

PSC Insurance Group Limited

Dividend
Reinvestment
Plan



DIVIDEND REINVESTMENT PLAN RULES

1. Interpretation

1.1 The following words have these meanings in these Rules, unless the contrary intention appears:

ASX means ASX Limited ACN 008 624 691 or the market operated by it as the context requires.

Company means PSC Insurance Group Limited ACN 147 812 164.

Direct Credit Instructions means the nomination by a holder of Shares of an account into which any payments, including dividends, will be paid to that holder by the Company.

Directors means the directors of the Company acting as a board or any duly appointed committee of the board.

Dividend means a cash dividend or cash component of a dividend in respect of Shares paid by the Company.

Eligible Member means, in respect of a particular Record Date, a person who, at that Record Date, was recorded in the register of members of the Company as the holder of Shares and whose address in the register of members of the Company at the relevant Record Date:

- a. is in Australia;
- b. is in New Zealand; or
- c. is in a jurisdiction in which the Company is satisfied that the offer and acquisition of Shares under the Plan is lawful and practicable,

provided that the Directors may determine that a member, or a class of members, are not Eligible Members if they are, or hold Shares on behalf of other persons who are, resident outside the jurisdictions mentioned in paragraphs (a) and (c) above.

Eligible Shares means Shares.

Market Value of a Share for a Dividend means:

- a. the amount which is the arithmetic average of the daily volume weighted average sale price of Shares (rounded to four decimal places) sold through a Normal Trade on ASX (or such alternative or additional trading platforms as the Directors may determine from time to time) on the ten trading days commencing on the second trading day following the Record Date for that Dividend or such other commencement date or pricing period as the Directors determine and announce to ASX; or
- b. if, at the absolute discretion of the Directors, the amount calculated in paragraph (a) above is not considered to represent the then fair market value of a Share, the amount determined by the Directors as the then fair market value of a Share.

Normal Trade means a trade in the ordinary course

of trading on ASX (or such alternative or additional trading platforms as the Directors may determine from time to time) excluding any sales that the Directors determine in their absolute discretion should be excluded on the basis that they are not fairly reflective of genuine supply or demand.

Reinvestment Plan Application or Variation Form means a notice, whether written or electronic, in the form that the Directors from time to time approve for a Participant to apply to participate in the Plan in respect of a particular shareholding account, or to notify the Company of the matters specified in clause 7.1.

Participant means an Eligible Member whose application to participate in the Plan in respect of a particular shareholding account has been received by the Company (or its share registry), accepted by the Directors and noted in the Register of Participants as provided in clause 5.

Plan means the PSC Insurance Group Dividend Reinvestment Plan incorporating these Rules, as modified from time to time, and subject to the constitution of the Company.

Plan Shares means the Eligible Shares in a particular shareholding account which are designated by a Participant as Shares the dividend on which is to be applied in acquiring Shares under the Plan.

Rules means these rules, as modified from time to time.

Record Date has the same meaning as that term is defined in the official listing rules of ASX as amended or replaced from time to time.

Register of Participants has the meaning given in clause 5.5.

Shares means fully paid ordinary shares in the capital of the Company.

- 1.2 A reference to a person includes a corporation and the singular includes the plural and vice versa.
- 1.3 A reference to time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate.

2. The Plan

The Plan and these Rules will commence operation on such date as the Directors in their sole discretion determine.

3. Invitations and applications

The Company may from time to time invite Eligible Members to participate in the Plan.

- 3.1 Participation in the Plan is optional and not transferable.
- 3.2 An Eligible Member who wishes to participate in the Plan may only apply for participation in respect of the

Eligible Shares of which the Eligible Member is the registered holder and by lodging a Reinvestment Plan Application or Variation Form with the Company (or its share registry).

- 3.3 A Reinvestment Plan Application or Variation Form must be properly completed in accordance with the instructions contained therein for it to be valid.
- 3.3 A Reinvestment Plan Application or Variation Form must be lodged for each shareholding account which the Eligible Member wishes to participate in the Plan, and each shareholding account of an Eligible Member will be treated separately for all purposes under the Plan.

4. Degree of participation

- 4.1 An Eligible Member must specify on the Reinvestment Plan Application or Variation Form the degree to which the Eligible Member wishes to participate in the Plan in respect of the nominated shareholding account. Participation may be:
- 4.1.1 full participation for all the Eligible Shares of which the Eligible Member is the registered holder from time to time however acquired (including Shares allotted or transferred under the Plan); or
- 4.1.2 partial participation for a specific number of Shares (being a number less than the total number of Eligible Shares of which the Eligible Member is the registered holder) nominated by the Participant together with the Shares subsequently acquired under the Plan and any bonus shares subsequently allotted in respect of Plan Shares. However, if at the Record Date for a Dividend, the number of the Eligible Shares held by the Participant is fewer than the nominated number, then the Plan will apply only to that lesser number for that Dividend.
- 4.2 Notwithstanding anything else in these Rules, the Directors may at any time with written notice to Eligible Members (or any of them) limit participation in the Plan by limiting the amount of Dividend which may be reinvested under the Plan without giving a reason.
- 4.3 Notices of Dividend Election received by the Company (or its share registry) which do not indicate the degree of participation in the Plan will, without notice to the applicant, be deemed to be an application for full participation in the Plan in respect of the nominated shareholding account, or, in the absence of a nominated shareholding account, all Eligible Shares of

which the Eligible Member is the registered holder.

- 4.4 Plan Shares that are sold or otherwise transferred to a new registered holder (including successors, assigns, executors and trustees) will cease to be Plan Shares on registration of the transfer.

5. Acceptance of applications

- 5.1 The Directors may in their absolute discretion accept or refuse any Reinvestment Plan Application or Variation Form, without being bound to give any reason for doing so.
- 5.2 If the Directors refuse to accept a Reinvestment Plan Application or Variation Form pursuant to clause 5.1, the Company must notify the Eligible Member as soon as practicable that the Reinvestment Plan Application or Variation Form has been rejected.
- 5.3 If the Directors accept a Reinvestment Plan Application or Variation Form pursuant to clause 5.1, the Directors will procure that an appropriate entry is made in the Register of Participants as soon as practicable after acceptance.
- 5.4 Each Reinvestment Plan Application or Variation Form accepted by the Directors will be effective in respect of any Dividend payment after receipt of the Reinvestment Plan Application or Variation Form, provided it is received by the Company (or its share registry) by 5:00pm on the business day following the Record Date for that Dividend.
- 5.5 The Company (or its share registry) will record for each shareholding account of each Participant in a register (**Register of Participants**) particulars of:
- the name and address of the Participant; and
- a. the number of Plan Shares held by the Participant from time to time, and the Company's (or its share registry's) records will be conclusive evidence of the matters so recorded.

6. Reinvestment of Dividends

- 6.1 Dividends on Plan Shares will be applied by the Company on the Participant's behalf in acquiring Shares. Any Dividends on Plan Shares which the Company is entitled to retain under its constitution or otherwise (including where the Company is entitled to a charge over the Shares or over any dividend payable in respect thereof) will not be available for acquiring Shares. If withholding or other tax is payable in respect of a Dividend, that tax will be deducted and only the balance will be applied in acquiring Shares.
- 6.2 The Company (or its share registry) will establish and maintain a Plan account for each shareholding account of each Participant. At the time of each Dividend payment, the Company will, in respect of each Plan

account:

- 6.2.1 determine the Dividend payable in respect of the Plan Shares as at the Record Date;
 - 6.2.2 determine (where applicable) the Australian withholding or other tax deductible by the Company or required to be remitted to the Australian Tax Office in respect of the Dividend, and any other sum the Company is entitled to retain in respect of the Plan Shares;
 - 6.2.3 credit the amount in clause 6.2.1 above and debit any amount in clause 6.2.2 above to the Participant's Plan account;
 - 6.2.4 determine the maximum whole number of Shares which can be acquired under these Rules using the formula in clause 6.3 below;
 - 6.2.5 acquire that number of Shares on behalf of and in the name of the Participant and debit the acquisition price, which is variable 'C' in the formula in clause 6.3 below, per Share against the amount in the Participant's Plan account;
 - 6.2.6 issue and allot, or transfer (as the case may be), to the Participant that number of Shares and make an appropriate entry in the register of members of the Company; and
 - 6.2.7 retain in the Participant's Plan account, without interest, any cash balance remaining after the Plan account has been debited in accordance with clause 6.2.5 which cash balance shall be used in the calculation for determining the maximum number of Shares to be acquired under the Plan at the time of payment of the next Dividend.
- 6.3 The number of Shares issued or transferred to each Participant (in respect of each shareholding account) will be the number calculated by the formula:

$$\frac{D - T + R}{C}$$

which if not a whole number will be rounded down to the nearest whole number, where:

D is the Dividend payable on the Participant's Plan Shares (in the relevant shareholding account) as at the Record Date for that Dividend;

T is any withholding or other tax or other sum the Company is entitled to retain or required to remit to the Australian Tax Office in relation to that Dividend or the relevant Participant's Plan Shares;

R is the cash balance standing to the credit of the Participant's Plan account; and

C is the Market Value of a Share for that Dividend less

such discount, if any, not exceeding 5%, as determined by the Directors from time to time.

- 6.4 The Market Value will be calculated by the Directors or a person nominated by the Directors, by reference to any information the Directors or the person nominated by the Directors approves for that purpose. A determination by the Directors or a person nominated by the Directors of the price binds all Participants.
- 6.5 In the event that:
 - 6.5.1 the Participant ceases to participate in the Plan as a result of the Participant disposing of all of his or her Shares or in the circumstances set out in clause 7.5;
 - 6.5.2 the Participant gives a Reinvestment Plan Application or Variation Form to terminate his or her participation in the Plan in accordance with clause 7.1; or
 - 6.5.3 the Directors suspend or terminate the Plan in accordance with clause 8.2, and there is a positive cash balance in the Participant's Plan account, then at the time of payment of the next Dividend:
 - 6.5.4 if the cash balance is in excess of \$10, the entire balance will be paid to the Participant in accordance with his or her Direct Credit Instructions or, where there are no current Direct Credit Instructions, the entire balance will be withheld along with any withheld dividend payment until a Direct Credit Instruction is received;
 - 6.5.5 if the cash balance is \$10 or less and the Participant remains a holder of Shares at the relevant Record Date, the entire balance will be paid to the Participant in accordance with his or her Direct Credit Instructions; or
 - 6.5.6 if the cash balance is \$10 or less and the Participant does not hold any Shares on the relevant Record Date, the entire balance will be donated to charities nominated by the Company.
- 6.6 Cash balances in a Participant's Plan account are not transferrable and no interest will be payable on such cash balances.
- 6.7 Shares will not be allotted or transferred under the Plan if the allotment or transfer would breach any provision of any applicable law, regulation or rules of a relevant securities exchange.
- 6.8 As soon as practicable after each acquisition of Shares under the Plan, the Company will send to each

Participant, for each shareholding account for that Participant, a statement setting out:

- 6.8.1 the number of the Participant's Plan Shares on the Record Date for the relevant Dividend;
- 6.8.2 the Dividend payable in respect of that Participant's Plan Shares;
- 6.8.3 the amount of any withholding or other tax or other sum the Company has retained or remitted to the Australian Tax Office in relation to the Dividend or the Plan Shares;
- 6.8.4 the number, acquisition price and issue or transfer date of additional Shares allotted or transferred to that Participant under the Plan;
- 6.8.5 the cash balance standing to the credit of that Participant's Plan account;
- 6.8.6 the extent to which the relevant Dividend is franked for Australian income tax purposes and the franking credit attached to each relevant Dividend.
- 6.9 All Shares allotted under the Plan will be allotted on the terms disclosed in these Rules, will be subject to the same rights as the Shares issued to all other Shareholders who agree to receive Shares under the Plan and will, from the date of allotment, rank equally in all respects with existing Shares.
- 6.10 Shares to be acquired under the Plan will be issued or transferred within the time required by ASX.
- 6.11 Shares allotted or transferred to a Participant under the Plan will be registered:
 - 6.11.1 if the Plan Shares already held by the Participant are registered on one register - on that register; or
 - 6.11.2 if the Plan Shares already held by that Participant are registered on more than one register - on the register designated by that Participant or, in the absence of a designation, on the register selected by the Company.
- 6.12 The Directors in their absolute discretion will determine with respect to the operation of the Plan for any particular Dividend whether to issue new Shares or to arrange for the purchase and transfer of existing Shares to a Participant, or to apply a combination of both options, to satisfy the Company's obligations under the Plan. If the Directors determine to arrange for the purchase and transfer of Shares to a Participant, the Shares may be acquired in such manner as the Directors consider appropriate.
- 6.13 The Company will make an application promptly after each allotment of Shares under the Plan for quotation of those Shares on ASX, if other Shares of

the Company are quoted at that time.

7. Variation or termination of participation

- 7.1 A Participant may, by lodging with the Company (or its share registry) a Reinvestment Plan Application or Variation Form, convert full participation to partial participation (and vice versa), increase or decrease the number of its Plan Shares specified in respect of partial participation or terminate participation in the Plan. A Reinvestment Plan Application or Variation Form must be lodged for each shareholding account. To be effective for a particular Dividend, a Reinvestment Plan Application or Variation Form must be received by the Company (or its share registry) by 7:30pm on the business day following the Record Date for that Dividend.
- 7.2 The provisions of clause 5 apply to a Reinvestment Plan Application or Variation Form, reading each reference in that clause to 'Reinvestment Plan Application or Variation Form' as a reference to 'Reinvestment Plan Application or Variation Form'.
- 7.3 If a Participant disposes of all of the Participant's Shares without giving the Company (or its share registry) a Reinvestment Plan Application or Variation Form and is not registered as a holder of any Shares when the Company's share register is next closed for payment of a Dividend, the Participant will be deemed to have terminated participation on the date when the Company last registered a transfer of the Participant's Shares.
- 7.4 When a Participant who has elected partial participation disposes of part of the holding of Shares of that Participant, and does not notify the Company (or its share registry) otherwise, the Shares disposed of will, to the extent possible, be taken to be:
 - 7.4.1 first, Shares which are not Plan Shares; and
 - 7.4.2 secondly, Plan Shares.
- 7.5 A Participant will be taken to have terminated participation in the Plan upon:
 - 7.5.1 receipt by the Company's share registry of a notice of death, bankruptcy or liquidation of the Participant; or
 - 7.5.2 the Participant ceasing to be eligible to participate in the Plan.

8. Modification, suspension, recommencement and termination of the Plan

- 8.1 The Plan may be modified by the Directors at any time after giving notice of the change in accordance with clause 12. A Participant's Plan Shares continue to participate in the modified Plan unless the Company (or its share registry) is notified to the contrary by the

Participant.

- 8.2 The Plan may be suspended, recommenced or terminated by the Directors at any time after giving notice of the change in accordance with clause 12.
- 8.3 Notice of suspension, recommencement or termination must be given in accordance with clause 12, and the suspension, recommencement or termination will be effective:
 - 8.3.1 on the date determined by the Directors and notified in accordance with clause 12; and
 - 8.3.2 until such time as the Directors resolve either to recommence or terminate the Plan.
- 8.4 Whilst the Plan is suspended, Dividends on Plan Shares will not be applied by the Directors on the Participant's behalf in acquiring Shares under the Plan.
- 8.5 The accidental omission to give notice of modification, suspension, recommencement or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the modification, suspension, recommencement or termination of the Plan.

9. Administration of the Plan

- 9.1 This Plan will be administered by the Directors who have the power to:
 - 9.1.1 determine procedures for administration of the Plan consistent with the Rules;
 - 9.1.2 settle in such manner as they think expedient any difficulties, anomalies or disputes, including, without limitation, all questions of fact or interpretation of these Rules, which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares and the determination of the Directors is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
 - 9.1.3 delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan (including the discretion to determine that a sale should be excluded from being treated as being in the ordinary course of trade on the basis that it is not fairly reflective of genuine supply or demand for the purposes of the definition of Normal Trade).

10. Participants to be bound

Participants are at all times bound by the Rules of the Plan as modified from time to time.

11. Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares acquired under the Plan. However the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.

12. Notices

Any notice to be given to Participants or persons registered in the register of members of the Company as the holder of Shares by the Company may be given in any manner which the Directors consider appropriate including, but not limited to, by notice on the Company's website, by way of announcement to ASX or, at the Directors' discretion, may be given in accordance with the provisions regarding the giving of notices to members contained in the Company's constitution.

13. Governing law

The Plan, these Rules and the operation of the Plan are governed by and must be construed in accordance with the laws of Victoria.

FREQUENTLY ASKED QUESTIONS

The Dividend Reinvestment Plan (DRP) enables you to receive some or all of your future dividends as shares in PSC Insurance Group Limited (PSC) instead of in cash. All brokerage and associated costs are paid for by PSC, providing a cost effective means to increase your ownership in PSC.

You should read the rules of the DRP (Plan Rules) carefully before deciding whether to participate in the DRP. The FAQs below provide only a summary of the key features of the DRP. Nothing in the FAQs is intended to modify or otherwise affect the Plan Rules.

Any information provided by PSC in the FAQs is of a general nature only, does not constitute financial product advice and does not take into account your personal circumstances. You should consult your own financial or legal adviser if you are unsure about whether participation in the DRP is the best option for you. You should also seek your own taxation advice before deciding what is best for you.

How do I participate in the DRP?

To apply to participate in the DRP, you will need to complete and lodge a Reinvestment Plan Application or Variation Form.

Where can I find the Reinvestment Plan Application or Variation Form?

You must use a Reinvestment Plan Application or Variation Form to apply to participate in the DRP.

You can access this form via the Link Market Services Limited Investor Centre log-in:

[https://investorcentre.linkmarketservices.com.au/\(X\(1\)S\(gslgeiokg2iuu5q1ks5ny15o\)\)/Login.aspx/Login?AspxAutoDetectCookieSupport=1](https://investorcentre.linkmarketservices.com.au/(X(1)S(gslgeiokg2iuu5q1ks5ny15o))/Login.aspx/Login?AspxAutoDetectCookieSupport=1)

You will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) to login.

Alternatively, you can contact PSC's share registry, Link Market Services Limited, on +61 1300 554 474 and request a Reinvestment Plan Application or Variation Form to be mailed to you.

Am I eligible to participate?

PSC shareholders with a registered address in Australia or New Zealand on the relevant dividend record date may participate in the DRP, unless you hold your shares on behalf of another person who resides outside of Australia and New Zealand.

Is participation optional?

Yes, the decision to participate in the DRP is entirely yours. You can change your DRP participation at any time by notifying the share registry using a Reinvestment Plan Application or Variation Form (see 'Can I change my participation at any time?' below).

If you don't want to participate, you don't have to do anything in which case you will continue to be paid any dividends in cash.

Can I reinvest only part of my dividends?

Yes, simply tell us how many of your shares you want to participate in the DRP using the Reinvestment Plan Application or Variation Form. For shares not participating in the DRP, dividend payments will continue to be paid in cash in accordance with your payment instructions.

When will my dividend reinvestment start?

If your Reinvestment Plan Application or Variation Form is received by 5:00pm on the business day after the record date for determining entitlements to that dividend, your dividend reinvestment starts for that dividend payment. If your form is received after this time, it will not become effective until the next dividend.

Is there a maximum participation level?

No, currently there is no limit on participation. However, the directors may at their discretion impose a limit on participation from time to time.

Does participating in the DRP restrict me from selling my shares?

No. Participating in the DRP does not restrict your ability to sell your PSC shares.

What do I need to do if I have more than one shareholding in PSC?

You will need to lodge a separate Reinvestment Plan Application or Variation Form for each shareholding.

Can I change my participation at any time?

Yes, simply lodge a Reinvestment Plan Application or Variation Form to vary or cancel your participation with PSC's share registry and the variation or cancellation will be effective from the next dividend payment, provided it is received by 5:00pm on the business day after the record date for determining entitlements to that dividend.

If you have more than one PSC shareholding, you will need to lodge a Reinvestment Plan Application or Variation Form for each shareholding.

At what price will shares be allotted or transferred to me?

The price will be calculated using the volume weighted average share price over the ten trading days commencing on the second trading day after each dividend record date. This volume weighted average may be reduced by a discount, which the directors may determine from time to time and announce to the market.

What will it cost me to participate?

There is no cost for you to participate. No brokerage fees, commission or stamp duty will be payable for any shares allotted or transferred under the DRP.

Will I receive details of shares issued or transferred to me under the DRP?

After each issue or transfer of shares under the DRP, a dividend statement will be provided to you in accordance with your communication election, which will show full details of shares issued or transferred to you under the DRP.

Can the DRP be modified, suspended or cancelled?

PSC's directors can modify, suspend or terminate the DRP at any time. Any modification, suspension or termination will be notified to shareholders by announcing to ASX or sending a notice to shareholders in accordance with your communication preferences. PSC also intends to update its website where there are changes to the DRP.

What happens if I am participating in the DRP and sell some of my shares?

Where you have elected 'Full Participation' and then dispose of some of your PSC shares, dividends on all of your remaining participating PSC shares will continue to be reinvested under the DRP for each dividend in respect to which the DRP applies.

Where you have elected 'Partial Participation' and you dispose of some of your PSC shares, then unless you have given sufficient notice beforehand, the shares disposed of will be treated to the extent possible as coming from your shares that do not participate in the DRP and the balance, if any, will be treated as coming from your shares that do participate. In each case, if you later acquire more PSC shares, these will participate in the DRP up to the amount indicated in your last Reinvestment Plan Application or Variation Form.

If I cancel my participation in the DRP or sell my shares, or if PSC suspends or terminates the DRP, what happens to any balance in my DRP account?

You will only receive a whole number of shares under the DRP. Where the allocation calculation would otherwise result in a fraction of a share being allocated to you, the cash amount attributable to that fraction will be retained (without interest) in your DRP account.

In the event that:

- you cease to participate in the DRP (whether because you have sold all of your PSC shares, opted-out or ceased to be eligible); or
- the directors suspend or terminate the DRP,

the residual balance in your DRP be paid to you at the time of payment of the next dividend by PSC (unless your balance is \$10 or less and you no longer hold any PSC shares, in which case that amount will be donated to charity).

What about tax implications?

PSC recommends that you obtain professional taxation advice about the consequences of participating in the DRP.