

Notice of Annual General Meeting 2020

The Annual General Meeting of PSC Insurance Group Limited ABN 81 147 812 164 (**PSC** or **Company**) will be held at 9.00 am (Melbourne time) on Monday 2 November 2020 as an online webcast meeting.

Due to current circumstances relating to COVID-19 and associated government imposed restrictions and recommendations, the Meeting is being held electronically using the online webcast meeting. Shareholders are urged to attend and vote at the meeting electronically using the online webcast meeting or vote by lodging the proxy form attached to this Notice.

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 2020

Notice is hereby given that the Annual General Meeting (**Meeting**) of Shareholders of PSC Insurance Group Limited ABN 81 147 812 164 (**PSC or Company**) will be held:

Date: 2 November 2020
Time: 9.00 am (Melbourne time)
Venue: Online at <https://agmlive.link/PSI20>

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://agmlive.link/PSI20> into a web browser on your computer or online device:

- Shareholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Voting Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Shareholders are requested to participate in the AGM virtually via our virtual AGM platform at <https://agmlive.link/PSI20> or via a Voting Form or the appointment of a proxy.

Further information on how to participate virtually is set out in this Notice and the **Online Platform Guide** at www.pscinsurancegroup.com.au/corporate-governance .

AGM Considerations and Shareholder Questions

A discussion will be held on all items to be considered at the AGM.

All Shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform, including an opportunity to ask questions of the Company's external auditor.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Question Form has been included with this Notice and is also available on the Company's website: www.pscinsurancegroup.com.au/corporate-governance .

We will attempt to address the more frequently asked questions in the Chairman and Group Managing Director's presentations to the Meeting. Written questions must be received by the Company or Link Market Services Limited by 5.00 PM on Monday 26 October 2020, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

The Explanatory Notes provide additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy 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 9.00 am (Melbourne time) on Saturday, 31 October 2020.

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 2020, 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 2020.”

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 – Re-election of Brian Austin

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 Brian Austin, 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.”

4. Resolution 3 – Re-election of John 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 John Dwyer, being an executive director, who retires by rotation and being eligible offers himself for re-election, be re-elected as a director of the Company.”

5. Resolution 4 – Approval of the prior issue of Second Tranche Consideration Shares - Paragon International Holdings Limited – 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 6,559,452 fully paid ordinary shares issued as part of the Second Tranche payment for the Company's acquisition of Paragon International Holdings Limited issued 16 June 2020, 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.

6. Resolution 5 – Approval of the prior issue of Second Tranche Consideration Shares – Griffiths Goodall Insurance Brokers - 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 issue of 506,227 fully paid ordinary shares issued as part of the Second Tranche payment for the Company’s acquisition of the business assets of Griffiths Goodall Insurance Brokers Pty Ltd issued 1 September 2020, 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.

PSC Insurance Group Limited

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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 Resolutions 4 and 5 - Approval of the prior issue of Shares – Refresh 15% placement capacity

The Company will disregard any votes cast in favour of Resolution 4 or 5 by or on behalf of:

- any person who participated in the issue of Shares under Resolution 4 or 5; and
- any associate of any such person.

However, the Company will not disregard a vote cast in favour of Resolution 4 or 5 if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney on the resolution in that way; or
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

How to vote and other important information regarding proxies

1. For the purposes of the Meeting, Shares will be taken to be held by the persons who are registered as Shareholders at 9.00 am (Melbourne time) on Saturday, 31 October 2020.
2. All resolutions are to be voted by Poll.
3. A Shareholder is entitled to attend and vote at the Meeting with attendance being virtual attendance via the online webcast meeting.

Shareholders may vote by:

a. Using the online voting platform. We recommend logging in to the online voting platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Enter <https://agmlive.link/PSI20> into a web browser on your computer or online device;
- Shareholders will need their Securityholder Reference Number or Holder Identification Number, which is printed at the top of the Voting Form; and

- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meetings.

Online voting will be open between the commencement of the Meeting at 9.00 am (Melbourne time) on Monday 2 November 2020 and the time at which the Chair announces the closure of voting.

More information about online participation in the Meetings is available in the **Online Platform Guide** at www.pscinsurancegroup.com.au/corporate-governance .

- Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form;

Voting by proxy

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.

A member who is entitled to vote at the meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.

A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Company Share Registry on +61 1300 554 474 which will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 9.00 am on Saturday 31 October 2020 (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted. Instructions for completing the proxy form are outlined on the form, which may be returned by:

- posting it in the reply-paid envelope provided;
- posting it PSC Insurance Group Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- faxing it to Link Market Services Limited on fax number (02) 9287 0309;
- lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Securityholder Reference Number (SRN) to lodge your proxy form online;

Proxies given by corporate shareholders must be executed in accordance with their Constitutions or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he or she thinks fit.

The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chair of the meeting to which it relates or to such other person as the Board determines.

If a Shareholder appoints the Chair of the meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that Shareholder, in favour of the item on a poll. Further, 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 Resolution 1 even though the Chairman is, and that item is, connected directly or indirectly with the remuneration of a member of the KMP for the PSC Insurance Group Limited consolidated group.

Voting requirements

Recommendation 6.4 of the ASX Corporation Governance Council's Corporate Governance Principles and Recommendations (4th edition) and ASX guidance provide that a listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. In accordance with these recommendations, the Chair has determined in accordance with clause 14.14 of the Constitution that all resolutions put to Shareholders at the Meeting will be decided by poll rather than by a show of hands.

In accordance with the Company's Constitution and the ASX Listing Rules, each Resolution put to Shareholders at the meeting must be passed by way of an ordinary resolution which requires the Resolution be approved by a majority of votes cast by Shareholders entitled to vote on the Resolution.

By order of the Board.



Stephen Abbott
Company Secretary
PSC Insurance Group Limited
Melbourne

29 September 2020

PSC Insurance Group Limited

Notice of Annual General Meeting 2020

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 online at 9.00 am (Melbourne time) on Monday 2 November 2020.

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 2020 (which are contained in the 2020 Annual Report), 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 2020 Annual Report which includes the Directors' Report and Financial Statements, is published on the PSC Insurance Group Limited website at www.pscinsurancegroup.com.au/corporate-governance

The Auditor will be present at the Annual General Meeting to answer audit-related questions from Shareholders including in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the Financial Report and the independence of the auditor. Shareholders may also submit questions to the Company's auditor (Ernst & Young, 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 2020. Such questions must be received by no later than 5pm (AEST) on Monday, 26 October 2020.

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 2020 financial year. The Remuneration Report is contained within the Directors' Report section of the 2020 Annual Report which is available on PSC's website at 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.

However, 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 its adoption of 25% or more, a 'spill resolution' will be put to Shareholders at that meeting whereby Shareholders will vote on a resolution as to whether another meeting should be held (within 90 days) at which all Directors (except a Managing Director) who were in office at the time of the second annual general meeting must resign and stand for re-election.

At the 2019 Annual General Meeting the Remuneration Report was passed with a vote of less than 25% against its adoption, such that the Company did not receive a strike against the adoption of its Remuneration Report at the 2019 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 – Re-election of Director – Mr Brian Austin

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. 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. Mr Brian Austin will retire by rotation at this year's AGM and seek re-election as a non-executive Director. Mr Austin last faced re-election at the 2017 AGM.

Brian Austin, an Independent Director, was appointed to the Board on 10 December 2010. With over 35 years' industry experience, Mr Austin has held senior executive positions in the insurance industry, including CEO of OAMPS Insurance Brokers Limited. Over that time Mr Austin has been instrumental in setting the strategy of capital raising and acquisitions. The executive positions Mr Austin has held has enabled him to develop a global network of key relationships that allow the future growth strategies of the entity to be pursued with much confidence. Mr Austin was a Director of the ASX listed AMA Group Limited until 21 February 2020.

Mr Austin is the present Chairman of the Board and a member of the Remuneration and Nomination Committee.

Board recommendation

The Board, with Mr Austin abstaining, recommends Shareholders vote in favour of Resolution 2.

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

Resolution 3 – Re-election of Director – Mr John Dwyer

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. 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. Mr John Dwyer will retire by rotation at this year's AGM and seek re-election as an executive Director. Mr Dwyer last faced re-election at the 2018 AGM.

John Dwyer, an Executive Director, was appointed to the Board on 10 December 2010. Mr Dwyer has over 30 years' experience in the insurance industry, spending time with QBE as a Regional Underwriting Manager, commencing a joint venture with OAMPS Insurance Brokers Limited and eventually becoming Eastern Region Manager (NSW & ACT).

As Director of Broking across the PSC Insurance Group, Mr Dwyer brings specialist business integration and practical operational skills pivotal to a growing business. Mr Dwyer has not held directorships of other listed companies in the last three years.

Board recommendation

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

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

Resolution 4 – Approval of the prior issue of Second Tranche Consideration Shares – Paragon International Holdings Limited - Refresh 15% placement capacity

Resolution 4 seeks the approval of Shareholders to the prior issue of Shares that have occurred in the 12 months prior to the date of this Notice of Meeting 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 has issued 6,559,452 Shares on 16 June 2020 as part of the second tranche payment for the Company's acquisition of 100% of the shares in Paragon International Holdings Limited (**Paragon**) (**Paragon Second Tranche Consideration Shares**) which were in addition to the 8,800,000 Paragon Second Tranche Consideration Shares also issued as part of the second tranche payment and which had already been approved by Shareholders at the Company's General Meeting held 31 March 2020 for the purpose of Listing Rule 7.4. The 6,559,452 Paragon Second Tranche Consideration Shares were issued utilizing the Company's 15% placement capacity pursuant to Listing Rule 7.1.

This resolution seeks to ratify the prior issue of 6,559,452 Paragon Second Tranche Consideration Shares in order to "refresh" the Company's 15% placement capacity. The effect of this resolution, if approved by Shareholders, is that the issue of these Paragon Second Tranche Consideration Shares will not be counted towards the Company's 15% placement capacity and as such the Company's 15% placement capacity will be "refreshed".

If this resolution is not passed, the 6,559,452 Paragon Second Tranche Consideration Shares will be included in calculation the Company's 15% placement capacity in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date of these Paragon Second Tranche Consideration Shares.

Approval of this resolution would provide the Company with flexibility to issue additional equity securities into the future including in respect of any potential acquisitions that may arise, without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

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 an 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 under Listing Rule 7.1.

Details of the prior issue of 6,559,452 Paragon Second Tranche Consideration Shares being ratified under this Resolution 4 are set out below. The issue of these Paragon Second Tranche Consideration Shares did not breach ASX Listing Rule 7.1 at the time of issue. None of the vendors who were issued these Paragon Second Tranche Consideration Shares were "related parties" of the Company under the Corporations Act at the time these Shares were issued.

Background on issue of Paragon Second Tranche Consideration Shares

On 25 July 2019, the Company announced the acquisition of 100% of the issued capital of UK based Paragon International Holdings Limited (Paragon) under the terms of a share purchase agreement dated 24 July 2019 (SPA), the material terms of which were released to the market on 25 July 2019. At completion of the acquisition on 30 September 2019, 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. Shareholders approved this issue Shares at the Company's AGM held 6 November 2019 under Listing rule 7.4.

In our announcement of 25 July 2019, we advised that the calendar 2018 EBITDA of Paragon was £4.2 million. The initial payment to the vendors was based on that performance.

Noted in our announcement of 25 July 2019, under the terms of the SPA, the Second Tranche payment to vendors was to be based on the EBITDA of Paragon for the financial year ended 31 December 2019 with a base payment of £3.5 million payable in cash and any amount payable above the base payment being payable in a combination of cash (50%) and Shares (50%). This consideration was payable when the EBITDA was finally determined and not before 30 March 2020.

On 17 January 2020, the Company made a further announcement that whilst the full year results of Paragon to December 2019 were still to be finalised, PSC expected the adjusted EBITDA for that period to be greater than £7.0 million and that based on a notional EBITDA of greater than £7.0 million for 2019, the Second Tranche payment due under the Paragon acquisition would be £31.5 million, payable as follows:

- £17.5 million in cash.
- £14.0 million in Shares.

Based on variables at the time of the announcement this equated to approximately 8,800,000 million Shares (FX rate of AUD/GBP of 0.5300 and a closing price of the Company's shares on 16 January 2020 of \$3.00 per share). The final number of Shares and cash consideration remained dependent on the actual 2019 EBITDA and the Share price and exchange rate at the time of payment. This was expected to occur early to mid-May 2020.

The prior agreement to issue these Shares (being 8,800,000 Shares) was ratified at the Company's EGM held 31 March 2020 for the purposes of ASX Listing Rule 7.4.

Subsequent to the approval of the agreement to issue of the 8,800,000 Shares, on 29 May 2020 the Company made a further announcement to the market regarding the finalisation of the calculation of the number of Shares to be issued as the scrip component of the Second Tranche payment. With a further increase to the expected EBITDA and a decline in the Share price to \$2.50 per Share, the number of Paragon Second Tranche Consideration Shares to be issued under the Second Tranche payment was 15,410,541 shares, an additional 6,610,541 Paragon Second Tranche Consideration Shares over the 8,800,000 Paragon Second Tranche Consideration Shares that were approved by Shareholders at the Company's EGM on 31 March 2020. A new issue of Shares of 15,359,452 was made with the balance of 51,089 coming from forfeited Loan Funded Shares. All Paragon Second Tranche Shares were issued on 16 June 2020 noting that for the 8,800,000 Paragon Second Tranche Consideration Shares approved by Shareholders on 31 March 2020, these were issued within three months of the approval under Listing Rule 7.4 that was obtained at the Company's EGM.

The Company is therefore now seeking ratification by Shareholders of the issue of the additional 6,559,452 Paragon Second Tranche Consideration Shares that were issued to vendors of shares under the Paragon acquisition as part of the Second Tranche payment for that acquisition.

Below is set out further information in relation to the 6,559,452 Paragon Second Tranche Consideration Shares which are the subject of this Resolution 4, for the purpose of ASX Listing Rule 7.5:

- the 6,559,452 Paragon Second Tranche Consideration Shares were issued to the 25 vendors of shares in Paragon under the terms of the SPA;
- PSC issued 6,559,452 Paragon Second Tranche Consideration Shares on 16 June 2020 for which the Company is seeking now Shareholder approval under Listing Rule 7.4;
- the 6,559,452 Paragon Second Tranche Consideration Shares were issued for nil cash consideration and have been issued as part of the second tranche payment to the vendors of shares in Paragon in relation to the Company's acquisition of shares in Paragon; and
- the 6,559,452 Paragon Second Tranche Consideration Shares were issued under and in accordance with the terms of the SPA.
- Material terms of the SPA provide for:
 - 83.3% of the purchase price (£35.0 million) payable upon completion in the form of £25 million in cash and £10 million in fully paid ordinary shares in PSC. (First Tranche). The share component equated to 6,888,062 Shares at \$2.60 per share issued. The issue was approved at the 2019 AGM under Listing Rule 7.4.
 - 8.3% of the purchase price (£3.5 million – “Base Payment”) payable based on the EBITDA of Paragon for the financial year ending 31 December 2019 (Second Tranche). The Second Tranche was subject to an upward or downward adjustment at a multiple of 10x the difference between the actual 2019 EBITDA and the 2018 underlying EBITDA (£4.2 million). The Base Payment is payable in cash and any amount above the Base Payment will be paid as a combination of cash (50%) and Shares (50%). This consideration is payable when the EBITDA is finally determined and not before 90 days after 31 December 2019. The cash component equated to £24.17 million and the Share component £20.67million resulting in 15,410,541 Shares being issued of which 6,559,452 are the subject of this resolution and the balance of 8,800,000 Shares approved under Listing Rule 7.4 at the 31 March 2020 EGM. These Shares were issued at \$2.50 per share.
 - 8.3% of the purchase price (£3.5 million – “Base Payment”) payable based on the EBITDA of Paragon for the financial year ending 31 December 2020 (Final Tranche). The Final Tranche will be subject to an upward or downward adjustment at a multiple of 10x the difference between actual 2020 EBITDA and the actual 2019 EBITDA. The Base Payment is payable in cash and any amount above the Base Payment will be paid as a combination of cash (50%) and Shares (50%). This consideration is payable when the EBITDA is finally determined and not before 90 days after 31 December 2020.

- All Shares issued under the Second Tranche and Final Tranche will be issued at a price that equates to the 5 day volume weighted average price of the Shares before the respective time that the 2019 EBITDA and 2020 EBITDA are finally determined respectively.
- Shares to be issued under the Final Tranche consideration cannot be reasonably determined at this time.

Board recommendation

The Board recommends, with Tara Falk abstaining (being a Paragon vendor), that Shareholders vote in favour of Resolution 4.

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 4 is included in the Voting Exclusions.

Resolution 5 – Approval of the prior issue of Second Tranche Consideration Shares – Griffiths Goodall Insurance Brokers - Refresh 15% placement capacity

Resolution 5 seeks the approval of Shareholders to the prior issue of Shares that have occurred in the 12 months prior to the date of this Notice of Meeting 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 has issued 506,227 Shares as part of the second tranche consideration for the Company's acquisition of the business assets of Griffiths Goodall Insurance Brokers Pty Ltd (**GGIB Second Tranche Consideration Shares**). These GGIB Second Tranche Consideration Shares were issued utilising the Company's 15% placement capacity pursuant to Listing Rule 7.1.

This resolution seeks to ratify the prior issue of 506,227 GGIB Second Tranche Consideration Shares in order to "refresh" the Company's 15% placement capacity. The effect of this resolution, if approved by Shareholders, is that the issue of these GGIB Second Tranche Consideration Shares will not be counted towards the Company's 15% placement capacity and as such the Company's 15% placement capacity will be "refreshed".

If this resolution is not passed, the 506,227 GGIB Second Tranche Consideration Shares will be included in calculation the Company's 15% placement capacity in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date of these GGIB Second Tranche Consideration Shares.

Approval of this resolution would provide the Company with flexibility to issue additional equity securities into the future including in respect of any potential acquisitions that may arise, without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

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 an 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 under Listing Rule 7.1.

Details of the prior issue of the 506,227 GGIB Second Tranche Consideration Shares being ratified under this Resolution 5 are set out below. The issues of these GGIB Second Tranche Consideration Shares did not breach ASX Listing Rule 7.1 at the time of issue. None of the vendors who were issued these GGIB Second Tranche Consideration Shares were "related parties" of the Company under the Corporations Act.

Background on issue of GGIB Second Tranche Consideration Shares

On 7 July 2019, the Company announced the acquisition of the business of Griffith Goodall Insurance Brokers Pty Ltd under the terms of a business sale agreement (**BSA**). 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. 3,549,859 Shares are subject to a 24 month voluntary escrow from the date of issue (escrow expiry 26 July 2021). The issue of these Shares was approved at the Company's 2019 AGM for the purposes of Listing Rule 7.1 under Listing Rule 7.4.

This Resolution relates to a further 506,227 GGIB Second Tranche Consideration Shares issued on 31 August 2020 which were issued as part of the second tranche payment for the acquisition with 455,605 GGIB Second Tranche Consideration Shares subject to a voluntary escrow to 26 July 2021, and the balance of 50,622 GGIB Second Tranche Consideration Shares not subject to escrow.

The GGIB Second Tranche Consideration 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 455,605 shares subject to voluntary escrow to 26 July 2021.

Below is set out further information in relation to the 506,227 GGIB Second Tranche Consideration Shares which are the subject of this Resolution 4, for the purpose of ASX Listing Rule 7.5:

- the GGIB Second Tranche Consideration Shares will be issued to Griffith Goodall Insurance Brokers Pty Ltd under the terms of the BSA;
- PSC issued 506,227 GGIB Second Tranche Consideration Shares on 31 August 2020 for which the Company is seeking now Shareholder approval under Listing Rule 7.4;
- the GGIB Second Tranche Consideration Shares were issued for nil cash consideration and have been issued as part of the second tranche payment to Griffith Goodall Insurance Brokers Pty Ltd for the sale of its business assets to the Company; and
- the GGIB Second Tranche Consideration Shares were issued under and in accordance with the terms of the BSA.
- Material terms of the BSA provide for:
 - 80% of the purchase price (\$38.4 million) payable upon completion in the form of \$28.8 million in cash and \$9.6 million in PSI fully paid ordinary shares (First Tranche). Shares issued under this First Tranche equated to 3,944,287 Shares and were approved by Shareholders under Listing Rule 7.4 at the 2019 AGM. These Shares were issued 27 July 2019 at \$2.43 per share and are subject to voluntary escrow to 26 July 2021 under the terms of the BSA.
 - 10% of the purchase price (\$4.8 million) payable in the first half of FY21, with this amount adjustable dependent on the revenue of GGIB during the 12 months ending 30 June 2020 (Second Tranche). This payment will be paid as a combination of cash (75%) and PSI fully paid ordinary shares (25%), with any increase to the Second Tranche under the adjustment to be paid in cash only. Shares issued under this Second Tranche were 506,227 and are the subject of this resolution. 455,605 shares are subject to a voluntary escrow to 26 July 2021 as under the terms of the BSA these can only be escrowed to the same date as the First Tranche Shares. The issue date was 31 August 2020.

- 10% of the purchase price (\$4.8 million) payable in first half of FY22, with this amount adjustable dependent on the revenue of GGIB during the 12 months ending 30 June 2021 (Final Tranche). This payment will be paid as a combination of cash (75%) and PSI fully paid ordinary shares (25%), with any increase to this Final Tranche under the adjustment to be paid in cash only. Based on a PSI Share price the same as the Second Tranche consideration shares of \$2.37 per Share the Share component would equate to 506,227 shares. Shares issued as part of the Final Tranche consideration are not subject to any escrow period.

Board recommendation

The Board recommends that Shareholders vote in favour of 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

PSC Insurance Group Limited

Notice of Annual General Meeting 2020

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 25 September 2020 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.

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


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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 and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

 Name

 Email

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 **9:00am (Melbourne time) on Monday, 2 November 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/PSI20> (refer to details in the Virtual Annual General Meeting Online Guide).

Important for Resolution 1: 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 Resolution 1, even though the Resolution is 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.

STEP 1

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 .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of the prior issue of Second Tranche Consideration Shares – Griffiths Goodall Insurance Brokers - Refresh 15% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Brian Austin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Director – Mr John Dwyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of the prior issue of Second Tranche Consideration Shares - Paragon International Holdings Limited – Refresh 15% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

STEP 3


HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder 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 Resolution is 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 shares 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 shares 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 share 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 shares 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 shareholder 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 Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's Share 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 **9:00am (Melbourne time) on Saturday, 31 October 2020**, 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, shareholders 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)



LODGE YOUR QUESTIONS



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



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Please use this form to submit any questions about PSC Insurance Group Limited (“the Company”) that you would like us to respond to at the Company’s 2020 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company’s auditor it should be relevant to the content of the auditor’s report, or the conduct of the audit of the financial report.

This form must be received by the Company’s share registrar, Link Market Services Limited, by **5:00pm(Melbourne time) on Monday, 26 October 2020.**

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company’s auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

My question relates to (please mark the most appropriate box)

- | | | |
|---|---|--------------------------------|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Future direction | |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> General suggestion | |

- | | | |
|---|---|--------------------------------|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Future direction | |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> General suggestion | |

QUESTIONS