

# Notice of Annual General Meeting 2019

The Annual General Meeting of the Company will be held at the RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 at 9.30 am (Melbourne time) on Wednesday 6 November 2019.

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.**

# **PSC Insurance Group Limited ABN 81 147 812 164 (Company) Notice of Annual General Meeting 2019**

Notice is hereby given that the Annual General Meeting of Shareholders of PSC Insurance Group Limited ABN 81 147 812 164 (**PSC or Company**) will be held at the RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 at 9.30 am (Melbourne time) on Wednesday 6 November 2019 (**Meeting**).

The Explanatory Notes provide additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 9.30 am (Melbourne time) on Tuesday, 4 November 2019.

Terms and abbreviations used in this Notice (including the Explanatory Notes) are defined in Schedule 1.

## **Business**

### **1. Financial and Other Reports**

To receive and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: There is no requirement for Shareholders to approve these reports.

### **2. Resolution 1 – Adoption of Remuneration Report**

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report, as set out in the Directors' Report, for the year ended 30 June 2019.”*

Note: This resolution is advisory only and does not bind the Company or Directors. This resolution is subject to voting exclusions as set out at the end of this Notice.

### **3. Resolution 2 - Election of Tara Falk**

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

*“That Tara Falk, an executive director who was appointed to the Company's Board as a casual vacancy, conditional on the completion of the Paragon International Holdings Limited acquisition, pursuant to clause 15.10 of the Company's Constitution without shareholder approval, and who retires in accordance with clause 15.6 of the Company's Constitution and being eligible for election, be re-elected as a director of the Company.”*

### **4. Resolution 3 – Re-Election of Paul Dwyer**

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

*“That, for the purposes of clause 15.6 of the Constitution and ASX Listing Rule 14.4, and for all other purposes Mr Paul Dwyer, being an executive director since the Company's listing on the ASX and a non-executive director since 16 May 2019, who retires by rotation and being eligible offers himself for re-election, be re-elected as a director of the Company.”*

#### **5. Resolution 4 – Re-Election of Melvyn Sims**

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

*“That, for the purposes of clause 15.6 of the Constitution and ASX Listing Rule 14.4, and for all other purposes Mr Melvyn Sims, being a non-executive director, who retires by rotation and being eligible offers himself for re-election, be re-elected as a director of the Company.”*

#### **6. Resolution 5 – Approval of issue of securities under the Company’s Long Term Incentive Plan**

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

*“That, the PSC Insurance Group Long Term Incentive Plan be approved and that Shareholders approve the issue of securities under the Long Term Incentive Plan on the terms and conditions in the Explanatory Note for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes.”*

**Note:** This resolution is subject to voting exclusions as set out at the end of this Notice.

#### **7. Resolution 6 – Approve the Grant of Options (and issue of Shares on exercise of Options) to Antony Robinson**

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

*“That, for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 8,000,000 Options (and issue of Shares on exercise of those Options) to Mr Antony Robinson in accordance with the rules of the Company’s Long Term Incentive Plan and on the terms and conditions set out in the Explanatory Note.”*

**Note:** This resolution is subject to voting exclusions as set out at the end of this Notice.

#### **8. Resolution 7 – Approval of the prior issue of Shares – Refresh 15% placement capacity**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the prior issue of 13,461,529 fully paid ordinary shares issued under the institutional placement announced 25 July 2019, 6,888,062 fully paid ordinary shares issued as part consideration for the acquisition of Paragon International Holdings Limited, announced 25 July 2019 and the issue of 3,944,287 fully paid ordinary shares issued as part consideration for the acquisition of the business assets of Griffith Goodall Insurance Brokers Pty Ltd announced 9 July 2019, on the terms and conditions set out in the Explanatory Notes.”*

**Note:** This resolution is subject to voting exclusions as set out at the end of this Notice.

#### **9. Resolution 8 – Appointment of Auditor**

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

*“That, pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, Ernst & Young, being qualified to act as an auditor of the Company and having been nominated by a Shareholder and consented in writing to act as the Company’s auditor, is appointed as the Company’s auditor to hold office from the conclusion of this Meeting until it resigns or is removed from the office of auditor of the Company, on the terms and conditions in the Explanatory Note.”*

#### **10. Resolution 9 – Non-Executive Directors’ Remuneration Pool**

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

*“That, for the purpose of clause 15.13 of the Company’s Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum aggregate fees that may be paid to non-executive Directors per annum be set at \$950,000 in accordance with the terms and conditions set out in the Explanatory Note.”*

**Note:** This resolution is subject to voting exclusions as set out at the end of this Notice.

# PSC Insurance Group Limited

## Notice of Annual General Meeting 2019

### IMPORTANT VOTING INFORMATION

#### Voting exclusions

##### **Voting exclusion for Resolution 1 - Adoption of Remuneration Report**

In accordance with section 250BD of the Corporations Act, a vote on Resolution 1 must not be cast:

- by or on behalf of a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- by a person appointed as a proxy, where that person is either a member of the KMP or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this resolution, and:

- the person is appointed as a proxy that specifies the way the proxy is to vote on this resolution; or
- the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this resolution, but expressly authorises the Chairman to exercise the proxy even if this resolution is connected with the remuneration of a member of the KMP.

##### **Voting exclusion for Resolution 5 - Approval of issue of securities under the under the Company's Long Term Incentive Plan**

A vote on this Resolution must not be cast by or on behalf of:

- a Director of the Company entitled to participate in the Company's Long Term Incentive Plan; or
- an associate of a Director of the Company entitled to participate in the Company's Long Term Incentive Plan.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

##### **Voting exclusion for Resolution 6 - Approve the Grant of Options to Antony Robinson**

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- any Director of the Company who is eligible to participate in the Company's Long Term Incentive Plan (to be approved by Shareholders at this Annual General Meeting);
- an associate of a Director of the Company.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

##### **Voting exclusion for Resolution 7 - Approval of the prior issue of Shares – Refresh 15% placement capacity**

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- any person who participated in the issue of Shares under this Resolution 7; and
- any associate of any such person.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Voting exclusion for Resolution 9 - Non-Executive Directors' Remuneration Pool**

The Company will disregard any votes cast in favour of this Resolution 9 by or on behalf of:

- a Director of the Company; or
- an associate of a Director of the Company.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Further voting exclusion for Resolution 5 (LTIP Approval), Resolution 6 (Grant of Options to Antony Robinson) and Resolution 9 (Non-executive Directors Remuneration Pool)**

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast:

- by or on behalf of a member of the KMP whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- by a person appointed as a proxy, where that person is either a member of the KMP or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this resolution, and:

- the person is appointed as a proxy that specifies the way the proxy is to vote on this resolution; or
- the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this resolution, but expressly authorises the Chairman to exercise the proxy even if this resolution is connected with the remuneration of a member of the KMP.

## **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 9.30 am (Melbourne time) on Tuesday, 4 November 2019.
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 attached to this Notice:
  - 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 Resolution 1 (Adoption of Remuneration Report), 5 (LTIP approval), 6 (Grant of Options to Antony Robinson) and 9 (Non-executive Directors Remuneration Pool).
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 Resolutions 1 (Adoption of the Remuneration Report), 5 (LTIP approval), 6 (Grant of Options to Antony Robinson) and 9 (Non-executive Directors Remuneration Pool) 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 9.30 am (Melbourne time) on Tuesday, 4 November 2019 in one of the following four ways:

**online at:**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**by mail:**

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

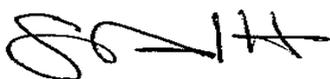
**by fax:**

+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.

By order of the Board.



**Stephen Abbott**  
**Company Secretary**  
**PSC Insurance Group Limited**  
**Melbourne**

1 October 2019

# PSC Insurance Group Limited

## Notice of Annual General Meeting 2019

### Explanatory Notes

#### Introduction

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 at 9.30 am (Melbourne time) on Wednesday 6 November 2019.

These Explanatory Notes form part of the Notice which should be read in its entirety. These Explanatory Notes contain the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Note.

#### Item 1 - Consideration of reports

In accordance with section 317(1) of the Corporations Act the Company's Financial Report, Directors' Report and Auditor's Report must be laid before the Annual General Meeting.

This item provides Shareholders with an opportunity to ask questions concerning the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2019 (which are contained in the 2019 Directors' Report and Financial Statements), and the Company's performance generally. There is no requirement for Shareholders to approve these reports. For those Shareholders who did not elect to receive a printed copy, the 2019 Annual Report which includes the Directors' Report and Financial Statements, is published on the PSC Insurance Group Limited website at [www.pscinsurancegroup.com.au/investors/](http://www.pscinsurancegroup.com.au/investors/)

The Auditor will be present at the Annual General Meeting to answer audit-related questions from Shareholders. Shareholders may also submit questions to the Company's auditor (Pitcher Partners, Melbourne) on the content of the Auditor's Report or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2019. Such questions must be received by no later than 5pm (AEST) on Wednesday, 30 October 2019.

#### Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the adoption of the Remuneration Report to the vote of Shareholders.

The vote on Resolution 1 relates to the Company's remuneration policy and outcomes for the 2019 financial year. The Remuneration Report is contained within the Directors' Report section of the 2019 Annual Report which is available on PSC's website at [www.pscinsurance.com.au/investors/](http://www.pscinsurance.com.au/investors/)

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.

In accordance with section 250R(3) of the Corporations Act, the vote on Resolution 1 is advisory only, and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting.

If more than 25% of the votes cast on this resolution are against the adoption of the remuneration report, the remuneration report for the following year must either address any comments received from Shareholders or explain why no action has been taken in response to those comments. If, at the following Annual General Meeting, the remuneration report again has a vote against it of 25% or more, a 'spill resolution' will be put to Shareholders whereby Shareholders will have the opportunity to remove the whole Board (except a Managing Director). If at least 50% of the votes cast are in favour of the 'spill resolution' a special meeting of the Company will be held within 90 days at which the Directors in office at the time of the second annual general meeting (other than the Managing Director) must resign and stand for re-election.

At the 2018 Annual General Meeting the Remuneration Report was passed with a vote of less than 25% against, such that the Company did not receive a strike against the adoption of its Remuneration Report at the 2018 Annual General Meeting.

For the purposes of the voting exclusion on this resolution, KMP are identified as all the Directors of the Company, the Group Chief Executive Officer and the Chief Financial Officer.

#### **Board recommendation**

**The Board recommends that shareholders vote in favour of Resolution 1.**

The Chairman intends to exercise all available proxies in favour of this resolution.

### **Resolution 2 – Election of Director – Tara Falk**

Tara Falk was appointed by the Board as an Executive Director of the Company on 25 September 2019, conditional on the completion of the acquisition of Paragon International Holdings Limited, to fill a casual vacancy pursuant to clause 15.10 of the Company's Constitution. In accordance with clause 15.10 of the Company's Constitution, a Director appointed by the Board to fill a casual vacancy will hold office until the end of the next annual general meeting of the Company when the Director may be re-elected. Given this, Tara Falk retires from office in accordance with the above requirements and submits herself for election.

As co-founder and co-CEO of Paragon International Insurance Brokers Ltd, Tara has extensive experience in all operations of running a specialist Lloyd's insurance broker. This has included the expansion of the company to its present position as a successful and leading provider of insurance services for a large number of global organisations.

Tara's broking career began at Willis prior to forming Paragon in 1996. With over 30 years' industry experience, Tara is well known within the insurance marketplace, working with leading insurers in Lloyd's, Europe, Bermuda and the United States. Tara's experience is focused on the Financial and Professional Liability market, serving many of the world's leading professional service firms to include Fortune 1000 Companies, AMLAW Top 100 law firms, Engineering News Record Top 100 design firms, Financial Institutions and Technology Companies.

#### **Board recommendation**

**The Board, with Ms Tara Falk abstaining, recommends that Shareholders vote in favour of Resolution 2.**

The Chairman intends to exercise all available proxies in favour of this resolution.

### **Resolution 3 – Re-election of Director – Mr Paul Dwyer**

In accordance with ASX Listing Rule 14.4, no director (except the Managing Director) may retain office for more than three years or after the third AGM following that director's appointment, or in this case, after listing. In addition, clause 15.6 of the Company's Constitution provides that at each Annual General Meeting one-third of the Directors (other than the Managing Director) for the time being, or, if their number is not 3 or a multiple of three, then the number nearest to but not exceeding one-third of the Directors must retire from office. Directors who retire by reason of clause 15.6 of the Company's Constitution are those Directors who have been in office the longest since their last election. A retiring Director is eligible for re-election.

The Company must hold an election of Directors each year. As part of this process Mr Paul Dwyer will retire by rotation at this year's AGM and seek re-election as a non-executive Director. Mr Paul Dwyer was Managing Director up to 16 May 2019 and has not faced re-election since listing.

Paul Dwyer was appointed to the Board on 10 December 2010. Mr Dwyer stepped down as Managing Director on 16 May 2019 to the position of Non-Executive Director and Deputy Chairman. Prior to founding PSC Insurance Group, Mr Dwyer held a senior executive position with OAMPS Insurance Brokers Limited and previous to that role was a Regional Underwriter with CGU. Mr Dwyer's focus is the strategic direction of the entity, exploring acquisition and organic growth opportunities.

#### **Board recommendation**

**The Board, with Mr Dwyer abstaining, recommends shareholders vote in favour of Resolution 3.**

The Chairman intends to exercise all available proxies in favour of this resolution.

### **Resolution 4 – Re-election of Director – Mr Melvyn Sims**

In accordance with ASX Listing Rule 14.4, no director (except the Managing Director) may retain office for more than three years or until the third AGM following that Director's appointment, or in this case, after listing. In addition, clause 15.6 of the Company's Constitution provides that at each Annual General Meeting one-third of the Directors (other than the managing director) for the time being, or, if their number is not 3 or a multiple of three, then the number nearest to but not exceeding one-third of the Directors must retire from office. Directors who retire by reason of clause 15.6 of the Company's Constitution are those Directors who have been in office the longest since their last election. A retiring Director is eligible for re-election.

The Company must hold an election of Directors each year. As part of this process Mr Melvyn Sims will retire by rotation at this year's AGM and seek re-election as a non-executive Director.

Melvyn Sims was appointed to the Board on 8 August 2016 as an Independent Non-executive Director. Mr Sims is a highly regarded London based corporate lawyer with extensive experience in the insurance industry gained during his 28 years as a partner in the international law firm DLA Piper and since July 2015 as a partner in the international law firm DWF Group PLC which is listed on the London Stock Exchange.

Over the course of Mr Sims' career he has held senior management roles, including managing DLA Piper Offices and practice groups in the Middle East 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 the UK listed Towergate Insurance Limited for over 15 years.

#### **Board recommendation**

**The Board, with Mr Sims abstaining, recommends shareholders vote in favour of Resolution 4.**

The Chairman intends to exercise all available proxies in favour of this resolution.

### **Resolution 5 – Approval of issue of securities under the Company's Long Term Incentive Plan (LTIP)**

The ASX Listing Rules generally restrict listed companies from issuing more than 15% of their issued share capital in any 12 month period without shareholder approval. However, there are exceptions to this restriction, one of which states that general Listing Rule requirements for shareholder approval will not apply to an issue of securities under an employee incentive scheme if, within three years before the date of the issue, shareholders approve the issue of securities under the scheme as an exception to the rule.

If the Company's existing LTIP is approved by Shareholders at the Meeting, issues under the LTIP over the next three years will fall under this ASX Listing Rule exception and will not affect the Company's ability to separately issue up to 15% of its total ordinary securities in any 12 month period (without having to obtain further Shareholder approval). The exception does not apply to Directors and their associates, who are deemed related parties of the Company, and issues to such persons will require separate shareholder approval under Listing Rule 10.14.

The LTIP for which Shareholder approval is being sought at this Meeting, is the current LTIP that was in place at the time of the Company's listing on the ASX on 15 December 2015, a copy of which was announced on the Company's ASX announcement platform. This is the first time Shareholders have been asked to re-approve the LTIP for the purposes of ASX Listing Rule 7.2, exception 9, the plan having been in place at the time of listing in December 2015 and noted in the prospectus.

### **Key terms of LTIP**

In accordance with ASX Listing Rule 7.2, exception 9, a summary of the key terms of the LTIP is set out below.

The Company has adopted the LTIP to assist in the reward, retention and motivation of certain employees and Directors of the Company (**Participants**). The Company may grant Shares, loan funded shares, options and/or performance rights (**Awards**) to eligible participants under its LTIP. Each Award granted represents a right to receive one Share once the Award vests, and in the case of options and performance rights, is exercised by the relevant Participant.

In accordance with the rules of the Long Term Incentive Plan, the Board will determine in its sole and absolute discretion the terms and conditions of Awards which are granted under the LTIP including, but not limited to, the following:

- which individuals will be invited to participate in the LTIP;
- the type of Award to be granted to each Participant;
- the number of Awards to be granted to each Participant;
- the fee payable (if any) by Participants on the grant of Awards to Participants;
- the terms on which the Awards will vest and become exercisable, including any vesting conditions or performance hurdles which must be met;
- in the case of loan funded shares, the terms and conditions upon which the Company will provide a loan to the relevant Participants to acquire Shares including whether the loan is limited recourse, interest bearing or not (and if so, at what interest rate) and the term of the loan, to be set at in a separate loan agreement;
- in the case of options, the exercise price of each option granted to Participants and the period during which a vested option can be exercised; and
- any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that Participants receive upon exercise of their Awards.

The Board may delegate management and administration of the LTIP together with any of its powers or discretions under the LTIP to a committee of the Board or to any one or more persons selected by it as the Board thinks fit, including but not limited to the Company Secretary.

The LTIP will operate subject to the ASX Listing Rules.

### **Board recommendation**

**The Board unanimously recommends shareholders vote in favour of this Resolution 5.**

The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of this resolution.

A voting exclusion statement for Resolution 5 is included in the Voting Exclusions.

## **Resolution 6 – Approve the Grant of Options and issue of Shares on exercise of those Options (Long Term Incentive Plan) to Mr Antony Robinson**

This relates to the participation of the Managing Director, Mr Antony Robinson, in the Company's LTIP during the 2019 financial year.

The Board granted 8,000,000 Options to Antony Robinson on 16 May 2019 under the LTIP and in accordance with the remuneration strategy of the Company.

The principles of the Company's 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?**

Antony Robinson, as a Director of the Company, is a related party of the Company. Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive plan unless an exception applies. The Options were issued to Antony Robinson on 16 May 2019 without obtaining shareholder approval under ASX Listing Rule 10.14 due to the exception in Listing Rule 10.15B as the shares to be acquired by Mr Robinson on exercise of the Options were to be acquired on-market.

The Board has subsequently determined, subject to shareholder approval being obtained under this Resolution, that Mr Robinson will be issued new shares on exercise of the Options instead of being required to acquire shares on-market. Given this, the exception in Listing Rule 10.15B no longer applies and the Company is required to obtain shareholder approval in order for the Company to issue Shares on exercise of Mr Robinson's Options rather than requiring these to be acquired on-market. If this Resolution is not approved by Shareholders, then the Company will be required to satisfy its obligations on exercise of the Options by purchasing those Shares on-market.

Accordingly, approval is sought for the grant to Mr Robinson of 8,000,000 Options under the LTIP with new Shares to be issued on exercise of those Options. If Shareholder approval is given under Listing Rule 10.14 pursuant to this Resolution 6, Shareholder approval under Listing Rule 10.11 is not required.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing this resolution will be to allow the Company to issue up to 8,000,000 Options (and issue Shares on exercise of these Options) to Antony Robinson without using the Company's 15% placement capacity under Listing Rule 7.1. Further to this, the issue of these Options (and issue of Shares on exercise of these Options) under the LTIP also falls within exception 9 in Listing Rule 7.2. As such, if Shareholder approval is given for the grant of the Options for the purposes of Listing Rule 10.14, Shareholder approval will not be required for the purposes of Listing Rule 7.1.

### **Section 208 of Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed grant of Options as the exception in section 211 of the Corporations Act applies. The Options are being issued for the reasons set out above and are considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

**Summary of key terms of the Options** - An overview of the grant and the terms and conditions of the Options are set out below. The summary below also includes the specific information required by ASX Listing Rule 10.15.

Number To Be Allocated

The Board has invited Mr Robinson, Managing Director of the Company, to apply for 8,000,000 Options in the Company under the Company's LTIP. Each Option is to acquire one Share in the Company. Accordingly, the maximum number of Shares that may be acquired by Mr Robinson on exercise of the Options is 8,000,000 Shares.

Exercise Price

The exercise price of the Options are:

<b>Option description:</b>	<b>Number of options:</b>	<b>Grant price:</b>	<b>Exercise price:</b>
Block A	3,500,000	Nil	\$3.00 per option
Block B	1,500,000	Nil	\$3.25 per option
Block C	1,500,000	Nil	\$3.50 per option
Block D	1,500,000	Nil	\$3.75 per option

Issue Date Of Options

As noted above, the Options were previously granted by the Board to Antony Robinson on 16 May 2019 without obtaining shareholder approval under ASX Listing Rule 10.14 due to the exception in ASX Listing Rule 10.15B as the shares to be acquired on exercise of the Options were to be acquired on market. The Board has subsequently determined, subject to shareholder approval under this Resolution being obtained, that the Shares acquired by Mr Robinson on exercise of the Options will be an issue of new Shares rather than an acquisition of shares on-market.

Option Expiry Date

Expiry date of the Options is 31 December 2022, or 3 months from ceasing to be a member of the Board, whichever is earlier.

Performance Hurdles And Vesting Conditions

There are no performance hurdles or vesting conditions attaching to these Options.

Other Key Details

- The Options can be exercised to Shares at any time before the expiry date upon payment by Mr Robinson of the exercise price.
- Shares issued as a result of the exercise of these Options will rank equally with existing Shares of the Company.
- The Options carry no rights to vote at General Meetings of Shareholders.
- 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 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 of 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.
- Each Director of the Company is entitled to participate in the LTIP.
- The Company has, during the period since listing issued the following awards under the LTIP:
  - Antony Robinson – 600,000 options over ordinary shares at \$1.00 per share. Options expire 14/12/2020. Mr Robinson has exercised 300,000 of these options.
  - Melvyn Sims – 600,000 options over ordinary shares at \$1.66 per share. Options expire 08/07/2021. Mr Sims has not exercised any options.
- The Company will not provide any loan to Antony Robinson in connection with the grant of the Options.

### **Board recommendation**

**The Board, with Mr Antony Robinson abstaining, recommends that shareholders vote in favour of the Resolution 6.**

The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of this resolution.

A voting exclusion statement for Resolution 6 is included in the Voting Exclusions.

## **Resolution 7 – Refresh 15% placement capacity**

Resolution 7 seeks the approval of Shareholders to the prior issues of Shares that have occurred in the 12 months prior to 2 October 2019 that have not already been approved by Shareholders for the purposes of Listing Rule 7.4.

Listing Rule 7.1 restricts listed companies from issuing more than 15% of their issued share capital in any 12 month period without Shareholder approval. However, Listing Rule 7.4 provides an exception to this restriction. This exception provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1, those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1 and those issues will not be taken into account when calculating the Company's 15% placement capacity.

The Company issued Shares under three separate placements utilising the Company's 15% placement capacity pursuant to Listing Rule 7.1 (**Placements**). This resolution seeks to ratify the prior issues of Shares under these Placements in order to "refresh" the Company's 15% placement capacity. The effect of this resolution, if approved by Shareholders, is that the issue of the Shares under these Placements will not be counted towards the Company's 15% placement capacity and as such the Company's 15% placement capacity will be "refreshed". None of the investors in the Placement were "related parties" of the Company under the Corporations Act. Listing Rule 7.5 provides that for Shareholders to approve an issue subsequently, the notice of meeting must include particular information. This information is as follows:

Although the Directors do not currently propose to issue further Shares in the immediate future (other than pursuant to the Company's dividend reinvestment plan in relation to the dividend due to be paid on 16 October 2019), approval of this resolution would provide funding flexibility in respect of any potential acquisitions that may arise. If the Company issues further equity, the percentage holdings in the Company of Shareholders will be diluted to the extent they do not participate in that further equity issue (should it occur). The Directors consider that this potential disadvantage is outweighed by the potential advantages and benefits of the Company refreshing its placement capacity and accordingly consider that this resolution is in the best interests of Shareholders.

If Shareholders do not approve this resolution and an opportunity to make a major acquisition arises, the Company's ability to participate in that opportunity in a timely manner, or at all, may be constrained and the Company would be prevented from raising further capital through a placement without Shareholder approval until 2 October 2020 (being 12 months after the date of the placement of the Shares under the Paragon placement below), noting that the Company's current remaining placement capacity will largely be used for the issue of consideration shares for the Paragon acquisition.

Details of the prior issues of Shares being ratified under this Resolution 7 are set out below. The issues of Shares under the Placements did not breach ASX Listing Rule 7.1 at the time of issue.

*Institutional placement – 13,461,529 fully paid ordinary Shares*

On 2 August 2019 and 6 August 2019, the Company issued 13,461,529 Shares at \$2.60 each to raise \$35,000,000.

The Shares were fully paid ordinary Shares in the capital of the Company and rank equally with all other existing Shares, from the time of issue. The allottees were determined on the basis of a bookbuild conducted by the Company (through Bell Potter). The Company's intention is to apply the net proceeds from the Placement to partly fund the acquisition of Paragon International Holdings Limited, an acquisition announced to the market on 25 July 2019 in conjunction with the announcement of the institutional placement.

*Acquisition of Paragon International Holdings Limited – 6,888,062 fully paid ordinary Shares*

On 25 July 2019, the Company announced the acquisition of 100% of the issued capital of Paragon International Holdings Limited (**Paragon**). At completion of the acquisition on 30 September 2019, UK time, the Company issued 6,888,062 Shares at \$2.60 each to the vendors as part consideration for the acquisition.

The Shares were fully paid Shares in the capital of the Company and rank equally with all other existing Shares and were issued 1 October 2019.

Additional Shares were issued as part of the completion process in relation to certain entitlements to options and / or cash bonuses of the vendors that were issued or payable by Paragon. Certain of these Shares were issued under the Company's LTIP. Given the number of these additional Shares have not been finally determined at the date of this Notice and given the number of these Shares will not be significant, we are seeking approval under this Resolution 7 only for the 6,888,062 Shares issued to vendors on completion of the Paragon acquisition as direct consideration for the acquisition (as noted above).

*Acquisition of Griffiths Goodall Insurance Brokers – 3,944,287 fully paid ordinary Shares*

On 7 July 2019, the Company announced the acquisition of the business of Griffiths Goodall Insurance Brokers Pty Ltd. At completion of the acquisition on 26 July 2019, the Company issued 3,944,287 Shares at \$2.43 each to the vendors as part consideration for the acquisition.

The Shares were fully paid Shares in the capital of the Company and rank equally with all other existing Shares, from the time of issue with the exception of the 3,549,859 being subject to a 24 month escrow ending 24 months after the date of issue.

**Board recommendation**

**The Board recommends that Shareholders vote in favour of Resolution 7.**

The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of this resolution.

A voting exclusion statement for Resolution 7 is included in the Voting Exclusions.

## **Resolution 8 – Appointment of Auditor**

Having received ASIC consent, Pitcher Partners (**PP**) will resign as auditor of the Company at the conclusion of this Meeting. The Board thanks PP for its services provided as auditor of the Company.

The Company has nominated Ernst & Young (EY) to be appointed as auditor on PP's resignation. EY were selected following a competitive tender process which took into consideration the relative expertise, independence and proposed fee structures of the tender participants. EY has deep experience in the industry and offers a unique value proposition when benchmarked against peer competitors. EY's selection and nomination for appointment was overseen by the Audit & Risk Committee and approved by the Board.

Having:

- (a) received EY's consent to act which has not been withdrawn; and
- (b) having received written notice from Nick Lawson in their capacity as a member of the Company, nominating EY for appointment as auditor (in accordance with section 328B of the Corporations Act, a copy of which is annexed to this Notice as Attachment 1) EY now stands for appointment as auditor of the Company in accordance with section 327B(1)(b) of the Corporations Act.

If the Resolution is passed, the appointment of EY as the Company's auditor will take effect at the close of this Meeting.

### **Board recommendation**

**The Board recommends that Shareholders vote in favour of Resolution 8.**

The Chairman of the Meeting intends to vote available proxies in favour of this resolution.

## **Resolution 9 – Non-Executive Directors' Remuneration**

Clause 15.13 of the Company's Constitution provides that Directors are entitled to directors' fees for their services as Directors. However, clause 15.13 of the Constitution provides that any increase in the aggregate amount of non-executive Directors' fees payable over \$750,000 must be approved by Shareholders in accordance with the Listing Rules. Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of Directors' fees payable to all of its non-executive Directors without approval of Shareholders.

The total aggregate amount of Directors' fees per annum to be paid to the non-executive Directors was previously capped at \$750,000 in the Company's Constitution and disclosed in the Prospectus. The Company has not since listing on the ASX, sought to increase the aggregate amount of non-executive Directors fees or seek Shareholder approval for such an increase. The Company believes it desirable at this time to seek an increased cap to ensure non-executive Directors are appropriately remunerated for their roles and to ensure the Company is readily able to appoint additional non-executive Directors as the opportunity arises.

This Resolution 9 seeks Shareholder approval to increase the aggregate amount of non-executive Directors' fees per annum from \$750,000 to \$950,000 being an increase of \$200,000.

[The total amount of Directors' fees payable includes superannuation contributions and any fees which a non-executive Director agrees to sacrifice on a pre-tax basis. It does not include reimbursement of out-of-pocket expenses or securities issued to a Director under Listing Rule 10.11 of 10.14 with approval of Shareholders.]

In the past 3 years the Company has made issues of Shares and Options with prior Shareholder approval under Listing Rules 10.11 or 10.14 to non-executive Directors, or their nominees, as set out in Resolution 6 above.

### **Board recommendation**

**The Board, excluding the non-executive Directors, recommends that Shareholders vote in favour of Resolution 9.**

The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of this resolution.

A voting exclusion statement for Resolution 9 is included in the Voting Exclusions.

# PSC Insurance Group Limited

## Notice of Annual General Meeting 2019

### SCHEDULE 1: DEFINITIONS

In the Notice and the Explanatory Notes, words importing the singular include the plural and vice versa.

**\$ or A\$** means Australian Dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** has the meaning given to that term in section 9 of the Corporations Act.

**Company or PSC** means PSC Insurance Group Limited ACN 147 812 164.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Notes** means the explanatory notes which form part of the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** has the meaning given to that term under the Corporations Act.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting dated 1 October 2019 which comprises of the notice, agenda, Explanatory Notes and Proxy Form.

**Option** means an option which entitles the holder to subscribe for one Share.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.