



**PSC Insurance Group Limited**

CORPORATE GOVERNANCE  
STATEMENT 2023

## OUR CORPORATE GOVERNANCE

The Board is responsible for the corporate governance of the Group. Outlined are policies and practices adopted by the Group. We are committed to high standards in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations unless stated otherwise. The Board is comprised of highly experienced and qualified members with the necessary skills and experience within the financial services industry. Refer to the Board member profiles published on pages 22 and 23.

### Principle 1 – Lay solid foundations for management and oversight

The Board's role includes guiding the Group's strategic direction, driving its performance and overseeing the activities of management and the operation of the Group. The respective roles and responsibilities of the Board and Executives are defined in the Board Charter, a copy of which is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). There is a clear delineation between the Board's responsibility for the Group's strategy and activities, and the day-to-day management of operations conferred upon the Group's officers.

More specifically, the Board is responsible for:

#### Strategy and financial performance

These include to:

- Develop, approve and monitor the Group's corporate strategy, investment and financial performance objectives;
- Determine the Group's dividend policy;
- Evaluate, approve and monitor all aspects of capital management, including material acquisitions, divestitures and other corporate transactions, including the issue of securities of the Group and undertaking of new debt facilities or issue of debt securities;
- Approve all financial reports and material reporting and external communications by the Group; and
- Appoint the Chair of the Board and, where appropriate, any Deputy Chair or other Director.

#### Executive and Board management

These include to:

- Appoint, monitor and manage the performance of the Group's Directors,
- Manage succession planning for the Group's Executive Directors and any other key management positions as identified from time to time,
- Ratify the appointment and, where appropriate, the removal of senior management of the Group and any subsidiaries, and
- Review and approve the remuneration of individual Board members and Senior Executives, having regard to their performance.

#### Audit and risk management

These include to:

- Appoint the external auditor and determine its remuneration and terms of appointment,
- Ensure effective independent audit, risk management and regulatory compliance programs are in place,
- Approve and monitor the Group's risk and audit framework and its Risk Management Policy,
- Monitor the Group's operations in relation to, and in compliance with, relevant regulatory and legal requirements, and
- Approve and oversee the integrity of the accounting, financial and other corporate reporting systems and monitor the operation of these systems.

#### Corporate governance and disclosure

These include to:

- Evaluate the overall effectiveness of the Board, its committees and its corporate governance practices and policies,
- Supervise the public disclosure of all matters that the law and the ASX Listing Rules require to be publicly disclosed in a manner consistent with the Continuous Disclosure Policy, and
- Approve the appointment of Directors to committees established by the Board and oversee the conduct of each committee.

The Company Secretary, Stephen Abbott, reports directly to the Chairman of the Board. The role of the Company Secretary is outlined in the Board Charter.

The responsibility for the operation of the Group is delegated by the Board to the Managing Director. The Board and senior management monitor the performance of the Group through monthly reporting of the operating performance of each business, with reference to Board approved budgets and prior corresponding periods. The Remuneration and Nominations Committee monitors the performance of Key Management Personnel. All Directors have a written agreement setting out the terms of their appointment.

## Principle 2 – Structure the Board to be effective and add value

The Board currently comprises four Non-Executive Directors and four Executive Directors. Of these eight Directors, four are independent Non-Executive Directors; Mr Brian Austin, Mr Paul Dwyer, Mr Melvyn Sims and Ms Jo Dawson. The Board are highly invested in the Group and believe this is in the best interests of all shareholders to drive the performance and add value.

Mr Brian Austin, Mr Paul Dwyer and Mr John Dwyer are all substantial shareholders in the Group. While Mr Austin's and Mr Dwyer's direct and indirect shareholding in the Group may be an indicator that they may not be an independent Director under ASX guidelines, the Board believes they continue to act independently of management and in the best interests of all shareholders and consequently the Board has deemed that they are independent. The experience and expertise relevant to the position of Director held by each Director at the date of this report is included in the Directors' Report.

The term in office held by each Director at the date of this report is as follows:

Name	Term in office
Brian Austin – Chairman, Independent Non-Executive Director	13 years
Paul Dwyer – Deputy Chairman, Independent Non-Executive Director	13 years
John Dwyer – Executive Director	13 years
Antony Robinson – Managing Director	8 years
Melvyn Sims – Independent Non-Executive Director	7 years
Tara Falk – Executive Director	4 years
James Kalbassi – Executive Director	2 years
Jo Dawson – Independent Non-Executive Director	2 years

Principal 2.4 and 2.5 of the ASX Corporate Governance Principals and Recommendations recommends that the Board comprise a majority of Directors who are independent. The Board is currently composed of 50% of Directors who are independent. The Board considers this to be appropriate.

The Board has established two committees to assist in its endeavours:

- Audit & Risk Management Committee.
- Remuneration & Nominations Committee.

The charter of each of these committees can be reviewed at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au).

In considering the skills required by members of the Board, consideration is given to the following:

- Insurance industry experience.
- Executive management experience.
- Financial acumen.
- Legal knowledge.
- UK business experience.
- Operational and acquisition experience.

The Board has considered these requirements and is satisfied with the current composition.

To enable performance of their duties, all Directors:

- Are provided with appropriate information in a timely manner and can request additional information at any time,
- Have access to the Company Secretary,
- Are able to seek independent professional advice at the company's expense,
- Are able to undertake professional development opportunities to further develop their knowledge and skill needed to perform their role as Director, and
- Have undergone an induction process to enable them to be effective Directors and gain substantial knowledge of the company.

### Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

The Group is committed to operating honestly and ethically in all its business dealings and to embody this commitment has adopted a Code of Conduct, Anti-Corruption and Bribery, Whistleblower, and Securities Trading policies which apply to all Directors, officers, employees, contractors or consultants of the Group. Each of these has been prepared having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). The Group has adopted a Diversity Policy, a copy of which is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). Where candidates for Board and Executive positions have commensurate experience and expertise, the Group will have a preference for appointments that enhance our diversity. Presently, the proportion of female employees across the Group is 51%.

### Principle 4 – Safeguard the integrity of corporate reports

The Group has established an Audit & Risk Management Committee to oversee the management of financial and internal risks. The Committee is chaired by Independent Non-Executive Director, Ms Jo Dawson, and is also comprised of Mr Paul Dwyer and Mr Antony Robinson as the other members of this committee. Principal 4.1 of the ASX Corporate Governance Principles and Recommendations recommends that the audit committee have at least three members all of whom are Non-Executive Directors. Two members of the Committee are Non-Executive Directors. Mr Robinson is considered the most appropriate third member given his expertise and experience across many businesses in the financial services sector.

The Audit & Risk Management Committee is governed by an Audit & Risk Management Committee Charter, a copy of which is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). Key roles of the Committee include:

- Review of the half year and full year statutory financial statements.
- Consideration of the performance of the external audit, including independence, and the periodic rotation of that role.
- Review of risk management assessment and the Group's Risk Management Policy and internal financial controls.
- Meeting quarterly throughout the year.

Prior to the approval of the financial statements, the Board received a declaration from the Managing Director and Chief Financial Officer that, in their opinion, the financial records have been properly maintained, are in accordance with Australian Accounting Standards and give a true and fair view of the financial performance and financial position of the Group.

The Group's auditor, Ernst & Young, has indicated they will be attending the Annual General Meeting.

### Principle 5 – Make timely and balanced disclosure

The Group is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy, a copy of which is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). The Continuous Disclosure Policy is designed to ensure compliance with ASX Listing Rules and the *Corporations Act 2001*. All disclosures are subject to Board ratification.

### Principle 6 – Respect the rights of Security holders

The Group has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board, a copy of which is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). The Group seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is timely, frequent, clear and accessible. The Group provides investors with comprehensive and timely access to information about itself and its governance on its website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au). All Shareholders are invited to attend the Group's general meetings, either in person or by representative. The Board regards the general meetings as an excellent forum in which to discuss issues relevant to the Group and accordingly encourages full participation by Shareholders. General meetings are structured to enable full participation by shareholders including the opportunity to ask questions of the Board and at annual general meetings, the Group's auditor.

### Principle 7 – Recognise and manage risk

In conjunction with the Group's other corporate governance policies, the Group has adopted a Risk Management Policy, which is designed to assist the Group to identify, evaluate and mitigate risks affecting the Group. The Audit & Risk Management Committee is responsible for reviewing whether the Group has any material exposure to any economic and commercial risks, and if so, to develop strategies to manage such risks, and present such strategies to the Board. The Audit & Risk Management Committee is supported by the Group Manager Governance and Compliance who has a direct line of report into this committee.

The Group has identified certain key risks that could materially impact its performance, and implemented measures to manage these risks. These include, however are not limited to:

- Regulatory risk – as a Group of regulated financial services businesses, changes in regulation or actions by regulators could impact the Group.
- Personnel risk – competent employees and management are very important to the ongoing success of the Group.
- Financial risk – sound risk management of the financial controls around client monies and financial reporting are very important.
- Underwriter risk – the Group's underwriting agency businesses require the ongoing support of their underwriters. If this support is withdrawn it could impact the Group.
- Technology Risk – the risk of infrastructure failure and the inability to meet business needs and prevent unauthorised access to the Group's systems.

Risk management within the Group is further enhanced by a separate Compliance and Risk Management Committee that meets quarterly to assess operational compliance risks across the Group and is comprised of the Group's compliance managers, Company Secretary and chaired by the Group Manager Legal, Governance and Compliance. This committee provides a written report to each full Board Meeting via the Group Manager Legal, Governance and Compliance. The Group Manager Legal, Governance and Compliance attends each full Board Meeting. Compliance managers are responsible for monitoring and auditing insurance related operational functions to ensure continuing compliance with respective jurisdictional licensing requirements.

Regular internal communication between the Group's management and Board supplements the Group's Risk Management Policy. The Group at least annually evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. Under the Audit & Risk Management Committee Charter, the Audit & Risk Management Committee is responsible for providing an independent and objective assessment to the Board regarding the adequacy, effectiveness and efficiency of the Group's risk management and internal control process. A review of the entity's risk management framework is completed at least annually to ensure that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board.

A copy of the Group's Risk Management policy is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au).

### Principle 8 – Remunerate fairly and responsibly

The Group has a Remuneration & Nominations Committee to oversee the level and composition of remuneration of the Group's Directors and Executives. The Group's Remuneration & Nomination Committee is governed by a Remuneration & Nomination Committee Charter, a copy of which is available on the Group's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au).

The committee comprises two Directors:

- Brian Austin (Chairman)
- Paul Dwyer (Deputy Chairman)

Principal 8.1 of the ASX Corporate Governance Principals and Recommendations recommends that the Remuneration and Nominations Committee have at least three members all of whom are Non-Executive Directors. The Committee is comprised of two independent Non-Executive Directors. The Board considers this appropriate for the size and nature of the business.