregard any votes cast on Item 4:

- by, or on behalf of, a member of the Company's KMP named in the Remuneration Report, or that KMP's closely related parties, in any capacity; or
- by a person who, at the date of the meeting, is a member of the Company's KMP, or that KMP's closely related party, acting as proxy,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the meeting as proxy for a person entitled to vote, pursuant to an express authority to vote undirected proxies as the Chairman sees fit.

Notice of Annual General Meeting 2016 (continued)

Notes

Important note regarding proxies

The laws that apply to voting on resolutions relating to the remuneration of KMP have changed in recent years. Certain categories of persons (including Directors and the Chairman of the meeting) may be prohibited from voting on such resolutions, including as proxy in some circumstances.

If you are appointing a proxy, please read the following notes and the instructions on the Proxy Form carefully to ensure that your vote counts.

1. For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders at 10.30 am (Melbourne time) on Saturday, 29 October 2016.
2. A shareholder is entitled to attend and vote at the meeting.
3. A shareholder is also is entitled to appoint not more than two proxies. The appointment of one or more proxies will not preclude a shareholder from attending and voting at the meeting.
4. A proxy need not be a shareholder of PSC Insurance Group Limited.
5. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
 - the full name of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate at the meeting.
6. Where two proxies are appointed, each proxy may be appointed to represent a specified proportion or number of the voting rights of the shareholder. If more than one proxy attends the meeting, neither proxy is entitled to vote on a show of hands. If you wish to appoint two proxies, ensure you complete the relevant section on the proxy form.
7. If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the meeting or they choose to not vote on a poll, then the Chairman of the meeting will vote your proxies as directed by you.
8. If you do not mark a box on the Proxy Form, your proxy may vote as they choose on that item. However, if you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on Items 3 and 4.
9. If the Chairman of the meeting is your proxy (or he becomes your proxy by default), you will be taken to have expressly authorised him to exercise your proxy in relation to Items 3 (Grant of Options) and 4 (Adoption of the Remuneration Report) even though the Chairman is, and those items are, connected directly or indirectly with the remuneration of a member of the KMP for the PSC Insurance Group Limited consolidated group.
10. Completed proxy forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 10.30 am (Melbourne time) on Saturday, 29 October 2016 in one of the following four ways:

online at:

www.linkmarketservices.com.au

or

by mail:

PSC Insurance Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

or

by fax:

+61 2 9287 0309

or


by hand:

Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

Notice of Annual General Meeting 2016 (continued)

At the meeting, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company and on the Remuneration Report. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, Pitcher Partners, questions about the content of its report, and the conduct of its audit of the Company for the past financial year.

By order of the Board.

A handwritten signature in black ink, appearing to read 'S. Abbott', written over a horizontal line.

Stephen Abbott
Company Secretary
PSC Insurance Group Limited
Melbourne

26 September 2016

Explanatory Notes

Item 2

Election of Director

The following is the background of Mr Melvyn Sims who is seeking election:

Mr Sims is a highly regarded London based corporate lawyer, with extensive experience in the insurance industry gained during his 27 years as a partner in the International Law Firm, DLA Piper. Over the course of Mr Sims career he has held senior management roles and advised businesses in commercial and transactional matters often with an international perspective and in diverse markets ranging from general retail, aviation, sport and leisure through to regulated financial services businesses. Mr Sims has extensive Board experience, having served as a board member of Towergate for over 15 years. Mr Sims has advised the Group on its UK acquisitions and therefore has an understanding of the Group operations.

The appointment reflects PSC's commitment to its UK based businesses and will strengthen our capability in this important market for the Group.

The Board considers Mr Sims to be an Independent Director.

The Directors (other than Mr Sims in relation to his own election) unanimously recommend the election of Mr Sims.

Item 3

Grant of Options to Mr Melvyn Sims (Long Term Incentive Plan)

Item 3 relates to the participation of the Non-executive Director, Mr Sims, in the Company's Long Term Incentive Plan (LTIP) during the 2016/17 financial year.

The principles of the PSC Insurance Group Limited executive remuneration strategy, programs and frameworks are designed to:

- align remuneration to business outcomes that deliver value to shareholders; and
- ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

Why is shareholder approval required?

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme. Accordingly, approval is sought for the grant to Mr Sims 600,000 Options under the LTIP. This grant is conditional on receiving shareholder approval.

An overview of the proposed grant is set out below.

As all Directors form Key Management Personnel, and are eligible to participate in the LTIP, they and their closely related entities are excluded from voting on this resolution.

Overview of the proposed grant

NUMBER TO BE ALLOCATED

The Board has invited Mr Sims to apply for 600,000 Options in the Company. Each Option is to acquire one share in the Company. Accordingly, the maximum number of shares that may be acquired by Mr Sims is 600,000 shares.

DATE OF GRANT

If shareholder approval is obtained, the Options will be granted to Mr Sims with an effective date of 8 July 2016, the date he first accepted the nomination to the Board.

EXERCISE PRICE

The exercise price of the options is \$1.66 per share.

ISSUE DATE OF OPTIONS

The options will be issued as soon as practicable after shareholder approval, but in any event will not be issued later than 12 months after approval.

Explanatory Notes (continued)

OPTION EXPIRY DATE

Expiry date of the options is 8 July 2021, or 3 months from ceasing to be a member of the Board, whichever is earlier.

PERFORMANCE HURDLES

There are no performance hurdles attaching to these Options.

OTHER DETAILS

- The Options can be converted to Ordinary shares at anytime before expiry date.
- Shares issued as a result of the exercise of these Options will rank equally with existing Ordinary shares of the Company.
- The Options carry no rights to vote at General Meetings of Members.
- The Options carry no rights to dividends.
- The Options will not be entitled to participate new issues that may be offered to shareholders during the currency of the Options, nor are the Options entitled to participate in dividends until such time as they are converted to Ordinary shares.
- In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be adjusted in accordance with the listing rules, but in all other respects the terms of Options will remain unchanged.
- The Options may not be assigned, transferred, encumbered with a security interest in or over them, or otherwise disposed unless with the prior written consent of the Board or by force of law upon death.
- Exercise of the Options is by way of notice in writing plus payment in by cash, or cheque, or such other form of payment determined by the Board, being the exercise price per Option multiplied by number of Options being exercised.
- The Options will not be quoted on the ASX. The Company will seek to have shares issued as a result of exercise of the Options quoted on the ASX.

The Directors (other than Mr Sims) unanimously recommend that shareholders vote in favour of the resolution in Item 3. Mr Sims makes no recommendation.

Item 4

Adoption of Remuneration Report

The vote on Item 4 relates to Company's remuneration policy and outcomes for the 2016 financial year. The Remuneration Report is set out in the Directors' Report section of the 2016 Annual Report and is also available on PSC's website at www.pscinsurance.com.au

The Remuneration Report sets out in detail the Company's policy for determining remuneration for Directors and Senior Executives. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess satisfaction of those performance conditions.

The vote on the resolution in Item 4 is advisory only, and does not bind the Directors or the Company. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the meeting.

For the purposes of the voting exclusion on this resolution, Key Management Personnel are identified as all Directors of the company.

The Directors unanimously recommend that shareholders vote in favour of the resolution in Item 4.



LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
PSC Insurance Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of PSC Insurance Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (Melbourne time) on Monday, 31 October 2016 at the RACV Club, 501 Bourke Street, Melbourne (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3 and 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

STEP 2

Resolutions

2 To elect Mr Melvyn Sims as a Director

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of the Grant of Options to Mr Melvyn Sims

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Melbourne time) on Saturday, 29 October 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

PSC Insurance Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**