

Notice of General Meeting

A General Meeting of the Company will be held at Level 4, 96 Wellington Parade, East Melbourne at 9.00 am (Melbourne time) on Tuesday, 31 March 2020.

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.



Dear Shareholder,

The Board of PSC Insurance Group Limited (PSC) have resolved to call a General Meeting (GM) on 31 March 2020. The principal purpose of this meeting is to seek Shareholder approval to acquire two businesses in Hong Kong. Approval is being sought from Shareholders as these transactions are with related parties.

PSC believes the Asian market presents an outstanding long-term opportunity for the company. These acquisitions provide an opportunity to enter this market via Hong Kong through existing known businesses.

While the investment by PSC to acquire these businesses is modest at approximately AUD 3.0 million, with the expectation of further modest investments of similar total values in the short to medium term to build scale, the company believes this can form a foundation of a business unit that can provide a sound contribution to group results.

In addition to the above resolutions we are taking the opportunity for Shareholders to approve two operational matters that under the ASX listing rules require shareholder approval.

The first is to have Shareholders approve non-financial changes to the terms of 8,000,000 Options already granted. The purpose of the change is to increase the flexibility available to the company to meet its obligations under these Options. The Options were issued to Mr Antony Robinson on his commencement as Managing Director of PSC in May 2019.

The second relates to our acquisition of Paragon International Holdings Limited (Paragon). On 17 January 2020 we announced to the market that we will be issuing approximately 8,800,000 FPO shares as the Share consideration portion of the second tranche consideration. Resolution 5 in this Notice is to have Shareholders approve the issue of up to 8,800,000 FPO shares as the Share component of the second tranche consideration for Paragon. This is to preserve the Company's maximum 15% Share issue capacity under listing rule 7.1. While the Board is not aware of any matters that would place pressure on the available LR 7.1 capacity, we believe that it is to the benefit of Shareholders to ensure that capacity is maximised.

I have also included with this Notice a copy of our recent Half Year results announcement highlights. For those who received this Notice via email notification there is a link to the announcement in the email. As you will see it has been a great result for the Group and reflects the tremendous effort of the PSC team in growing our business. The full copy of the results announcement and other documents relating to the Half Year are available either on our website (<http://www.pscinsurancegroup.com.au>) or on the ASX website (<http://www.asx.com.au>).

I look forward to seeing you at the meeting.



Brian Austin
Chairman

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

Notice is hereby given that a General Meeting of Shareholders will be held at Level 4, 96 Wellington Parade, East Melbourne, Victoria 3002 at 9.00 am (Melbourne time) on Tuesday 31 March 2020 (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 9.00 am (Melbourne time) on Sunday 29 March 2020

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

Business

Resolution 1 – Approve the acquisition by PSC International Holdings Pty Ltd (a subsidiary of the Company) of 50% of the share capital in Charter Gilman Insurance Holdings Limited and each of its subsidiaries not already held by the Company from P Capital Pty Ltd being a related party of the Company

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

“That Shareholders approve the acquisition by PSC International Holdings Pty Ltd (a subsidiary of the Company) of 50% of the share capital in Charter Gilman Insurance Holdings Limited and each of its subsidiaries not already held by PSC International Holdings Pty Ltd from P Capital Pty Ltd being a related party of the Company.”

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

Resolution 2 – Approve the acquisition by Charter Gilman Insurance Holdings Limited (which following completion of the transaction contemplated by Resolution 1, will be a wholly owned subsidiary of the Company) of the insurance broking business of Globe Insurance Limited, from P Capital Pty Ltd being a related party of the Company.

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

“That Shareholders approve the acquisition by Charter Gilman Insurance Holdings Limited (which following completion of the transaction contemplated by Resolution 1, will be a wholly owned subsidiary of the Company) of the insurance broking business of Globe Insurance Limited from P Capital Pty Ltd being a related party of the Company.”

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

Resolution 3 – Approve an amendment to the terms of the 8,000,000 Options already granted to Antony Robinson on 16 May 2019.

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

“That, for the purpose of Listing Rule 6.23.4 and for all other purposes, Shareholders approve the amendment to the terms of the 8,000,000 Options issued to Antony Robinson on 16 May 2019, in accordance with the rules of the Company’s Long Term Incentive Plan and 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.

Resolution 4 – Approve the issue of Shares to meet the Company’s obligation on exercise of the 8,000,000 Options already granted to Antony Robinson on 16 May 2019.

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of new Shares to Mr Antony Robinson on the exercise of the 8,000,000 Options issued to Antony Robinson on 16 May 2019, in accordance with the rules of the Company’s Long Term Incentive Plan and on the terms and conditions set out in the Explanatory Note.”

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

Resolution 5 – Ratification of the prior agreement to issue up to 8,800,000 Shares to the vendors of shares in Paragon International Holdings Limited as part of the Second Tranche consideration for the acquisition of Paragon International Holdings Limited by the Company

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 ratify the prior agreement to issue up to 8,800,000 fully paid ordinary shares to be issued as part consideration for the Second Tranche consideration in the acquisition of Paragon International Holdings Limited by the Company, announced on 25 July 2019, on the terms and conditions set out in the Explanatory Notes.”

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

PSC Insurance Group Limited

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IMPORTANT VOTING INFORMATION

Voting exclusions

Voting exclusions for Resolution 1 and Resolution 2

The Company will disregard any votes cast in favour of Resolution 1 and Resolution 2 by or on behalf of:

- any of Brian Austin, Paul Dwyer and John Dwyer;
- shareholders of P Capital Pty Ltd, being Melissa Dwyer ATF The Paul Dwyer Family Trust, Austin Superannuation Pty Ltd, Glendale Dwyer ATF The Dwyer Family Trust and P Capital. Pty Ltd; and
- any associate of a person or entity referred to above.

However, this does not apply to a vote cast in favour of Resolutions 1 and 2 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair 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.

Voting exclusion for Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Antony Robinson or any of his associates.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair 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.

Voting exclusion for Resolution 4

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

- any Director of the Company who is eligible to participate in the Company's LTIP; and
- an associate of a Director of the Company eligible to participate in the LTIP.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair 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.

Further voting exclusions for Resolution 3 and Resolution 4

In accordance with section 250BD of the Corporations Act, a vote on each of these Resolutions must not be cast:

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

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

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

Voting exclusions for Resolution 5

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

- any person who will be issued shares in the 2nd tranche consideration payment and who is a counterparty to the agreement being approved; and
- any associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair 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.”

PSC Insurance Group Limited

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Notes

Important note regarding proxies

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

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

1. For the purposes of the Meeting, Shares will be taken to be held by the persons who are registered as Shareholders at 9.00 am (Melbourne time) on Sunday, 29 March 2020.
2. A Shareholder is entitled to attend and vote at the Meeting.
3. A Shareholder is entitled to appoint not more than two proxies. The appointment of one or more proxies will not preclude a Shareholder from attending and voting at the Meeting.
4. A proxy need not be a Shareholder of PSC Insurance Group Limited.
5. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form attached to this Notice:
 - the full name of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate at the Meeting.
6. Where two proxies are appointed, each proxy may be appointed to represent a specified proportion or number of the voting rights of the Shareholder. If more than one proxy attends the Meeting, neither proxy is entitled to vote on a show of hands. If you wish to appoint two proxies, ensure you complete the relevant section on the Proxy Form.
7. If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the Meeting or they choose to not vote on a poll, then the Chairman of the Meeting will vote your proxies as directed by you.
8. If you do not mark a box on the Proxy Form, your proxy may vote as they choose on that item. However, if you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on Resolutions 3 and 4.
9. If the Chairman of the Meeting is your proxy (or he becomes your proxy by default), you will be taken to have expressly authorised him to exercise your proxy in relation to Resolutions 3 and 4 even though the Chairman is, and those items are, connected directly or indirectly with the remuneration of a member of the KMP for the PSC Insurance Group Limited consolidated group.
10. Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 9.00 am (Melbourne time) on Sunday 29 March 2020 in one of the following four ways:

online at:
www.linkmarketservices.com.au

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

by fax:
+61 2 9287 0309

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

By order of the Board.



Stephen Abbott
Company Secretary
PSC Insurance Group Limited
Melbourne

25 February 2020

PSC Insurance Group Limited

Notice of General Meeting

Explanatory Notes

Introduction

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 4, 96 Wellington Parade, East Melbourne, Victoria 3002 at 9.00 am (Melbourne time) on Tuesday 31 March 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.

Resolution 1 – Approve the acquisition by PSC International Holdings Pty Ltd (a subsidiary of the Company) of 50% of the share capital in Charter Gillman Insurance Holdings Limited and each of its subsidiaries not already held by PSC International Holdings Pty Ltd from P Capital Pty Ltd being a related party of the Company

Resolution 2 – Approve the acquisition by Charter Gilman Insurance Holdings Limited (which following completion of the transaction contemplated by Resolution 1, will be a wholly owned subsidiary of the Company) of the insurance broking business of Globe Insurance Limited from P Capital Pty Ltd being a related party of the Company.

The Board of PSC believe that China represents an outstanding opportunity for insurance broking. After a considerable period of interest and involvement in the Hong Kong region of China the Board believe it is an opportune time to build a direct presence in that market. PSC's initial involvement has been via a joint venture in Hong Kong based insurance broker Charter Gilman Insurance Holdings Limited (CGI). As a consequence an agreement has been reached to take 100% control of the business of CGI and to acquire Globe.

The price being paid for the remaining interest in CGI is at the price PSC acquired its initial holding. The price being paid for Globe reflects a similar multiple of 1.0x revenue.

Background to shareholder approvals being sought

The Board has decided to seek shareholder approval for the above transactions due to the conflicts of interest in the Board in proceeding with these transactions.

Three of the six Directors of PSC, Brian Austin, Paul Dwyer and John Dwyer are the Directors of P Capital Pty Ltd (**P Capital**), the vendor entity for the transactions contemplated in Resolutions 1 and 2. Also, Brian Austin, Paul Dwyer and John Dwyer own collectively more than a 50% direct and indirect interest in the issued capital of PSC and 100% direct and indirect interest in the issued capital of P Capital. Prior to the listing of PSC in December 2015, Globe Insurance Limited was a group entity but was transferred out of the group prior to the listing process.

Background to proposed related party acquisitions

PSC proposes to undertake two acquisitions, which are related party transactions, relating to the acquisition of established insurance broking businesses based in Hong Kong from P Capital.

Resolution 1 - Transaction 1

The acquisition by PSC International Holdings Pty Ltd (a subsidiary of PSC) of 50% of the share capital in Hong Kong based insurance broker Charter Gilman Insurance Holdings Limited and each of its subsidiaries not already held by PSC International Holdings Pty Ltd from P Capital being a related party of Company (CGI Acquisition).

CGI (established 1996) is a Hong Kong general insurance business with both broking and agency operations. CGI includes Charter Gilman Insurance Holdings Limited together with its subsidiary entities, Charter Gilman Insurance Brokers Pty Ltd, Charter Gilman Insurance Agencies Limited, Charter Gilman Insurance Consultants Limited and Charter Gilman Insurance Services Limited. CGI has net revenue in the most recent financial year (ie. financial year ended 30 June 2019) of approximately HK\$11 million (~ A\$2.0 million) and operates at breakeven profitability.

PSC International Holdings Pty Ltd and P Capital (the **Purchasers**) each acquired 50% of the share capital in each of the CGI entities in 2019 from Mr Leung Hoo Lau. The Share Sale and Purchase Agreement dated 11 July 2019 (**2019 CGI Purchase Agreement**) established the following key terms:

Purchase Price	HK\$11.0 million (~ A\$2.0 million)
Revenue Multiple	1.0x
Shares to be Acquired	100% of the issued capital of each CGI entity (50% each to PSC International Holdings Pty Ltd and P Capital)
Upfront payment	65% of the Purchase Price (HK\$7.150 million - ~ A\$1.4 million), to be paid equally between the Purchasers
Payment Form	Cash
Deferred Payments	20% (HK\$2,200,000) in 12 months from completion of the acquisition and 15% (HK\$1,650,000) in 24 months from completion of the acquisition, to be paid equally between the Purchasers.
Purchase Price Adjustments	Deferred payments are to be adjusted in line with actual net revenue of CGI whereby: (a) if the net revenue 12 months from completion is less than HK\$11,000,000 then the 12 month deferred payment will be reduced to 20% of the actual net revenue, and (b) the 24 month deferred payment will be adjusted and calculated on an average of two years audited net revenue from the completion date.

It is now proposed that PSC International Holdings Pty Ltd acquire P Capital's 50% share in each of the CGI entities on the same key arm's length terms as the original acquisition, which will give PSC International Holdings Pty Ltd 100% ownership in each of the CGI entities. PSC International Holdings Pty Ltd is yet to enter into a formal agreement for this acquisition but subject to the CGI Acquisition being approved by Shareholders under Resolution 1, PSC International Holdings Pty Ltd intends to enter into an agreement with the following key terms:

Purchase Price	HK\$5.5 million (~ A\$1.0 million)
Revenue Multiple	1.0x
Shares to be Acquired	50% of the issued capital of each CGI entity
Upfront payment	65% of the Purchase Price (HK\$3.575 million - ~ A\$0.7 million)
Payment Form	Cash from available cash reserves
Deferred Payments	20% (HK\$2,200,000) in 12 months from completion of the acquisition and 15% (HK\$1,650,000) in 24 months from completion of the acquisition.
Assumption of P Capital's Deferred Payment Obligations	PSC International Holdings Pty Ltd will also assume the deferred payment obligations of P Capital under the 2019 CGI Purchase Agreement such that PSC International Holdings Pty Ltd will be required to pay all deferred payment obligations to Mr Leung Hoo Lau under that agreement (ie. PSC International Holdings Pty Ltd will be required to pay the aggregate deferred payments of HK\$3,850,000 under the 2019 CGI Purchase Agreement, subject to any adjustments as noted further above).
Purchase Price Adjustments	Deferred payments are to be adjusted in line with actual net revenue of CGI whereby: (a) if the net revenue 12 months from completion is less than HK\$11,000,000 then the 12 month deferred payment will be reduced to 20% of the actual net revenue, and (b) the 24 month deferred payment will be adjusted and calculated on an average of two years audited net revenue from the completion date

If approval for this transaction is given by Shareholders under Resolution 1, PSC will move to formalise and complete this transaction by 30 June 2020 (being an indicative date only).

Resolution 2 - Transaction 2

*The acquisition by Charter Gilman Insurance Holdings Limited (which following completion of the transaction contemplated by Resolution 1 will be a wholly owned subsidiary of the Company) of the insurance broking business of Globe Insurance Limited (Globe) from P Capital being a related party of the Company (**Globe Acquisition**).*

Upon completion of the CGI Acquisition by PSC as described in Resolution 1, it is proposed that Charter Gilman Insurance Holdings Limited will acquire the insurance business of Globe by way of a business sale under the Globe Acquisition as described in Resolution 2.

Globe is an established Hong Kong based insurance business owned by P Capital. As noted above, P Capital is a related entity to the Company for the reasons set out above. Net revenue of Globe for the most recent financial year (ie. the financial year ended 30 June 2019) is ~HK\$4.0 million (~ A\$0.75 million) with the purchase price to be 1.0x revenue.

No formal acquisition agreement has been entered into in relation to the Globe Acquisition. However, provided both the CGI Acquisition and Globe Acquisition are approved by Shareholders under Resolution 1 and Resolution 2 respectively, PSC intends to proceed with the acquisition and for the applicable parties to enter into a formal acquisition agreement with the following key terms:

Purchase Price	HK\$4.0 million (~A\$0.75 million)
Revenue Multiple	1.0x
Shares to be Acquired	50% of the issued capital of each CGI entity
Upfront payment	100% of Purchase Price with no purchase price adjustments
Payment Form	Cash from available cash reserves

Resolution 2 is subject to the approval of Resolution 1. Resolution 1 must be passed in order for the Company to be able to proceed with Resolution 2 (Globe Acquisition). Therefore, if both Resolutions 1 and 2 are passed, the Company will be able to proceed with the Globe Acquisition. If Resolution 2 is not passed, the Company will not proceed with the Globe Acquisition which may result in the Company being unable to achieve its proposed growth plans in relation to its Hong Kong operations as discussed below. If Resolution 1 is not passed CGI may proceed with the Globe Acquisition in its own right.

If approval for this transaction is given by Shareholders under this Resolution 2 (and subject to Resolution 1 having also been passed by Shareholders), PSC will move to formalise and complete this transaction by 30 June 2020 (being an indicative date only).

Strategy

These two opportunities will give PSC an exposure to the growing Asian market via established businesses that are well known to the Group. PSC intends to consider further opportunities of a similar size to help increase the scale of its Hong Kong operations however we expect our investment in the region to remain modest.

We initially expect the combined Hong Kong businesses to operate at break-even or moderate profitability.

We also see a broadening of our international footprint as a positive for our existing client base, particularly those with Asian operations or expansion plans.

The Board, other than Brian Austin, Paul Dwyer and John Dwyer, recommend that Shareholders vote in favour of Resolutions 1 and 2.

A voting exclusion statement for Resolutions 1 and 2 is included in the Voting Exclusions

Resolution 3 – Approve an amendment to the terms of the 8,000,000 Options already granted to Antony Robinson on 16 May 2019

This Resolution and Resolution 4 relate to the withdrawn Resolution 6 in the Notice of Meeting for the Company's 2019 Annual General Meeting which was withdrawn at the request of ASX due to it being in technical breach of the ASX Listing Rules. These resolutions are being presented to Shareholders in this revised form to comply with the ASX Listing Rules.

In conjunction with his appointment as Managing Director of the Company, the Board granted 8,000,000 Options to acquire ordinary shares (**Shares**) to Antony Robinson on 16 May 2019 under the LTIP and in accordance with the remuneration strategy of the Company. The Options were issued to Antony Robinson on 16 May 2019 without obtaining shareholder approval under ASX Listing Rule 10.14 in accordance with the exception in Listing Rule 10.15B as the Shares to be acquired by Mr Robinson on exercise of the Options were to be acquired on-market.

As announced to ASX at the time of Antony Robinson's appointment as Managing Director on 13 May 2019, Shares would be acquired on-market upon exercise of the Options unless shareholders subsequently approve the Company to issue the Shares in accordance with the Listing Rules.

The Board has determined, subject to shareholder approval in accordance with the Listing Rules, the Company will benefit from the flexibility of being able to issue new Shares on exercise of the Options rather than the Company being required to acquire the Shares on-market. As this technically constitutes a change to the terms of the Options, the Company is now seeking shareholder approval for the change as required under 6.23.4 of the Listing Rules.

Listing Rule 6.23.4 approval – Approval of amendment to Option terms

ASX Listing Rule 6.23 restricts certain changes to option terms without shareholder approval. In particular, ASX Listing Rule 6.23.4 provides that a change which is not otherwise prohibited under rule 6.23.3 can only be made if holders of ordinary securities approve the change. The amendment to the terms of the Options to permit the issue of new Shares on exercise has been agreed between Antony Robinson in accordance with the terms of the LTIP.

As such, the Company is seeking Shareholder approval for the purposes of Listing Rule 6.23.4 to amend the terms of the 8,000,000 Options held by Mr Anthony Robinson such that on exercise of the Options, the Company can issue new Shares to Mr Robinson instead of acquiring Shares on-market.

The Board, with Mr Antony Robinson abstaining, recommends that Shareholders vote in favour of Resolution 3.

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 3 is included in the Voting Exclusions.

Resolution 4 – Approve the issue of Shares to meet the Company's obligation on exercise of the 8,000,000 Options already granted to Antony Robinson on 16 May 2019.

As noted above, the Board has determined, subject to shareholder approval being obtained under Resolution 3, that Mr Robinson be issued new Shares on exercise of his 8,000,000 Options already granted instead of acquiring Shares on-market. Given these Options were previously issued to Antony Robinson on 16 May 2019 without obtaining shareholder approval under ASX Listing Rule 10.14 in reliance on the exception in Listing Rule 10.15B (as discussed above), provided that Shareholders approve Resolution 3, shareholder approval is now being sought for the Company to issue new Shares on exercise of Mr Robinson's Options. If this Resolution is not approved by Shareholders, then the Company will be required to satisfy its obligations on exercise of the Options by purchasing those Shares on-market.

If Shareholder approval is given under Listing Rule 10.14 pursuant to this Resolution 4, Shareholder approval under Listing Rule 10.11 is not required.

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

Summary of key terms of the Shares and Options

For completeness, the Company provides information required by ASX Listing Rule 10.15 in relation to the Shares to be issued on exercise of the Options.

NUMBER TO BE ALLOCATED

On 16 May 2019, the Board issued to Mr Robinson, Managing Director of the Company (who falls under the category of persons listed in ASX Listing Rule 10.14.1) 8,000,000 Options in the Company under the Company's LTIP. Each Option is to acquire one Share in the Company. Accordingly, the maximum number of Shares that may be acquired by Mr Robinson on exercise of the Options is 8,000,000 Shares, which is the number of Shares for which Shareholder approval is being sought under this resolution.

CURRENT REMUNERATION PACKAGE

Mr Robinson is paid a base remuneration of A\$600,000 per annum (including superannuation). Mr Robinson is not entitled to any short term incentives.

EXERCISE PRICE OF OPTIONS ISSUED

The exercise price of the Options to acquire Shares are:

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

ISSUE DATE OF OPTIONS AND SHARES

As noted above, the Options were granted by the Board to Antony Robinson on 16 May 2019. Shares will be issued on exercise of the Options no later than 3 years following the date of the Meeting.

OPTION EXPIRY DATE

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

PERFORMANCE HURDLES AND VESTING CONDITIONS

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

OTHER KEY DETAILS

The Options can be exercised at any time before the expiry date upon payment by Mr Robinson of the exercise price.

- Shares issued as a result of the exercise of these Options will rank equally with existing Shares of the Company.
- The Options carry no rights to vote at General Meetings of Shareholders.
- The Options carry no rights to dividends.
- The Options will not be entitled to participate in new issues that may be offered to Shareholders during the currency of the Options, nor are the Options entitled to participate in dividends until such time as they are converted to Shares.

- In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be adjusted in accordance with the Listing Rules, but in all other respects the terms of Options will remain unchanged.
- The Options may not be assigned, transferred, encumbered with a security interest in or over them, or otherwise disposed of unless with the prior written consent of the Board or by force of law upon death.
- Exercise of the Options is by way of notice in writing plus payment by cash, or cheque, or such other form of payment determined by the Board, being the exercise price per Option multiplied by number of Options being exercised.
- The Options are not to be quoted on the ASX. The Company will seek to have Shares issued as a result of exercise of the Options quoted on the ASX.
- Each Director of the Company is entitled to participate in the LTIP.
- The Company has previously issued 600,000 options over ordinary shares to Mr Robinson under the Company's LTIP around the time the Company listed on the ASX with an exercise price of \$1.00 per option expiring on 14 December 2020. Mr Robinson has exercised all 600,000 of these options.
- The Company will not provide any loan to Antony Robinson in connection with the acquisition of Shares on exercise of the Options.

KEY TERMS OF LTIP

In accordance with ASX Listing Rule 10.15.9, a summary of the key terms of the LTIP is set out below.

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

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

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

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

Details of any securities issued under the Company's LTIP will be published in the Company's annual report for that period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional directors and associates of directors who become entitled to participate in the Company's LTIP after the Meeting who are not named in this notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

The Board, with Mr Antony Robinson abstaining, recommends 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 – Ratification of the prior agreement to issue up to 8,800,000 Shares to the vendors of shares in Paragon International Holdings Limited as part of the Second Tranche consideration for the acquisition of Paragon International Holdings Limited by the Company

Background on agreement to issue 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**). 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 of 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.

As noted in our announcement of 25 July 2019, under the terms of the SPA, the Second Tranche payment to vendors is 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 is payable when the EBITDA is finally determined and not before 30 March 2020.

Whilst the full year results of Paragon to December 2019 are still to be finalised, PSC expects the adjusted EBITDA for that period to be greater than £7.0 million.

Based on a notional EBITDA of greater than £7.0 million for 2019, the Second Tranche consideration due under the Paragon purchase would be £31.5 million, payable as follows:

- £17.5 million in cash.
- £14.0 million in PSC shares.

The above information was provided in our announcement to the market on 17 January 2020. Based on variables at the time of the announcement this equates to approximately 8,800,000 million Shares (FX rate of AUD/GBP of .5300 and a closing price of the Company's shares on 16 January 2020 of \$3.00 per share) (**Second Tranche Consideration Shares**). The final number of shares and cash consideration depend on the actual 2019 EBITDA and the share price and exchange rate at the time of payment. This is expected to occur early to mid-May 2020, within the 3 months required by listing rule 7.5 if Shareholders approve this issue.

ASX Listing Rule 7.4 and reasons for shareholder approval

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The agreement to issue the Second Tranche Consideration Shares does not fit within any of these exceptions and, as it has not yet been approved by PSC's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing PSC's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue or agreement to issue is taken to have been approved under Listing Rule 7.1 and so does not reduce PSC's capacity to issue further equity securities without shareholder approval under that rule.

PSC wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issue under Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval to the agreement to issue up to 8,800,000 Second Tranche Consideration Shares to vendors under the Paragon SPA, under and for the purpose of Listing Rule 7.4. Should the situation arise that more than 8,800,000 Shares are required to be issued to satisfy the Second Tranche Consideration any excess above that approved by Shareholders will be issued out of the Listing rule 7.1 15% placement capacity.

If Resolution 5 is passed, the Second Tranche Consideration Shares will be excluded in calculating PSC's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Company will proceed with the issue of the Second Tranche Consideration Shares which will be included in the calculating PSC's 15% limit 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.

Below is set out further information required to be provided to Shareholders under Listing Rule 7.5:

- The Second Tranche Consideration Shares will be issued to the 25 vendors of shares in Paragon under the terms of the SPA;
- PSC has agreed to issue the Second Tranche Consideration Shares which the Company is seeking Shareholder approval to issue a maximum 8,800,000 ordinary shares in PSC;
- PSC expects to issue the Second Tranche Consideration Shares in early to mid-May 2020 and in any event within 3 months after the date of this meeting;
- The Second Tranche Consideration Shares were issued for nil cash consideration and have been issued as part consideration to the vendors of shares in Paragon in relation to the acquisition of the share capital of Paragon by PSC; and
- The Second Tranche Consideration Shares will be issued under and in accordance with the terms of the SPA.

The Board unanimously 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 General Meeting

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.

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

Board means the board of Directors.

CGI Acquisition means the acquisition by PSC (or one of its subsidiaries) of 50% of the share capital in CGI not held by the Company from P Capital.

CGI means Charter Gilman Insurance Holdings Limited (a company incorporated in Hong Kong) and each of its subsidiaries being Charter Gilman Insurance Brokers Pty Ltd, Charter Gilman Insurance Agencies Limited, Charter Gilman Insurance Consultants Limited and Charter Gilman Insurance Services Limited.

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

Closely Related Party has the meaning given to that term in the Corporations Act.

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

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

Director means a director of the Company.

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

Globe means Globe Insurance Limited (Globe) (a company incorporated in Hong Kong).

Globe Acquisition means the acquisition by CGI (which following completion of the transaction contemplated by Resolution 3 will be a wholly owned subsidiary of the Company) of Globe from P Capital.

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

Listing Rules means the listing rules of ASX.

LTIP means the Company's Long Term Incentive Plan.

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

Notice means this notice of meeting dated 20 February 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.

Paragon means Paragon International Holdings Limited (a company incorporated in the United Kingdom).

P Capital means P Capital Pty Ltd ACN 164 772 276.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Second Tranche Consideration Shares has the same meaning given to that term in the Explanatory Memorandum for Resolution 5.

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



X99999999999

PROXY FORM

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

STEP 1

APPOINT A PROXY

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

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 General Meeting of the Company to be held at **9:00am (Melbourne time) on Tuesday, 31 March 2020 at Level 4, 96 Wellington Parade, East Melbourne** (the Meeting) and at any postponement or adjournment of the Meeting.

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

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

STEP 2

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*
1 Approve the acquisition by PSC International Holdings Pty Ltd (a subsidiary of the Company) of 50% of the share capital in Charter Gilman Insurance Holdings Limited and each of its subsidiaries not already held by the Company from P Capital Pty Ltd being a related party of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approve the acquisition by Charter Gilman Insurance Holdings Limited (which following completion of the transaction contemplated by Resolution 1, will be a wholly owned subsidiary of the Company) of the insurance broking business of Globe Insurance Limited, from P Capital Pty Ltd being a related party of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approve an amendment to the terms of the 8,000,000 Options already granted to Antony Robinson on 16 May 2019.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approve the issue of Shares to meet the Company's obligation on exercise of the 8,000,000 Options already granted to Antony Robinson on 16 May 2019.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of the prior agreement to issue up to 8,800,000 Shares to the vendors of shares in Paragon International Holdings Limited as part of the Second Tranche consideration for the acquisition of Paragon International Holdings Limited by the Company	<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 show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
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).



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 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 Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your 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 the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of 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 Sunday, 29 March 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).



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

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

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