



Ensurance Ltd

ACN 148 142 634

Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of all the fully paid ordinary shares in Ensurance Ltd by PSC Insurance Group Limited

The ENA Directors unanimously recommend¹ that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ENA Scheme Shareholders, ENA Scheme Shareholders

VOTE IN FAVOUR

of the Scheme of Arrangement

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders.

The Scheme Meeting will be held virtually at 11:00am (Perth time) on 2 November 2023 via <https://meetnow.global/MKJJWWM>.

This is an important document and requires your prompt attention. You should read it in its entirety before you decide how to vote on the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Legal Adviser to ENA



Legal Adviser to PSC



Maddocks

¹ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iii of this Scheme Booklet.² Assuming that there is no ENA Transaction Cost Adjustment.

Important Information

This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (if the Scheme Conditions are satisfied), and to provide such information as is prescribed or otherwise material for ENA Shareholders when deciding whether or not to vote in favour of the Scheme. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme. You should read this document in its entirety before making a decision on whether or not to vote in favour of the Scheme.

This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at the meeting held as a result of an order under subsection 411(1). Instead, ENA Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred above.

Investment decisions

This Scheme Booklet is for ENA Shareholders collectively and does not constitute, and should not be taken as, financial product advice and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme, ENA Shares or New PSC Shares. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Scheme.

Tax implications of the Scheme

Section 10 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Australian tax resident ENA Scheme Shareholders who dispose of their ENA Shares to PSC in accordance with the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences, nor is it intended to replace the need for specialist tax advice in respect of the particular circumstance of each individual ENA Scheme Shareholder.

ENA Scheme Shareholders who are subject to taxation outside Australia should also consult their tax

adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

Responsibility for information

The information concerning the ENA Group contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the ENA Directors, has been provided by ENA and is the responsibility of ENA. Neither PSC, nor its directors, officers or advisers, nor the advisers of ENA assume any responsibility for the accuracy or completeness of that information and, to the maximum extent permitted by law, disclaim liability for that information.

The PSC Information has been provided by PSC and is the responsibility of PSC. Neither ENA, nor its advisers, nor the advisers of PSC assume any responsibility for the accuracy or completeness of that information and, to the maximum extent permitted by law, ENA disclaims liability for that information.

RSM Corporate Australia Pty Ltd has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. PSC, ENA and their respective subsidiaries, directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

Role of ASIC, ASX, and the Court

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. ENA has requested ASIC provides statements, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides those statements, they will be produced to the Court on the Second Court Date to approve the Scheme.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

The Court is not responsible for the contents of this Scheme Booklet and the fact that under section 411(1) of the Corporations Act the Court ordered on 28 September 2023 that a meeting of ENA Shareholders be convened by ENA to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how ENA Shareholders should vote (on this matter, ENA

Shareholders must reach their own decision); and

- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Scheme are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of ENA, PSC and/or the Combined Group to be materially different from future results, performance or achievements expressed or implied by such statements. The operations and financial performance of ENA, PSC and/or the Combined Group, and the disposal of ENA Scheme Shares in exchange for New PSC Shares (or cash for Ineligible Foreign Shareholders) are subject to various risks that are summarised in Section 9 of this Scheme Booklet and that may be beyond the control of ENA, PSC and/or the Combined Group.

As a result, ENA's actual results of operations and earnings and those of PSC and the Combined Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of ENA, PSC, the ENA Directors, the PSC Directors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to ENA, PSC, the Combined Group or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, neither ENA nor PSC give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Ineligible Foreign Shareholders

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. Other

countries may have different legislative and regulatory requirements.

Neither this Scheme Booklet nor the Scheme constitute, or are intended to constitute, an offer of securities in any place in which or to any person to whom, the making of such an offer would not be lawful under the laws of any jurisdiction outside Australia and its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom. ENA Scheme Shareholders who are not residents of Australia and its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom should refer to Sections 5.7 and 5.8 of this Scheme Booklet for further information.

Foreign Offer Restrictions

New Zealand Shareholders

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand Regulatory Authority under or in accordance with the *Financial Markets Conduct Act 2013* or any other relevant New Zealand law. The offer of New PSC Shares under the Scheme is being made to existing shareholders of ENA in reliance upon the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

British Virgin Islands Shareholders

The New PSC Shares may not be offered in the British Virgin Islands unless PSC or the person offering the New PSC Shares on its behalf is licensed to carry on business in the British Virgin Islands. Given they will not be so licensed, the New PSC Shares may be offered only to existing shareholders of ENA in the British Virgin Islands from outside the British Virgin Islands.

Gibraltar Shareholders

Neither the Scheme Booklet nor any other document relating to the Scheme has been, and will not be, delivered for approval to the Gibraltar Financial Services Commission or the Companies Registrar in Gibraltar. Accordingly, this Scheme Booklet may not be made available, nor may New PSC Shares be offered for sale or exchange, in Gibraltar except in circumstances that do not require the obligation to publish a prospectus under the *Companies Act 2014*.

This Scheme Booklet may only be distributed or communicated, and the PSC Shares will only be issued, to ENA Shareholders in Gibraltar.

Jersey Shareholders

This Scheme Booklet may only be distributed in Jersey to ENA Shareholders. No offer or invitation to

subscribe for Shares may be made to the public in Jersey.

United Kingdom Shareholders

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the offer of PSC Shares.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New PSC Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to ENA or PSC.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005*, or (ii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

Privacy and entitlement to inspect ENA Registers

Personal information may be collected by ENA and PSC in the process of implementing the Scheme. This information may include the name, contact details and security holding details of ENA

Shareholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by an ENA Shareholder at the Scheme Meeting. The primary purpose for collecting this personal information is to assist ENA and PSC to conduct the Scheme Meeting and implement the Scheme.

Any personal information collected may be disclosed to ENA’s and PSC’s respective share registries, advisers, print and mail service providers and related bodies to the extent necessary to effect the Scheme. ENA Shareholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of personal information collected. ENA Shareholders should contact Computershare at 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) in the first instance if they wish to access their personal information.

Defined terms

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary of defined terms in Section 14.

The Independent Expert’s Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

Currency

All references in this Scheme Booklet to “\$”, “AUD”, “A\$” or “dollar” are references to Australian currency unless otherwise indicated.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Reference to time

All references in this document to time relate to the time in Perth, Western Australia, unless otherwise specified.

Date of this document

This document is dated 28 September 2023.

IMPORTANT INFORMATION REGARDING DIRECTOR'S RECOMMENDATIONS

ENA notes that Mr Anthony Leibowitz (ENA's Chairman) has a Relevant Interest in 16,220,492 ENA Shares (being an interest of 17.99%) held by Kalonda Pty Ltd as trustee for the Leibowitz Super Fund, being an entity of which Mr Leibowitz is a director and beneficiary. If the Scheme is approved by the Court on the Second Court Date, Mr Leibowitz (or his associated entities) will receive approximately 908,348 New PSC Shares² (being an interest of 0.26% in PSC³) as well as any Top Up Cash Consideration (if applicable) proportionate to the relevant number of ENA Scheme Shares held by Mr Leibowitz (or his associated entities). The ENA Board (in the absence of Mr Leibowitz) and, separately, Mr Leibowitz, have determined that Mr Leibowitz can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits which will be received by Mr Leibowitz (or his associated entities) by virtue of being an ENA Shareholder if the Scheme is implemented.

ENA notes that Mr Vaughan Kent (Executive Director of ENA) has a Relevant Interest in 14,555,431 ENA Shares (being an interest of 16.14%) held directly and indirectly as trustee for the Vaughan Kent Family Trust and Spelt Kent Pty Ltd as trustee for the Spelt Kent Super Fund, of which Mr Kent is a director and beneficiary. If the Scheme is approved by the Court on the Second Court Date, Mr Kent (or his associated entities) will receive approximately 815,104 New PSC Shares² (being an interest of 0.22% in PSC³) as well as any Top Up Cash Consideration (if applicable) proportionate to the relevant number of ENA Shares held by Mr Kent (or his associated entities). The ENA Board (in the absence of Mr Kent) and, separately, Mr Kent, have determined that Mr Kent can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits which will be received by Mr Kent (or his associated entities) by virtue of being an ENA Shareholder if the Scheme is implemented.

ENA notes that Mr Anthony Wehby (Non-Executive Director of ENA) has a Relevant Interest in 712,188 ENA Shares (being an interest of 0.79%) held indirectly by Ms Rosmary Wehby, Mr Wehby's spouse. If the Scheme is approved by the Court on the Second Court Date, Mr Wehby will receive (indirectly via his spouse) approximately 39,883 New PSC Shares² (being an interest of 0.01% in PSC³) as well as any Top Up Consideration (if applicable) proportionate to the relevant number of ENA Shares held by Mr Wehby's spouse. The ENA Board (in the absence of Mr Wehby) and, separately, Mr Wehby, have determined that Mr Wehby can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits which will be received by Mr Wehby by virtue of his spouse being an ENA Shareholder if the Scheme is implemented.

If the Scheme is implemented, the directors of ENA will not receive any benefits from the Scheme other than realising their shareholding in ENA on the same basis as all other ENA Shareholders.

² Assuming that there is no ENA Transaction Cost Adjustment.

³ Based on the issued capital of PSC as at the Last Practicable Date.

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Overview of this document

What is the proposal?

PSC Insurance Group Limited (**PSC**) has made a proposal to acquire all of the Shares in Ensurance Ltd (**ENA**) by way of the Scheme.

PSC and ENA have agreed to implement the acquisition under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which ENA Shareholders have the opportunity to vote for or against the proposed Scheme and if the Scheme is approved by the Requisite Majority of ENA Shareholders and by the Court then the Scheme will be binding on ENA and the ENA Scheme Shareholders.

If the Scheme is approved by ENA Shareholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions, PSC will acquire all of the ENA Scheme Shares in exchange for the Scheme Consideration (being, the greater of \$25.2 million and 5,000,000 PSC Shares. The Scheme Consideration will be satisfied by way of the issue of 5,000,000 New PSC Shares⁴ with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be satisfied by payment of the Top Up Cash Consideration, resulting in approximately 0.056 New PSC Shares being issued for each ENA Scheme Share held)⁵ to be provided to the ENA Scheme Shareholders or the Sale Agent in the case of Ineligible Foreign Shareholders. Please refer to page 2 of this Scheme Booklet for worked examples of the quantum of Scheme Consideration to be issued to ENA Scheme Shareholders, calculated based on a hypothetical range of prices at which PSC Shares could trade on ASX.

As mentioned throughout this Scheme Booklet, the aggregate number of PSC Shares that ENA Scheme Shareholders are entitled to may also be adjusted if ENA's transaction costs in relation to the Scheme exceed \$500,000 (including GST). Details of the adjustment and a worked example showing how the adjustment works are set out on pages 2 and 3 and in Section 5.2 of this Scheme Booklet.

On implementation of the Scheme, ENA will become a wholly-owned subsidiary of PSC.

If the Scheme is not approved, ENA will continue to operate as a stand-alone entity in which PSC has no ownership interest, listed on the ASX.

What is the Scheme Consideration?

The Scheme Consideration is the greater of \$25.2 million and 5,000,000 PSC Shares. The Scheme Consideration is to be satisfied by way of the issue of 5,000,000 New PSC Shares⁶, with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be satisfied by payment of the Top Up Cash Consideration (resulting in approximately 0.056 New PSC Shares for each ENA Scheme Share held).⁷ The Scheme Consideration implies a value of approximately \$0.28 per ENA Scheme Share (based on the 30 day VWAP for PSC Shares up to and including 7 August 2023, being the last trading day prior to the Announcement Date) (**Implied Offer Value**). The Implied Offer Value represents:

- a premium of 40% to the closing price on ASX of ENA Shares on 7 August 2023 of \$0.20; and
- a premium of 39% to the 30-day VWAP for ENA Shares up to and including 7 August 2023 of \$0.20.

On the Last Practicable Date, the closing price of PSC Shares on ASX was \$4.82 and the closing price of ENA Shares on ASX was \$0.27, such that the Scheme Consideration represents a premium of 0.0027% to the closing price of ENA Shares at that date. The implied value of the Scheme

⁴ Assuming there is no ENA Transaction Cost Adjustment.

⁵ Assuming there is no ENA Transaction Cost Adjustment.

⁶ Assuming that there is no ENA Transaction Cost Adjustment.

⁷ Assuming that there is no ENA Transaction Cost Adjustment.

Consideration will continue to fluctuate depending upon the price at which PSC Shares trade on ASX (to the extent that the price of PSC Shares is above \$5.04).

Below are some worked examples of the Scheme Consideration to be issued to ENA Scheme Shareholders in the event that the price of PSC Shares is above or below \$5.04:

Price of PSC Shares	Number of New PSC Shares to be issued to ENA Scheme Shareholders	Amount of Top Up Cash Consideration to be paid to ENA Scheme Shareholders	Number of New PSC Shares to be issued to ENA Scheme Shareholders (per ENA Share held)	Amount of Top Up Cash Consideration to be paid to ENA Scheme Shareholders (per ENA Share held)
\$5.25	5,000,000	Nil	0.056	Nil
\$5.04	5,000,000	Nil	0.056	Nil
\$5.00	5,000,000	\$200,000	0.056	\$0.002
\$4.75	5,000,000	\$1,450,000	0.056	\$0.016
\$4.50	5,000,000	\$2,700,000	0.056	\$0.030
\$4.25	5,000,000	\$3,950,000	0.056	\$0.044

Please note that the above worked examples have been included for information purposes only and are not indicative of the price at which PSC Shares may trade on ASX.

It should be noted that, to the extent that ENA's transaction costs exceed \$500,000 (including GST), the total number of New PSC Shares to be issued by PSC on the Implementation Date will be calculated by using the below formula:

$$5,000,000 - (\text{Transaction Cost Difference} / \text{New PSC Share Price})$$

Where:

- (a) the Transaction Cost Difference is the amount by which ENA's transaction costs exceed \$500,000 (including GST); and
- (b) the New PSC Share Price is the volume weighted average price of PSC Shares on ASX for the 5 trading days prior to the Record Date.

This adjustment is referred to in this Scheme Booklet as the "ENA Transaction Cost Adjustment".

A worked example of how the Scheme Consideration will change if ENA's transaction costs exceed \$500,000 (including GST) is set out below:

$$5,000,000 - (100,000 / 5.04) = 4,980,158$$

The above example assumes:

- (a) ENA's transaction costs total \$600,000 (including GST);
- (b) the Transaction Cost Difference is \$100,000, being the amount by which ENA's transaction costs exceed \$500,000 (including GST); and

- (c) the New PSC Share Price is \$5.04.

Based on the above formula and assumptions, ENA Scheme Shareholders would receive 4,980,158 New PSC Shares, being approximately 0.0552 New PSC Shares per ENA Share held (rather than 5,000,000 (approximately 0.056 New PSC Shares per ENA Share held) (assuming a New PSC Share Price of \$5.04) if ENA's transaction costs total \$600,000 (including GST) rather than \$500,000 (including GST).

It is not anticipated that ENA's transaction costs will exceed \$500,000 and the above worked example has been included for illustrative purposes only. Please refer to section 3.5 for ENA's expected transactions costs in connection with the Scheme.

If the value of the New PSC Shares is less than the purchase price of \$25.2 million, the difference will be satisfied by payment of the Top Up Cash Consideration, to be paid to ENA Scheme Shareholders proportionate to the relevant number of ENA Scheme Shares held.

ENA will release an announcement on its ASX platform on 30 October 2023 detailing whether it is expected that there will be an ENA Transaction Cost Adjustment. If it is expected that there will be an ENA Transaction Cost Adjustment, the ASX announcement will detail the expected extent of the adjustment to the number of New PSC Shares to be issued to ENA Scheme Shareholders.

What is this document for?

The Scheme is subject to the approval of ENA Shareholders. This Scheme Booklet contains information relevant to the Scheme and associated matters, and to the decision of ENA Shareholders as to whether to vote for or against the Scheme.

The Scheme Meeting to consider the Scheme will be held **virtually at 11:00am (Perth time) on 2 November 2023**.

Why should you vote?

As an ENA Shareholder, you have a say in whether the Scheme is implemented or not – **this is your opportunity to play a role in deciding the future of the company in which you have a stake**.

Is the Scheme in the best interests of ENA Scheme Shareholders?

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders.

The ENA Directors unanimously recommend⁸ that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders, ENA Shareholders vote in favour of the Scheme.

Before making a decision about the Scheme, ENA Shareholders should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional adviser. For further details regarding the recommendation of the ENA Directors, please refer to Section 5.4.

⁸ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iii of this Scheme Booklet.

What you should do next:**Step 1: Read this document in full**

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme. If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

Step 2: Vote on the Scheme

As an ENA Shareholder, it is your right to vote on whether the Scheme should be approved, and therefore, whether the Scheme should proceed. You should note that the Scheme is subject to the Scheme Conditions. Even if ENA Shareholders approve the Scheme, it is possible that the Scheme will not be implemented if the other Scheme Conditions have not been satisfied.

ENA Shareholders can vote online at the virtual Scheme Meeting scheduled for **11:00am (Perth time) on 2 November 2023**, or by returning a validly completed proxy voting form by not later than **11:00am (Perth time) on 31 October 2023**. Full details of how to vote are set out in pages 10 to 12 of this document.

For further information

If you have any questions after reading this document, please call the Company Secretary of ENA, Mr Samir Hallab on +61 (02) 9167 8050.

Reasons to vote in favour of or against the Scheme

Reasons to vote in favour of the Scheme

- The Scheme will allow ENA Scheme Shareholders to achieve immediate value realisation at an attractive premium. Please refer to the above section titled “What is the Scheme Consideration?” for details on the Scheme Consideration payable to ENA Scheme Shareholders.
- Eligible ENA Scheme Shareholders will become part of a much larger company that has the balance sheet strength, resources and global reach which will help unlock the full potential of the ENA business.
- Eligible ENA Scheme Shareholders will be able to participate in the benefits of the Combined Group, including the ENA assets under PSC ownership.
- The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders.
- No Superior Proposal has emerged as at the date of this Scheme Booklet.
- The ENA Directors have unanimously recommended⁹ that ENA Scheme Shareholders vote in favour of the Scheme in the absence of a Superior Proposal.

These reasons are discussed in more detail in Section 1.

Reasons why you may choose to vote against the Scheme

- You may disagree with the opinion of the Independent Expert and the recommendation of the ENA Directors.
- Your percentage interest in the Combined Group will be less than your current interest in ENA with the aggregate holding of ENA Scheme Shareholders being approximately 1.4% of PSC’s share capital¹⁰.
- You may consider that there is the potential for a Superior Proposal to emerge for ENA in the foreseeable future. However, since the Announcement Date and up to the date of this Scheme Booklet, no other proposal has been received, nor are the ENA Directors aware of any intention of a party to make such a proposal.
- The Scheme Consideration comprises primarily New PSC Shares and so the value of the Scheme Consideration upon implementation of the Scheme may fluctuate and is not certain.
- The tax consequences of the Scheme may not suit your current financial position.

These reasons are discussed in more detail in Section 2.

⁹ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled “Important Information Regarding Directors’ Recommendation” on page iii of this Scheme Booklet.

¹⁰ Based on PSC’s issued share capital as at the Last Practicable Date.

Important dates and times

Key events and the expected timing in relation to the approval and implementation of the Scheme is set out in the table below.

Event	Date
Date of this Scheme Booklet	28 September 2023
Date of the First Court Hearing	28 September 2023
Release of ENA ASX announcement providing an indication on whether an ENA Transaction Cost Adjustment is likely. ¹¹	30 October 2023
Latest time and date for lodgement of completed proxy forms for the Scheme Meeting	11:00am (Perth time) on 31 October 2023
Time and date for determining eligibility to attend and vote at the Scheme Meeting	4:00pm (Perth time) on 31 October 2023
Scheme Meeting to be held virtually	11:00am (Perth time) on 2 November 2023
If the Scheme is approved by the Requisite Majority of ENA Shareholders, the expected timetable for implementing the Scheme is:	
Second Court Date for approval of the Scheme	7 November 2023
Effective Date of the Scheme and last day of trading of ENA Shares on ASX	8 November 2023
Suspension of trading of ENA Shares on ASX	Close of trading on 8 November 2023
Trading in New PSC Shares issued as Scheme Consideration to commence on a deferred settlement basis	9 November 2023
Record Date for determining entitlements to the Scheme Consideration	7:00pm (Perth time) on 10 November 2023
Implementation Date for the issue of Scheme Consideration to ENA Scheme Shareholders	17 November 2023
Payment date of Top-Up Consideration (if any)	17 November 2023
Trading in New PSC Shares issued as Scheme Consideration to commence on a normal (T+2) basis	20 November 2023
Removal from official quotation of ENA Shares on ASX	20 November 2023 (or as otherwise determined by ASX)

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition is satisfied and the dates on which all necessary Court and regulatory

¹¹ If an ENA Transaction Cost Adjustment is determined to be likely by the directors of ENA, ENA's ASX announcement will detail the number of New PSC Shares likely to be issued to ENA Scheme Shareholders.

approvals are obtained. ENA has the right to vary any or all of these dates and times, subject to the approval of such variation by ASX, the Court and PSC, where required.

Any variation to the above dates and times will be announced to ASX (and accordingly, details of any variations will be available on ASX's website (www.asx.com.au)) and will be published on ENA's website (<https://ensurance.com.au>).

Letter from ENA

Dear ENA Shareholder

On 8 August 2023, Ensurance Ltd (**ENA**) announced that it had entered into an agreement with PSC Insurance Group Limited (**PSC**) pursuant to which PSC would acquire all of the issued shares in ENA by way of a scheme of arrangement under Part 5.1 of the Corporations Act in exchange for the Scheme Consideration (being, the greater of \$25.2 million and 5,000,000 PSC Shares. The Scheme Consideration will be satisfied by way of the issue of 5,000,000 New PSC Shares¹² with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be satisfied by payment of the Top Up Cash Consideration, resulting in approximately 0.056 New PSC Shares for each ENA Scheme Share held)¹³ to be provided to the ENA Scheme Shareholders.

Please refer to page 2 of this Scheme Booklet for worked examples of the quantum of Scheme Consideration to be issued to ENA Scheme Shareholders, calculated based on a hypothetical range of prices at which PSC Shares could trade on ASX.

As mentioned throughout this Scheme Booklet, the aggregate number of PSC Shares that ENA Scheme Shareholders are entitled to may also be adjusted if ENA's transaction costs in relation to the Scheme exceed \$500,000 (including GST). Details of the adjustment and a worked example showing how the adjustment works are set out on pages 2 and 3 and in Section 5.2 of this Scheme Booklet. The implementation of the Scheme is subject to a number of conditions, including the approval of ENA Shareholders and the Court.

The ENA Directors unanimously consider the Scheme to be in the best interests of ENA Scheme Shareholders and unanimously recommend¹⁴ that ENA Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and provided the Independent Expert continues to conclude that the Scheme is in the best interests of Shareholders.

The key reasons for your Directors' recommendation of the Scheme are set out in Section 1.1 of this Scheme Booklet. In particular, implementation of the Scheme will allow ENA Scheme Shareholders to:

- achieve immediate value realisation at an attractive premium;
- become part of a much larger company that has the balance sheet strength, resources and global reach which will help unlock the full potential of the ENA business; and
- participate in the benefits of the Combined Group, including the ENA assets under PSC ownership.

Each ENA Director intends to vote the ENA Scheme Shares that they own or control at the time of the Scheme Meeting (if any) in favour of the Scheme and will direct any ENA proxies placed at their discretion in favour of the Scheme, in the absence of a Superior Proposal. The Independent Expert, RSM Corporate Australia Pty Ltd, has concluded that the Scheme is **fair and reasonable** to ENA Scheme Shareholders and therefore is in the best interests of ENA Scheme Shareholders, in the absence of a Superior Proposal.

The full report of the Independent Expert is set out in **Annexure A**.

Your Directors consider that there is a compelling rationale for the Scheme, however, there are some possible disadvantages and risks relating to the Scheme (see Section 2), specifically:

¹² Assuming there is no ENA Transaction Cost Adjustment.

¹³ Assuming there is no ENA Transaction Cost Adjustment.

¹⁴ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

- You may disagree with the opinion of the Independent Expert and the recommendation of the ENA Directors;
- Your percentage interest in the Combined Group will be less than your current interest in ENA with the aggregate holding of scheme shareholders being approximately 1.4% of PSC's share capital¹⁵;
- You may consider that there is the potential for a Superior Proposal to emerge for ENA in the foreseeable future. However, since the Announcement Date and up to the date of this Scheme Booklet, no other proposal has been received, nor are the ENA Directors aware of any intention of a party to make such a proposal; and
- The tax consequences of the Scheme may not suit your current financial position.

The possible reasons not to vote for the Scheme are set out in Section 2 of this Scheme Booklet. I encourage you to read this Scheme Booklet (including the report of the Independent Expert) carefully in full and, if required, to seek your own legal, financial or other professional advice.

At the Scheme Meeting, shareholders will be asked to approve the Scheme. The Scheme Meeting will be held **virtually, on 2 November 2023 commencing at 11:00am (Perth time)**.

Your vote is important. I strongly encourage you to vote either by attending the Scheme Meeting virtually or by completing and returning the accompanying Proxy Form so that it is received at the address shown on the Proxy Form by **11:00am (Perth time) on 31 October 2023**.

Shareholders who have any questions relating to the Scheme should contact ENA on +61 (02) 9167 8050, between 7:00am and 3:00pm (Perth time) Monday to Friday.

Yours sincerely

Anthony Leibowitz
Chairman
Ensurance Ltd

¹⁵ Based on PSC's issued share capital as at the Last Practicable Date.

Letter from PSC

Dear ENA Shareholder

The Board of PSC Insurance Group Limited is very pleased to have the opportunity to acquire Ensurance Ltd (**ENA**). PSC believes the merger of ENA into the PSC Group will strengthen and diversify PSC's underwriting agency and specialty businesses.

Over the past 12 months, PSC has worked with ENA management on two acquisitions. In November 2022, it was announced that PSC would acquire Ensurance UK Ltd, with this acquisition completing in March 2023. In August 2023, PSC and ENA announced that both parties had entered into a scheme implementation deed for PSC to now acquire all of the ENA shares by way of a scheme of arrangement if ENA Shareholders approve the acquisition (and the other conditions to Implementation are satisfied).

If the Scheme is successfully implemented, PSC look forward to welcoming the Ensurance team, including CEO Tom Kent who has developed a strong underwriting business. We believe the addition of Tom and the team of ENA underwriters will see many improved outcomes for both ENA and PSC. Importantly, we consider the combination of PSC and ENA as a positive outcome for shareholders of both companies.

We believe that there are a number of opportunities which will present themselves following Scheme implementation. The key identified opportunities for the Combined Group are summarised as:

- **The ability of the ENA team to leverage off the Chase Underwriting¹⁶ broker distribution network.** The national Chase Underwriting insurance broker network will be able to gain access to ENA's offering, in particular its professional indemnity offering. This is expected to have a meaningful impact on the financial performance of the ENA business.
- **The addition of ENA's miscellaneous professional indemnity and cyber offering onto the PSC developed APEX platform.** The APEX platform is utilised by PSC insurance brokers and authorised representatives across the country, and PSC believes that by placing the professional indemnity and cyber products on the APEX platform, this will result in more customers benefiting from the ENA offering.

Please refer to sections 1 and 2 of this Scheme Booklet for the key advantages and disadvantages of the Scheme that were considered by the ENA Directors when making their recommendations that ENA Shareholders vote for the Scheme.

Background to PSC

PSC is an Australian based insurance services company with operations across Australia, the United Kingdom, New Zealand, Hong Kong, Bermuda and the EU. Since being established in 2006, PSC has undertaken many acquisitions across the insurance broking and underwriting agency segments. These acquisitions, along with a disciplined focus on organic growth, has resulted in PSC growing to become a successful ASX listed company with a current market capitalisation of over \$1.7 billion.

PSC's consolidated FY23 underlying revenue of \$298.6 million, FY23 underlying EBITDA of \$111.0 million and underlying NPATA of 78.4 million are up 17%, 19% and 23% respectively on FY22. Revenue and EBITDA compound annual growth rates of 24.2% and 24.5% respectively over the past 5 years are also testament to PSC's diversified business model.

This Scheme Booklet provides important information in relation to the Scheme, including information on PSC and a profile of the Combined Group.

On behalf of the PSC Board I encourage you to:

¹⁶ Chase Underwriting is a PSC owned underwriting agency based in South Melbourne and with operations in Australia and the UK.

- read this Scheme Booklet carefully; and
- vote in favour of the Scheme at the Scheme Meeting.

On behalf of the PSC Board, I am excited by the opportunities that lie ahead for the businesses and, if you are an Eligible ENA Scheme Shareholder, I look forward to welcoming you as a PSC shareholder following the successful implementation of the Scheme.

Yours sincerely

Brian Austin
Chairman
PSC Insurance Group Limited

Meeting details and how to vote

Voting on Scheme

For the Scheme to be implemented, it is necessary that the Requisite Majority of ENA Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- more than 50% in number of ENA Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution by ENA Shareholders.

Voting at the Scheme Meeting will be by poll.

The Notice of Scheme Meeting is set out in Annexure D.

Entitlement to vote

If you are registered as an ENA Shareholder on the ENA Share Register as at **4:00pm (Perth time) on 31 October 2023** you will be entitled to attend the Scheme Meeting virtually and vote on the resolution to approve the Scheme. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

For instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/virtualmeetingguide>.

Voting exclusions

PSC is excluded from voting on the Scheme by reason of the fact that it is the proponent of the Scheme. As at the date of the Scheme Booklet, neither PSC nor any of its Associates hold any ENA Shares.

How to vote

ENA Shareholders may vote at the Scheme Meeting either by attending virtually, or by proxy, attorney or, in the case of a corporation, by corporate representative.

Means of participation	Voting instructions
<p>Participating in the Scheme Meeting virtually</p>	<p>If you wish to vote at the Scheme Meeting, you may attend the virtual Scheme Meeting commencing at 11:00am (Perth time) on 2 November 2023.</p> <p>ENA Shareholders must use the Computershare Meeting Platform to attend and participate in the meeting.</p> <p>To participate in the meeting, you can log in by entering the following URL https://meetnow.global/MKJJWWM on your computer, tablet or smartphone.</p> <p>Online registration will open 30 minutes before the Scheme Meeting.</p> <p>To make the registration process quicker, please have your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.</p> <p>To participate in the meeting online follow the instructions below. Click on 'Join Meeting Now'.</p> <p>(a) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.</p> <p>(b) Enter your postcode registered to your holding if you are an Australian ENA Shareholder. If you are an overseas ENA Shareholder select the country of your registered holding from the drop down list.</p> <p>(c) Accept the Terms and Conditions and 'Click Continue'.</p> <p>You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress</p> <p>For instructions on how to participate online please view the online meeting user guide at http:// www.computershare.com.au/virtualmeetingguide.</p>
<p>By Proxy</p>	<p>You may vote by proxy by completing and returning the personalised proxy form that is provided with this Scheme Booklet.</p> <p>The completed and duly executed proxy form for the Scheme Meeting (and if the proxy form is executed by an attorney, a certified copy of the power of attorney) must be received by Computershare (ENA's share registry) by no later than 11:00am (Perth time) on 31 October 2023.</p> <p>You may lodge your proxy online by logging in to the Computershare website (www.investorvote.com.au) using the holding details as shown on the proxy form.</p> <p>To use the online lodgement facility, shareholders will need their SRN or HIN.</p> <p>A completed proxy form must be returned to Computershare by completing it online, posting it in the reply paid envelope provided (for use in Australia) or by delivering or faxing your proxy form to the address or fax number set out on page 14 of this Scheme Booklet.</p> <p>ENA Shareholders who have returned a proxy form may still attend the virtual Scheme Meeting and revoke the proxy and vote at the Scheme Meeting.</p> <p>A proxy need not be an ENA Shareholder. A proxy may be an individual or a representative of a body corporate.</p> <p>If you are entitled to cast two or more votes, you may appoint two proxies. You may specify the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.</p>
<p>By Power of Attorney</p>	<p>Your vote may be cast by a duly authorised attorney. An attorney need not be an ENA Shareholder.</p> <p>ENA Shareholders intending to vote at the Scheme Meeting by providing a power of attorney must provide a certified copy of the power of attorney to Computershare by no later than 11:00am (Perth time) on 31 October 2023.</p>

Means of participation	Voting instructions
	The power of attorney must be delivered by posting it in the reply paid envelope provided (for use in Australia) or by faxing it to the address or fax number provided on page 14.
By Corporate Representative	An ENA Shareholder that is a body corporate may appoint an individual to act as its representative at the Scheme Meeting. To vote by corporate representative at the Scheme Meeting, a corporate ENA Shareholder should follow the appropriate prompts when accessing the online Scheme Meeting.

Address for return of voting forms

ENA Shareholders should mail or fax their proxy forms, power of attorney or corporate representative forms to Computershare (ENA's share registry) at the following address or fax number:

By Mail: Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
AUSTRALIA

Online www.investorvote.com.au

Fax: 1800 783 447 (within Australia)
+61 (03) 9473 2555 (outside Australia).

Proxy forms, power of attorney forms and corporate representative forms must be received by Computershare at **11:00am (Perth time) on 31 October 2023**.

Alternatively, ENA Shareholders can vote using one of the following methods:

Online: at www.investorvote.com.au

By Mobile: Scan the QR Code on your Proxy form and follow the prompts.

Custodian Voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Questions on this Scheme Booklet

ENA Shareholders with any questions in relation to the Scheme, should call the Company Secretary of ENA on +61 (02) 9167 8050 between 7:00am and 3:00pm (Perth time, Monday to Friday, or consult their legal, financial or other professional adviser).

1. Key reasons to vote in favour of the Scheme

This Section summarises the key reasons why the ENA Directors recommend that ENA Shareholders vote in favour of the Scheme.

This Section should be read in conjunction with Sections 2, 3 and 9, which describe the disadvantages and risks associated with the Scheme; implications if the Scheme does not proceed; and risk factors associated with an investment in New PSC Shares.

1.1 **The ENA Directors unanimously consider the Scheme to be in the best interests of ENA Shareholders and recommend that ENA Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ENA Scheme Shareholders**

Before agreeing to implement the Scheme in accordance with the Scheme Implementation Deed between PSC and ENA, the ENA Directors considered the reasons for ENA Shareholders to vote in favour of, or against, the Scheme. These include:

- Eligible ENA Scheme Shareholders will be able to participate in the benefits of the Combined Group, including the ENA assets under PSC ownership.
- No Superior Proposal has emerged as at the date of this Scheme Booklet.
- The potential for a Superior Proposal to arise after the announcement of the Scheme.
- The ENA Directors consider that the reasons to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Therefore, the ENA Directors unanimously consider the Scheme to be in the best interests of the ENA Shareholders and recommend that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ENA Scheme Shareholders, ENA Shareholders vote in favour of the Scheme.

The decision of the ENA Directors to recommend the Scheme follows an assessment of strategic options for ENA in regard to various corporate, asset and financial options available to ENA to enhance value for ENA Scheme Shareholders. The ENA Directors consider that the Scheme will deliver greater benefits to ENA Scheme Shareholders than any other alternative currently available, including ENA continuing as a standalone entity.

As per ENA's announcement dated 8 August 2023, all ENA Directors, representing a combined voting interest of 34.93% (as at the date of the announcement) intend to vote their respective ENA Shares in favour of the Scheme, in the absence of a Superior Proposal.

Now that the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders, each ENA Director intends, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ENA Scheme Shareholders, to vote to approve the Scheme in respect of any ENA Shares they own or control.

1.2 The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders

RSM Corporate Australia Pty Ltd, as Independent Expert, has considered the terms of the Scheme and has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of the ENA Scheme Shareholders.

The Scheme is considered fair because the Independent Expert has determined that the minimum consideration for each ENA Scheme Share to be received by the ENA Scheme Shareholders (being, \$0.2795 per ENA Scheme Share, calculated as \$25.2 million divided by the 90,155,925 ENA Shares on issue as at the Last Practicable Date) is greater than the fair value of an ENA Share on a controlling basis prior to the implementation of the Scheme (being, a “low” fair value of \$0.232 and a “high” fair value of \$0.261).

The Scheme is considered reasonable by the Independent Expert because the position of ENA Scheme Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved.

The Independent Expert has noted the following advantages of the Scheme (refer to section 2.22 of the Independent Expert’s Report):

- (a) the Scheme is fair to ENA Scheme Shareholders;
- (b) the minimum consideration delivers a significant, 40% premium to the pre-Announcement Date trading price of ENA Shares;
- (c) the Scheme will provide ENA Scheme Shareholders exposure to a more diversified asset portfolio. PSC provides diversified insurance services, including commercial and life insurance broking, workers compensation consulting services and underwriting services in Australia, UK, Hong Kong, New Zealand, Bermuda and the EU; and
- (d) PSC’s operations and share performance are covered by a range of analysts which will enhance the availability of information in relation to the operations and consensus expectations for PSC Share price performance; and
- (e) ENA has not paid any dividends over the period FY14 to FY23 as a result of its historical financial performance. PSC has paid dividends in each year ranging from \$0.07 to \$0.14 over the period FY18 to FY23, enhancing the probability of ENA Scheme Shareholders receiving dividends following the implementation of the Scheme.

The Independent Expert’s Report also set out potential disadvantages to ENA Shareholders if the Scheme is implemented (see section 2.23 of the Independent Expert’s Report).

The Independent Expert’s Report is set out in Annexure A to this Scheme Booklet. The ENA Directors recommend that ENA Shareholders read the Independent Expert’s Report in full.

1.3 Immediate value realisation for ENA Scheme Shareholders

The Scheme will allow ENA Scheme Shareholders to achieve immediate value realisation at an attractive premium. The Scheme Consideration is the greater of \$25.2 million and 5,000,000 PSC Shares. The Scheme Consideration will be satisfied by way of the issue of 5,000,000 New PSC Shares¹⁷ with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be satisfied by payment of the Top Up Cash Consideration (resulting in approximately 0.056 New PSC Shares for each ENA Scheme

¹⁷ Assuming that there is no ENA Transaction Cost Adjustment.

Share held¹⁸). The Scheme Consideration has an Implied Offer Value of approximately \$0.28 per ENA Scheme Share (based on the 30 day VWAP for PSC Shares up to and including 7 August 2023, being the last trading day prior to the Announcement Date for the Scheme, representing:

- a premium of 40% to the closing price on ASX of ENA Shares on 7 August 2023 of \$0.20; and
- a premium of 39% to the 30-day VWAP on ASX of ENA Shares up to and including 7 August 2023 of \$0.201.

Please refer to page 2 of this Scheme Booklet for worked examples of the quantum of Scheme Consideration to be issued to ENA Scheme Shareholders, calculated based on a hypothetical range of prices at which PSC Shares could trade on ASX.

As mentioned throughout this Scheme Booklet, the aggregate number of PSC Shares that ENA Scheme Shareholders are entitled to may also be adjusted if ENA's transaction costs in relation to the Scheme exceed \$500,000 (including GST). Details of the adjustment and a worked example showing how the adjustment works are set out on pages 2 and 3 and in Section 5.2 of this Scheme Booklet.

On the Last Practicable Date, the closing price of PSC Shares on ASX was \$4.82 and the closing price of ENA Shares on ASX was \$0.27, such that the Scheme Consideration represents a premium of 0.0027% to the closing price of ENA Shares at that date. The implied value of the Scheme Consideration will continue to fluctuate depending upon the price at which PSC Shares trade on ASX (to the extent that the price of PSC Shares is above \$5.04).

1.4 ENA Scheme Shareholders to benefit from size and scale of PSC

Eligible ENA Scheme Shareholders will become part of a much larger company that has the balance sheet strength, resources and global reach which will help unlock the full potential of the ENA business. Resultingly, Eligible ENA Scheme Shareholders will be able to participate in the benefits of the Combined Group, including the ENA assets under PSC ownership.

1.5 No Superior Proposal has emerged as at the date of this Scheme Booklet

In deciding to recommend the Scheme, the ENA Directors were cognisant of other potential alternatives to the Scheme which remain open for ENA to consider if the Scheme does not proceed. However, in exploring alternatives prior to entry into the Scheme Implementation Deed, no Superior Proposal was identified nor has a Superior Proposal since emerged. It remains the view of the ENA Directors that it is unlikely that a Superior Proposal will transpire. Consideration by ENA of any alternative proposal to the Scheme is subject to the terms of the Scheme Implementation Deed, including PSC's matching right.

¹⁸ Assuming no ENA Transaction Cost Adjustment.

2. Reasons why you may choose to vote against the Scheme

This Section summarises the potential disadvantages and risks to ENA Scheme Shareholders if the Scheme becomes Effective and the Scheme occurs.

The ENA Directors unanimously consider that these disadvantages and risks are outweighed by the advantages of the Scheme (as set out in Section 1), and that the Scheme is in the best interests of ENA Scheme Shareholders.

Further details of the following potential disadvantages and risks, and other potential risks, are set out in Section 9.

2.1 You may disagree with the recommendation by the ENA Directors and the conclusion of the Independent Expert

Notwithstanding the unanimous recommendation¹⁹ by the ENA Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders, you may believe that the Scheme is not in your best interests or believe that the Scheme Consideration is inadequate. You are not obliged to follow the recommendation of your ENA Directors and may not agree with the Independent Expert's conclusion.

The Independent Expert's Report also sets out the following potential disadvantages to ENA Shareholders if the Scheme is implemented (refer to section 2.23 of the Independent Expert's Report):

- (a) ENA Scheme Shareholders will, collectively, have a diluted ownership of 1.38%²⁰ of PSC following the implementation of the Scheme. This will reduce the ENA Scheme Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets within the PSC group;
- (b) Following the implementation of the Scheme, no current ENA Board members will form part of the PSC Board;
- (c) Following the implementation of the Scheme, there will be a change in the risk profile of the shares held by ENA Scheme Shareholders, with new exposure to different insurance services and jurisdictions. This change in risk profile may not complement the investment strategy of some ENA Scheme Shareholders; and
- (d) The value of the Scheme Consideration that would be realised by individual ENA Scheme Shareholders following implementation of the Scheme is not certain (although it would not fall below the minimum scheme consideration per ENA Share (\$0.2795) as assessed in the Independent Expert's Report), as it will depend on the price at which the New PSC Shares trade on the ASX in the future, which may expose ENA Scheme Shareholders to the risk that the effective value they receive for their ENA Scheme Shares may move adversely from the market value of the Scheme Consideration at the date of implementation of the Scheme.

2.2 Your percentage interest in the Combined Group will be less than your current interest in ENA

Although the Scheme is expected to provide additional value through the combination of the two businesses, given the proportional shareholding of ENA Scheme Shareholders in the

¹⁹ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

²⁰ Based on the issued capital of PSC as at the Last Practicable Date and assuming there is no ENA Transaction Cost Adjustment.

Combined Group (approximately 1.4%²¹), the larger portion of this value will flow to current PSC Shareholders. However, while a larger share of the benefits will flow to PSC's existing shareholders, in the absence of the Scheme, no value from synergies and benefits that may be delivered by the Scheme will flow for the benefit of ENA Scheme Shareholders.

2.3 You may consider that there is the potential for a Superior Proposal to emerge for ENA in the foreseeable future

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Scheme would mean that ENA Scheme Shareholders would not be able to obtain the benefit of any such Superior Proposal. However, since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the ENA Directors aware of any party that has an intention to make such a proposal.

2.4 The value of the Scheme Consideration following implementation of the Scheme is not certain

The value of the Scheme Consideration that would be realised by individual Eligible ENA Scheme Shareholders following implementation of the Scheme is not certain, as it comprises primarily New PSC Shares. Therefore, the value of the Scheme Consideration will depend on the price at which the New PSC Shares trade on ASX in the future.

The Scheme Consideration is the greater of \$25.2 million and 5,000,000 PSC Shares to be satisfied by way of the issue of 5,000,000 New PSC Shares²² with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be paid in cash (resulting in approximately 0.056 New PSC Shares for each ENA Scheme Share held). Please refer to page 2 of this Scheme Booklet for worked examples of the quantum of Scheme Consideration to be issued to ENA Scheme Shareholders, calculated based on a hypothetical range of prices at which PSC Shares could trade on ASX. As the Scheme Consideration comprises primarily New PSC Shares, this exposes Eligible ENA Scheme Shareholders to the risk that the effective value they receive for their ENA Scheme Shares (and in relation to Ineligible Foreign Shareholders, the amount of sale proceeds they receive from the Sale Agent for the sale the New PSC Shares they would have been entitled to) which may move adversely from the market value of the Scheme Consideration on the date of the Scheme Meeting or on the date of this Scheme Booklet. Alternatively, if there is an increase in the relative price of PSC Shares then the effective value they receive for their ENA Scheme Shares may move favourably from the market value of the Scheme Consideration on the date of the Scheme Meeting or on the date of this Scheme Booklet.

As mentioned throughout this Scheme Booklet, the aggregate number of PSC Shares that ENA Scheme Shareholders are entitled to may also be adjusted if ENA's transaction costs in relation to the Scheme exceed \$500,000 (including GST). Details of the adjustment and a worked example showing how the adjustment works are set out on pages 2 and 3 and in Section 5.2 of this Scheme Booklet.

2.5 The tax consequences of the Scheme may not suit your current financial position

If the Scheme is implemented, you may incur a tax liability on the transfer of your ENA Shares. Please refer to Section 10 for further information on the tax implications.

All ENA Shareholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident ENA Shareholders, the foreign tax consequences.

²¹ Based on PSC's issued share capital as at the Last Practicable Date.

²² Assuming that there is no ENA Transaction Cost Adjustment.

3. Implications if the Scheme is not implemented

This Section outlines potential implications for ENA and ENA Shareholders if the Scheme is not implemented.

3.1 You will not receive the Scheme Consideration

Each ENA Shareholder will retain their ENA Shares and will not receive any Scheme Consideration.

3.2 Future capital requirements to fund growth of ENA's business

If the Scheme is not implemented, then in order for ENA to grow or enhance its business, it may need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all.

If ENA pursues an equity issue to raise additional funds, any ENA Shareholder who does not participate in such equity issue may have their holding in ENA diluted. The extent of any such dilution risk will depend upon the quantum sought to be raised and the issue price of ENA Shares under any future equity issue.

3.3 ENA will remain listed on ASX and continue to operate as a standalone entity

If the Scheme is not implemented, ENA will remain listed on ASX and will continue to run its business in the same manner in which it is currently operating. ENA Shareholders will therefore continue to be exposed to the risks and benefits of owning ENA Shares, including many of the risks set out in Section 9.

3.4 Benefits of PSC's size and scale to ENA will not be realised

If the Scheme is not implemented, the ENA business will not realise the same benefits that it would have if it became part of PSC's business. As a result, if the Scheme is not implemented, ENA will not obtain the benefits from being part of a larger company with balance sheet strength, resources and global reach to grow the business.

3.5 Transaction costs will be incurred

If the Scheme is not implemented, ENA's transaction costs of approximately \$325,000 – \$340,000 will be borne by ENA in addition to a potential break fee of \$250,000 (exclusive of GST). The circumstances in which a break fee may be payable by ENA are set out in Section 12.7.

3.6 Uncertainty regarding the Scheme may lead to the loss of key personnel

The Scheme may introduce additional uncertainties that may lead to the loss of key staff. This will affect ENA operations, even if the Scheme does not proceed.

4. Frequently asked questions

This Section provides summary answers to some basic questions that ENA Shareholders may have in relation to the Scheme. This Section should be read in conjunction with the whole Scheme Booklet.

<p>Why have I received this Scheme Booklet?</p>	<p>This Scheme Booklet has been sent to you because you are an ENA Shareholder and ENA Shareholders are being asked to vote on the Scheme which, if approved, will result in PSC acquiring 100% of the issued shares of ENA. This Scheme Booklet is intended to help you consider and decide on how to vote on the Scheme at the Scheme Meeting.</p> <p>If you have sold all of your ENA Shares please disregard this Scheme Booklet as you will not be entitled to vote at the Scheme Meeting.</p>
<p>What is the Scheme?</p>	<p>A scheme of arrangement is a statutory procedure that is commonly used to enable one public company to acquire or merge with another.</p> <p>The Scheme is a scheme of arrangement under the Corporations Act, pursuant to which ENA is asking ENA Shareholders to consider and vote on a proposal that PSC will acquire all the ENA Scheme Shares held by ENA Scheme Shareholders as at the Record Date. In addition to requiring shareholder approval, the Scheme requires Court approval before it can become Effective.</p> <p>If the Scheme is approved and implemented, ENA Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive approximately 0.056 New PSC Shares for every 1 ENA Scheme Share they hold as at the Record Date²³.</p> <p><i>Refer to Sections 5 and 11 for further information.</i></p>
<p>What is the Scheme Implementation Deed and is it binding on me?</p>	<p>The Scheme Implementation Deed contains various undertakings of PSC and ENA to pursue and progress the Scheme. The key terms of the Scheme Implementation Deed are summarised at section 12.</p> <p>The Scheme Implementation Deed is binding on ENA only and not on ENA Shareholders.</p> <p>The Scheme will only become binding on ENA Shareholders if and when the Scheme becomes Effective, which will only occur if the Scheme is approved by the Requisite Majority of ENA Shareholders at the Scheme Meeting, approved by the Court at the Second Court Hearing and a copy of the Court Orders are lodged with ASIC.</p>
<p>What is the effect of the Scheme?</p>	<p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"> (a) all ENA Scheme Shares will be transferred to PSC; (b) ENA will become a wholly-owned subsidiary of PSC and will be delisted from the ASX; (c) all ENA Scheme Shareholders will receive the Scheme Consideration irrespective of whether they voted for or against the Scheme; and (d) Ineligible Foreign Shareholders will receive the Net Sale Proceeds instead of New PSC Shares as their Scheme Consideration irrespective of whether they voted for or against the Scheme. <p><i>Refer to Sections 5.1 and 5.7 for further information.</i></p>
<p>What does the Independent Expert say about the Scheme?</p>	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders, in the absence of a Superior Proposal.</p> <p><i>The Independent Expert's Report is set out in Annexure A to this Scheme Booklet and you are encouraged to read it in full.</i></p>

²³ Assuming that there is no ENA Transaction Cost Adjustment.

<p>What do the ENA Directors recommend?</p>	<p>The ENA Directors unanimously recommend²⁴ that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ENA Scheme Shareholders, ENA Shareholders vote in favour of the Scheme. Each ENA Director who holds or controls ENA Shares intends to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ENA Scheme Shareholders. <i>Refer to Sections 1 to 3 for further information on the reasons for the ENA Directors' recommendation.</i></p>
<p>Who is entitled to participate in the Scheme?</p>	<p>ENA Scheme Shareholders on the ENA Share Register as at 7:00pm (Perth time) on the Record Date are entitled to participate in the Scheme. If the Scheme is approved and implemented, ENA Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New PSC Shares as their Scheme Consideration as well as any Top Up Cash Consideration (if applicable).</p> <p>Ineligible Foreign Shareholders will not receive New PSC Shares, but the New PSC Shares to which Ineligible Foreign Shareholders would have been entitled will be issued to the Sale Agent and sold and they will instead receive the Net Sale Proceeds as their Scheme Consideration after their proportional share of brokerage and other costs are deducted from the proceeds of New PSC Shares sold under the Sale Facility.</p> <p><i>Refer to Sections 5.2 and 5.7 for further information.</i></p>
<p>Who is PSC?</p>	<p>PSC Insurance Group Limited (ASX:PSI) is a multinational ASX listed company offering diversified insurance services with operations in Australia, United Kingdom, Hong Kong, New Zealand, Bermuda and the EU.</p> <p><i>Refer to Section 7 for further information.</i></p>
<p>Why has the transaction been structured as a scheme of arrangement?</p>	<p>Effecting the transaction via the Scheme is believed to be the most efficient structure to implement the acquisition and also reflects the co-operative nature of the Scheme.</p> <p><i>Refer to Sections 1 and 2 for the key reasons to vote in favour of the Scheme and the reasons why you may choose to vote against the Scheme respectively.</i></p>
<p>What is the timetable for the transaction?</p>	<p>The Scheme Meeting is currently scheduled to be held at 11:00am (Perth time) on 2 November 2023. If ENA Shareholders approve the Scheme and Court approval is obtained, the Scheme is expected to be implemented on 17 November 2023. This is based on the current scheduled timetable of key dates as set out on page 6 of this Scheme Booklet, which is subject to change.</p> <p><i>Refer to the important dates and times on page 6 of this Scheme Booklet for further information.</i></p>
<p>Can the Scheme Implementation Deed be terminated?</p>	<p>The Scheme Implementation Deed may be terminated by ENA or PSC in a limited number of circumstances.</p> <p>These include the Scheme not being approved by the Requisite Majority of ENA Shareholders, the Court refusing to approve the Scheme and if the remainder of the Scheme Conditions are not satisfied by the relevant time.</p> <p><i>Refer to Section 12.8 for further information.</i></p>

²⁴ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.²⁵ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

<p>What will I receive if the Scheme is implemented?</p>	<p>If the Scheme is implemented and you are an ENA Scheme Shareholder, you will receive the Scheme Consideration.</p> <p>If you are Ineligible Foreign Shareholder, please see the FAQ titled “What if I am an Ineligible Foreign Shareholder?” as to the Scheme Consideration you will receive under the Scheme.</p>
<p>How will fractional entitlements be treated?</p>	<p>Where the number of ENA Shares held by an ENA Scheme Shareholder as at the Record Date is such that the entitlement of the ENA Shareholder to the Scheme Consideration:</p> <ul style="list-style-type: none"> ▪ includes a fractional entitlement to a New PSC Share; or ▪ includes a fractional entitlement to a cent, <p>any cash amount payable must be rounded down the nearest whole cent and any fraction of New PSC Shares will be rounded down to the nearest whole number of New PSC Shares.</p>
<p>What happens if the Scheme is not approved?</p>	<p>If the Scheme is not approved, the Scheme will not proceed and ENA will continue to operate as a stand-alone entity, listed on ASX.</p> <p>Further to the above, if the Scheme is not approved:</p> <ul style="list-style-type: none"> • You will not receive the Scheme Consideration; and • You will retain you ENA Shares. <p>In addition, depending on the reasons the Scheme does not proceed, either ENA or PSC may also be required to pay a break fee of \$250,000 to the other party.</p> <p><i>Refer to Section 3 and Section 12.7 for further information.</i></p>
<p>When and where will the Scheme Meeting be held?</p>	<p>The Scheme Meeting will be held virtually at 11:00am (Perth time) on 2 November 2023.</p> <p>You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform.</p> <p>To participate in the meeting, you can log in by entering the following URL https://meetnow.global/MKJJWWM on your computer, tablet or smartphone.</p> <p>Online registration will open 30 minutes before the Scheme Meeting.</p> <p>To make the registration process quicker, please have your SRN or HIN)and registered postcode or country code ready. Proxyholders will need to contact Computershare at +61 3 9415 4024 prior to the meeting to obtain their login details.</p> <p>To participate in the Scheme Meeting online follow the instructions below. Click on ‘Join Meeting Now’.</p> <p>(a) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.</p> <p>(b) Enter your postcode registered to your holding if you are an Australian ENA Shareholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.</p> <p>Accept the Terms and Conditions and ‘Click Continue’</p> <p>ENA Shareholders and their proxies will be able to vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the Chair during the Scheme Meeting.</p> <p>For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide.</p> <p><i>Refer to the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet for further information.</i></p>

<p>Who is entitled to vote on the Scheme?</p>	<p>ENA Shareholders who are recorded as members on the ENA Share Register as at 7:00pm (Perth time) on 31 October 2023, are entitled to vote at the Scheme Meeting.</p> <p>PSC is excluded from voting on the Scheme by reason of the fact that it is the proponent of the Scheme. As at the date of the Scheme Booklet, neither PSC nor any of its Associates hold any ENA Shares.</p> <p><i>Refer to the Meeting Details and How to Vote Section on pages 13 and 14 of this Scheme Booklet for further information.</i></p>
<p>What am I being asked to vote on?</p>	<p>You are being asked to vote on whether to approve the Scheme by voting on the Scheme Resolution. The text of the Scheme Resolution is set out in the Notice of Scheme Meeting in Annexure D of this Scheme Booklet.</p>
<p>Is voting compulsory?</p>	<p>Voting is not compulsory. However, your vote is important in deciding whether the Scheme is approved. ENA Scheme Shareholders are strongly encouraged to vote.</p> <p>ENA Scheme Shareholders who cannot attend the Scheme Meeting may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative with a power of attorney.</p> <p><i>Refer to the meeting details and How To Vote Section on pages 13 and 14 of this Scheme Booklet for further information.</i></p>
<p>How do I vote?</p>	<p>Details of how to vote are set out on pages 10 and 11 of this Scheme Booklet and are also included in the Notice of Meeting set out in Annexure D of this Scheme Booklet.</p> <p><i>Refer to the meeting details and How To Vote Section on pages 13 and 14 of this Scheme Booklet for further information.</i></p>
<p>What voting majority is required to approve the Scheme?</p>	<p>For the Scheme to be approved by ENA Shareholders, votes in favour of the Scheme must be received from:</p> <p>(a) a majority in number (more than 50%) of ENA Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate ENA Shareholders, by corporate representative); and</p> <p>(b) ENA Shareholders who together hold at least 75% of the total number of votes cast on the Scheme Resolution.</p> <p><i>Refer to the meeting details and How To Vote Section on pages 13 and 14 of this Scheme Booklet for further information.</i></p>
<p>What happens if I do not vote at the Scheme Meeting</p>	<p>The Scheme may still be implemented even if you vote against it or do not vote. If the Scheme is approved by the Requisite Majority of ENA Shareholders at the Scheme Meeting and the Scheme is approved by the Court, your ENA Shares will be transferred to PSC even though you have voted against the Scheme or did not vote. You will receive the Scheme Consideration for the ENA Shares that you hold at the Scheme Record Date, whether or not you vote for the Scheme.</p>
<p>When will the result of the Scheme Meeting be available?</p>	<p>The results of the Scheme Meeting will be announced to ASX shortly after the conclusion of the Scheme Meeting and will be available on ENA's website at https://ensurance.com.au.</p>
<p>What are the key risks associated with the Scheme</p>	<p>The risks associated with the Scheme are set out in section 9 and the potential disadvantages of the Scheme are also set out in section 2. ENA Scheme Shareholders should also review the tax implications of the Scheme which are set out in section 10. In summary, there are three categories of risks:</p> <ul style="list-style-type: none"> • specific risks relating to the Scheme and the creation of the Combined Group; • risks relating to the business and operations of the Combined Group; and • risks if the Scheme does not proceed including specific risks relating to the business and operations of ENA.

	<p>These and other risks (including those of a general nature) may affect the future operating performance, financial position and/or reputation of the Combined Group and/or the value of any PSC Shares.</p>
<p>What happens if there is a Competing Proposal?</p>	<p>Although no Competing Proposal has emerged as at the date of this Scheme Booklet, it is possible that one could emerge, noting that ENA has agreed not to solicit Competing Proposals. If an unsolicited Competing Proposal for ENA is received before the Scheme Meeting, the ENA Directors will review that proposal and determine if it represents a Superior Proposal and advise you of their recommendation.</p> <p>Under the Implementation Deed, ENA has agreed to several restrictions which may reduce the likelihood of a Competing Proposal emerging. <i>Refer to section 12 of this Scheme Booklet for further information.</i></p>
<p>What are the Scheme Conditions?</p>	<p>The Scheme is subject to various customary conditions that must be satisfied or waived (if capable of waiver) in order for the Scheme to be Implemented. The Scheme Conditions are described in Sections 11.2 and 12.1.</p> <p>The Scheme will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> (a) the Requisite Majority of ENA Shareholders approve the Scheme; (b) the Court approves the Scheme; and (c) the Scheme Conditions are satisfied. <p>At the date of this Scheme Booklet the ENA Directors are not aware of any Scheme Condition that is likely to prevent the Scheme becoming Effective.</p> <p><i>Refer to Section 11.2 for further information.</i></p>
<p>What are the exclusivity and break fee arrangements?</p>	<p>The Scheme Implementation Deed includes:</p> <ul style="list-style-type: none"> (a) exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of 8 February 2024 or termination of the Scheme Implementation Deed; and (b) a liquidated amount (or break fee) of \$250,000 (exclusive of GST) which may become payable by ENA to PSC or by PSC to ENA in certain circumstances (the break fee is not payable if the Scheme does not proceed merely because the Requisite Majority of ENA Shareholders do not vote in favour of the Scheme). <p><i>Further information in relation to the exclusivity arrangements and break fee is set out in Sections 12.2, 12.3, 12.6 and 12.7.</i></p>
<p>What happens if one or more of the Scheme Conditions are not satisfied or waived?</p>	<p>If one or more of the Scheme Conditions are not satisfied or waived, either party may serve notice on the other and the parties must then consult in good faith to determine whether the Scheme may proceed by other means, to extend the time or date for satisfaction of the Scheme Conditions or the End Date of the Scheme. If the parties do not reach an agreement within 10 Business Days after the delivery of the notice, either party may terminate the Implementation Deed. Resultingly, the Scheme will not be implemented, and ENA will continue as a separate entity and will bear its own costs incurred in connection with the Scheme.</p> <p><i>Refer to Section 3 for further information.</i></p>
<p>What if I am an Ineligible Foreign Shareholder?</p>	<p>New PSC Shares will not be issued to Ineligible Foreign Shareholders under the Scheme. New PSC Shares that would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to the Sale Agent who will then sell these shares on ASX, and PSC will pay the Ineligible Foreign Shareholders their proportion of the Net Sale Proceeds.</p> <p><i>Refer to Section 5.7 for further information.</i></p>

<p>Will I have to pay brokerage fees or stamp duty?</p>	<p>ENA Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their ENA Scheme Shares.</p> <p>Brokerage fees will however be incurred by Ineligible Foreign Shareholders whose attributable New PSC Shares will be issued to and sold by the Sale Agent, and the Net Sale Proceeds remitted to them.</p> <p><i>Refer to Section 5.8 for further information.</i></p>
<p>When will I receive my Scheme Consideration?</p>	<p>As set out above, the Scheme Consideration payable to ENA Scheme Shareholders is the New PSC Shares plus the Top Up Cash Consideration (if any).</p> <p>If the Scheme becomes Effective, New PSC Shares will be issued on the Implementation Date, which is expected to be 17 November 2023. Any Top Up Cash Consideration will be paid by PSC to a trust account operated by ENA as trustee for the ENA Scheme Shareholders by no later than 16 November 2023, the Business Day before the Implementation Date, to be paid to the ENA Scheme Shareholders on the Implementation Date.</p> <p>Ineligible Foreign Shareholders will receive the Net Sale Proceeds as soon as practicable after the sale of the New PSC Shares by the Sale Agent.</p> <p><i>Refer to Sections 5.2, 5.7 and 5.8 for further information.</i></p>
<p>Can I sell my ENA Shares now?</p>	<p>ENA Scheme Shareholders may sell their ENA Shares at the prevailing market price, on-market at any time before the close of trading on ASX on the Effective Date, which is expected to be on 8 November 2023.</p> <p>If ENA Scheme Shareholders sell their ENA Shares before the Effective Date of the Scheme (the last day of trading in ENA Shares before suspension) they will not receive New PSC Shares.</p> <p><i>Refer to the Scheme of Arrangement set out in Annexure B of this Scheme Booklet for further information.</i></p>
<p>When can I start trading my New PSC Shares on ASX?</p>	<p>Deferred settlement trading of the New PSC Shares is expected to be available from 9 November 2023. It is the responsibility of each ENA Shareholder to confirm their holding of New PSC Shares before trading.</p> <p>Trading on ASX of New PSC Shares is expected to commence on a normal settlement basis on 20 November 2023.</p> <p>ENA Scheme Shareholders who sell New PSC Shares before they receive their holding statements or confirm their holdings of New PSC Shares do so at their own risk. Neither ENA or PSC takes any responsibility for such trading.</p> <p><i>Refer to Section 11.8 for further information.</i></p>
<p>Will the Scheme be a taxable transaction for Australian tax purposes?</p>	<p>Section 10 provides a description of the general Australian tax consequences of the Scheme for certain ENA Scheme Shareholders.</p> <p>You should consult with your own tax adviser regarding the consequences of disposing of ENA Shares under the Scheme, in light of current tax laws and your particular personal circumstances.</p> <p><i>Refer to Section 10 for further information.</i></p>
<p>What are the benefits of PSC acquiring ENA to form the Combined Group?</p>	<p>The key benefits of the Scheme include:</p> <ul style="list-style-type: none"> (a) The Scheme will allow ENA Scheme Shareholders to achieve immediate value realisation at an attractive premium. (b) Eligible ENA Scheme Shareholders will become part of a much larger company that has the balance sheet strength, resources and global reach which will help unlock the full potential of the ENA business. (c) Eligible ENA Scheme Shareholders will be able to participate in the benefits of the Combined Group, including the ENA assets under PSC ownership. (d) The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders.

	<p>(e) No Superior Proposal has emerged as at the date of this Scheme Booklet.</p> <p>(f) The ENA Directors have unanimously recommended²⁵ that ENA Scheme Shareholders vote in favour of the Scheme in the absence of a Superior Proposal.</p> <p><i>Refer to Section 1 for the reasons why ENA Directors recommend²⁶ that you vote in favour of the Scheme and Section 8 for a profile of the Combined Group.</i></p>
What will be the strategy of the Combined Group?	<p>If the Scheme is implemented, it is intended that ENA will operate within the Australian Agency & Specialty group of PSC businesses.</p> <p>The addition of ENA will provide PSC with enhanced product and specialisation, and PSC believes that with its broad distribution network it can meaningfully grow the ENA business.</p> <p>Note that as at the Last Practicable Date PSC has a market capitalisation of \$1.7 billion meaning the New PSC Shares represent approximately 1.4% of the Combined Group²⁷. The acquisition of ENA will not impact the overall strategy of PSC.</p> <p><i>Refer to Section 8 for further information.</i></p>
Are there expected to be any changes to the PSC Board or Senior Management as a result of the Scheme?	<p>No changes to the PSC Board or Senior Management are intended as a consequence of the Scheme.</p> <p><i>Refer to Sections 8.7 for further information</i></p>
What are PSC's intentions for ENA following the implementation of the Scheme?	<p>It is the present intention of PSC:</p> <ul style="list-style-type: none"> ▪ to continue with the employment of the majority of ENA's existing employees; and ▪ to continue and grow the business of ENA.
What will the dividend policy of PSC be?	<p>The PSC dividend policy will not be altered by the acquisition of ENA. PSC traditionally has a pay-out ratio of 60-70% of underlying profit after tax.</p> <p><i>Refer to Section 7.8 for further information.</i></p>
What other information is available?	<p>For further information, contact the Company Secretary of ENA, Mr Samir Hallab on +61 (02) 9167 8050 between 9:00 am and 5:00 pm (AEST), Monday to Friday or by email.</p> <p>If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.</p>

²⁵ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

²⁶ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iii of this Scheme Booklet.

²⁷ At the Last Practicable Date.

5. Overview of the Scheme

5.1 Summary of the proposed Scheme

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is the mechanism by which PSC will acquire the ENA Scheme Shares from ENA Scheme Shareholders if approved by ENA Shareholders by the Requisite Majority and by the Court.

If implemented, the Scheme will have the following effect:

- (a) all ENA Scheme Shares will be transferred from ENA Scheme Shareholders to PSC in return for the Scheme Consideration;
- (b) ENA will become a wholly-owned subsidiary of PSC, and ENA will be de-listed from ASX;
- (c) ENA Scheme Shareholders (other than Ineligible Foreign Shareholders) will become shareholders in PSC; and
- (d) Ineligible Foreign Shareholders will receive the Net Sale Proceeds of the sale of the New PSC Shares that would otherwise be issued to them net of brokerage and other costs.

Implementation of the Scheme is subject to the Scheme Conditions being satisfied or waived (to the extent the Scheme Conditions are capable of being waived), including the condition that the Scheme may only be implemented if ENA Shareholders vote in favour of the Scheme at the Scheme Meeting and if the Court approves the Scheme. A summary of the Scheme Conditions and the steps necessary to implement the Scheme appears in Section 11.2.

5.2 Scheme Consideration

If the Scheme becomes Effective, each ENA Scheme Shareholder (other than Ineligible Foreign Shareholders), will receive approximately 0.056 New PSC Shares for every 1 ENA Scheme Share²⁸ they hold as at 7:00 pm (Perth time) on the Record Date.

As set out on page 2 of this Scheme Booklet, to the extent that ENA's transaction costs exceed \$500,000 (including GST), the total number of New PSC Shares to be issued by PSC on the Implementation Date will be calculated by using the below formula:

$$5,000,000 - (\text{Transaction Cost Difference} / \text{New PSC Share Price})$$

Where:

- (a) the Transaction Cost Difference is the amount by which ENA's transaction costs exceed \$500,000 (including GST); and
- (b) the New PSC Share Price is the volume weighted average price of PSC Shares on ASX for the 5 trading days prior to the Record Date.

This adjustment is referred to in this Scheme Booklet as the "ENA Transaction Cost Adjustment".

A worked example of how the Scheme Consideration will change if ENA's transaction costs exceed \$500,000 (including GST) is set out below:

²⁸ Assuming that there is no ENA Transaction Cost Adjustment.

$$5,000,000 - (100,000 / 5.04) = 4,980,158$$

The above example assumes:

- (c) ENA's transaction costs total \$600,000 (including GST);
- (d) the Transaction Cost Difference is \$100,000, being the amount by which ENA's transaction costs exceed \$500,000 (including GST); and
- (e) the New PSC Share Price is \$5.04.

Based on the above formula and assumptions, ENA Scheme Shareholders would receive 4,980,158 New PSC Shares rather than 5,000,000 (assuming a New PSC Share Price of \$5.04) if ENA's transaction costs total \$600,000 (including GST) rather than \$500,000 (including GST).

It is not anticipated that ENA's transaction costs will exceed \$500,000 and the above worked example has been included for illustrative purposes only. Please refer to section 3.5 for ENA's expected transactions costs in connection with the Scheme.

If there is a difference between the value of the New PSC Shares and the purchase price of \$25.2 million, any such difference will be satisfied by payment of the Top Up Cash Consideration, to be paid to ENA Scheme Shareholders proportionate to the relevant number of ENA Scheme Shares held.

The New PSC Shares will be issued by PSC on the Implementation Date, which is expected to be 17 November 2023.

Any Top Up Cash Consideration will be paid by PSC to a trust account operated by ENA for the ENA Scheme Shareholders by no later than 16 November 2023, the Business Day before the Implementation Date, to be paid to the ENA Scheme Shareholders on the Implementation Date.

Ineligible Foreign Shareholders will not be issued with New PSC Shares. Instead, the New PSC Shares that would otherwise have been issued to them will be issued to the Sale Agent on their behalf and they will be sold on ASX. The proceeds of the sale of these New PSC Shares less brokerage and other costs, taxes and charges will then be paid to the Ineligible Foreign Shareholders.

Further details of the Scheme Consideration for Ineligible Foreign Shareholders are set out at Section 5.7.

5.3 Scheme Meeting

On 28 September 2023, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting and that the Scheme Booklet be dispatched to ENA Scheme Shareholders.

The Scheme Meeting will be held **virtually at 11:00am (Perth time) on 2 November 2023**.

The resolution for the Scheme to be considered at the Scheme Meeting must be passed by:

- (a) a majority in number (more than 50%) of ENA Shareholders, present and voting (online, in person or by proxy, attorney or corporate representative); and
- (b) at least 75% of the votes cast at the Scheme Meeting.

However, the Court has the discretion to waive the first of these two requirements if it considers appropriate to do so.

You (or your proxy, corporate representative or attorney) may attend the Scheme Meeting through an online platform. To attend and participate in the Scheme Meeting online, follow the instructions below.

- (a) Click on 'Join Meeting Now';
- (b) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meeting to obtain their login details;
- (c) Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list; and
- (d) Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress.

For instructions on how to participate online please view the online meeting user guide at [http:// www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide). ENA Shareholders and their proxies will be able to vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the Chair during the Scheme Meeting.

The fact that the Court has ordered that the Scheme Meeting be convened is not an endorsement of, or expression of opinion on, the Scheme by the Court and is no indication that the Court has a view as to the merits of the Scheme or as to how ENA Shareholders should vote at the Scheme Meeting. On these matters, ENA Shareholders must make their own decision.

5.4 Unanimous recommendation of the ENA Directors²⁹

The ENA Directors unanimously consider the Scheme to be in the best interests of ENA Scheme Shareholders and recommend that, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders, ENA Shareholders vote in favour of the Scheme at the Scheme Meeting.

The ENA Directors believe that the reasons for ENA Shareholders to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Each ENA Director who holds or controls ENA Shares or on whose behalf ENA Shares are held at the time of the Scheme Meeting intends, in the absence of a Superior Proposal and provided the Independent Expert continues to conclude that the Scheme is in the best interests of ENA Scheme Shareholders, to vote in favour of the Scheme. As at the Last Practicable Date, these ENA Shares represent 34.93% of the share capital of ENA.

In making their recommendation and determining how to vote on the Scheme, the ENA Directors have considered:

- (a) the advantages and disadvantages of the Scheme, as summarised in Section 1 and Section 2 respectively;
- (b) the implications of the Scheme not being approved, as summarised in Section 3;

²⁹ In respect of the recommendations of the ENA Directors, ENA Shareholders should have regard to the fact that, if the Scheme is implemented, the ENA Directors will each receive benefits as a result of their shareholding in ENA as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

- (c) the opinion of the Independent Expert (refer to Section 5.5), that the Scheme is fair and reasonable to ENA Scheme Shareholders and therefore in the best interests of ENA Scheme Shareholders; and
- (d) the alternative arrangements to the Scheme that might have otherwise been available to ENA.

5.5 Independent Expert's conclusion

ENA commissioned the Independent Expert, RSM Australia Pty Ltd, to prepare a report on whether the Scheme is in the best interests of ENA Scheme Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable to ENA Scheme Shareholders.

The Independent Expert has concluded that the Scheme is therefore in the best interests of ENA Scheme Shareholders.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The ENA Directors recommend that ENA Shareholders read the Independent Expert's Report in full.

5.6 Tax consequences of the Scheme and trading and holding New PSC Shares for Australian resident ENA Shareholders

A general guide to the Australian tax consequences of the Scheme for certain ENA Scheme Shareholders who are Australian tax residents is set out in Section 10. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any ENA Scheme Shareholder. Accordingly, ENA Scheme Shareholders should seek their own independent professional tax advice.

5.7 Ineligible Foreign Shareholders

PSC is not obliged to issue New PSC Shares as consideration to any ENA Scheme Shareholder whose address in the ENA Share Register is in a jurisdiction other than Australia or its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom and unless the ENA Scheme Shareholder satisfies the applicable Foreign Offer Restrictions set out in the Important Information Section at page ii of this Scheme Booklet unless PSC is satisfied that the laws of a particular foreign holder's country of residence (as shown in the ENA Share Register) would permit the issue and allotment of New PSC Shares to that ENA Scheme Shareholder, either unconditionally or after compliance with conditions which PSC in its sole discretion regards as acceptable and not unduly onerous.

The New PSC Shares that would have been issued to these Ineligible Foreign Shareholders will be issued to the Sale Agent on the Implementation Date and dealt with in the manner described in Section 5.8.

This Scheme Booklet does not constitute an offer of PSC Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the PSC Shares may not be offered or sold, in any country outside Australia and its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom.

ENA Scheme Shareholders whose address shown on the ENA Register is outside of the aforementioned jurisdictions should refer to the Important Notices Section of this Scheme Booklet.

As at the Last Practicable Date, ENA had 1 Ineligible Foreign Shareholder, holding an aggregate interest in ENA of 2.94%.

5.8 Sale Agent

As indicated in Section 5.7, Ineligible Foreign Shareholders will not receive New PSC Shares under the Scheme. Instead, the New PSC Shares that would otherwise have been issued to them will be issued to the Sale Agent (or to a nominee of the Sale Agent) on the Implementation Date.

PSC will:

- (a) procure that, as soon as reasonably practicable (and in any event within 15 days after the date on which the New PSC Shares issued under the Scheme are quoted on the ASX), the Sale Agent sells or procures the sale on ASX of all of the New PSC Shares issued to the Sale Agent (in relation to Ineligible Foreign Shareholders) in such manner, at such price and on such other terms as the Sale Agent reasonably determines; and
- (b) as soon as reasonably practical after settlement of the sale of the New PSC Shares (and in any event within 10 Business Days of such settlement) the Sale Agent will remit the proceeds to PSC who will then pay to the Ineligible Foreign Shareholders an amount equal to the proportion of the Net Sale Proceeds to which that Ineligible Foreign Shareholder is entitled.

Under the Scheme, Ineligible Foreign Shareholders appoint ENA as their agent to receive any financial services guide or other notice given by the Sale Agent. Copies of any document ENA receives from the Sale Agent as agent for the Ineligible Foreign Shareholders can be obtained by contacting ENA's Company Secretary.

ENA, PSC and the Sale Agent give no assurance as to the price that will be achieved for the sale of New PSC Shares described above. The Net Sale Proceeds that Ineligible Foreign Shareholders will receive may be more or less than the current market value of PSC Shares after deducting any applicable brokerage and other costs. Further details about the Sale Facility are set out below.

Further details regarding the Sale Facility are as follows:

- (a) PSC has appointed the Sale Agent (who holds an Australian Financial Services Licence);
- (b) the market price of PSC Shares is subject to change from time to time. Up-to-date information on the market price of PSC Shares is available from <https://www.asx.com.au/markets/company/psi>;
- (c) all New PSC Shares attributable to Ineligible Foreign Shareholders will be issued to the Sale Agent, who will pool those New PSC Shares and sell them on market (in one transaction or a number of transactions). All of the proceeds of those sales will be pooled and then (after deduction of brokerage and other costs) the Net Sale Proceeds will be divided by the total number of New PSC Shares issued to the Sale Agent. The resultant amount will be paid to each Ineligible Foreign Shareholder in respect of each New PSC Share to which they would otherwise have been entitled (subject to rounding); and
- (d) the amount of the Net Sale Proceeds received by Ineligible Foreign Shareholders may be less than the actual proceeds received by the Sale Agent (or the nominee of the Sale Agent) for that person's New PSC Shares.

5.9 Fractional entitlements

If, pursuant to the Scheme, an ENA Scheme Shareholder becomes entitled to a fraction of a New PSC Share, the number of New PSC Shares issued to the ENA Scheme Shareholders

(or, in the case of Ineligible Foreign Shareholders, the number of New PSC Shares the Sale Agent will receive for sale on their behalf) will be rounded down to the nearest whole share.

If, pursuant to the Scheme, an ENA Scheme Shareholder becomes entitled to a fraction of a cent of the Top Up Cash Consideration (in the event that Top Up Cash Consideration is payable), the amount of Top Up Cash Consideration payable will be rounded down to the nearest whole cent.

5.10 Warranties given by ENA Scheme Shareholders

If the Scheme is implemented, each ENA Scheme Shareholder is deemed to have warranted to PSC, and appointed and authorised ENA as its attorney and agent to warrant to PSC, on the Implementation Date that, as at the Implementation Date:

- (a) all their ENA Scheme Shares (including any rights and entitlements attaching to their ENA Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to PSC, be fully paid and free from all:
 - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Properties Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind;
- (b) they have full power and capacity to transfer their ENA Scheme Shares to PSC together with any rights attaching to those ENA Scheme Shares; and
- (c) they have no existing right to be issued any Shares or any other ENA securities.

5.11 If the Scheme does not proceed

If the Scheme does not proceed, ENA Shareholders will continue to hold ENA Shares. In the absence of any Superior Proposal to the Scheme, ENA will continue as a standalone entity. ENA Shareholders will continue to be exposed to the risks relating to ENA's business set out in Section 9. ENA Shareholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 3.

Depending on the reasons why the Scheme does not proceed, ENA may be liable to pay a break fee of \$250,000 (excluding GST) to PSC. The break fee is not payable if the Scheme does not proceed merely because a Requisite Majority of ENA Scheme Shareholders do not vote in favour of the Scheme. Further information in relation to the break fee is set out in Section 12.7.

ENA will also be liable to pay certain transaction costs in relation to the Scheme, regardless of whether or not the Scheme is implemented.

6. Profile of ENA

This Section of the Scheme Booklet contains information in relation to ENA as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

6.1 Introduction

Ensurance Ltd is a listed public company, limited by shares, incorporated and domiciled in Australia. Ensurance IT Pty Ltd, Ensurance Capital Pty Ltd and Ensurance Australia Pty Ltd are controlled subsidiaries of Ensurance Ltd and together form the Ensurance Group.

The operating company, Ensurance Australia Pty Ltd, is a wholly owned subsidiary of Ensurance Ltd and operates as an insurance underwriting agency delivering tailored insurance products underpinned by agreements with leading underwriters. Ensurance Australia is authorised to provide insurance solutions via a traditional intermediated model, in which products are distributed via qualified insurance brokers. Ensurance Australia partners with more than 300 broking businesses and over 1,500 individual brokers Australia-wide.

6.2 Overview of ENA's operations

ENA operates an Australian-based underwriting agency, Ensurance Australia, whose product suite includes professional, casualty and environmental lines. Ensurance Australia has offices in Sydney, Melbourne, Adelaide and Perth, with a core team of experienced senior underwriters providing tailored insurance products via an Australia-wide broker network.

6.3 Directors of ENA

The directors of ENA as at the date of this Scheme Booklet are as follows:

**Anthony Leibowitz
(Chairman)**

Chartered Accountant (FCA)

Mr Leibowitz has over 30 years of corporate finance, investment banking and broad commercial experience and has a proven track record of providing the necessary skills and guidance to assist companies grow and generate sustained shareholder value. Previous roles include Chandler Macleod Limited and Pilbara Minerals Limited, where as Chairman and an early investor in both companies, he was responsible for substantial increases in shareholder value and returns. Mr Leibowitz was a partner of a global professional services organisation and is a Fellow of the Institute of Chartered Accountants in Australia.

Mr Leibowitz was appointed to the ENA Board on 27 September 2017.

During the past three years, Mr Leibowitz has served as a director of Ensurance Limited, Trek Metals Limited (ASX:TKM), Astute Metals NL (ASX:ASE), Bardoc Gold Limited (ASX:BDC) and Greenvale Mining Limited (ASX:GRV).

**Vaughan (Tom) Kent
(Executive Director)**

Master of Arts (Applied Linguistics) Bachelor Mathematics and Computer Science (Pure Maths)

Mr Kent has worked in the insurance sector for both Australian and global insurers in a number of key roles since 2004. Most recently, prior to establishing TK Specialty Risks Pty Ltd in 2015, Mr Kent was the Professional and Financial Lines Manager for Axis Specialty Australia in South Australia.

Mr Kent was appointed to the ENA Board on 17 February 2022.

Mr Kent has not held any other directorships in the past three years.

**Anthony Wehby
(Non-Executive
Director)***Member of the Australian Institute of Company Directors*

Mr Wehby was a partner in PricewaterhouseCoopers for 19 years where he specialised in Corporate Finance and was responsible for the management of that part of the national practice. Since 2001 he has held Non-Executive Director roles and maintained a financial consulting practice, focusing on companies considering significant changes. Mr Wehby was a founding Director and Chairman of Aurelia Metals Limited (AMI), Chairman of Tellus Resources Ltd and member of the Board Advisory Committee of Moss Capital Funds Management Limited. Mr Wehby is also currently on the Board of Kingston Resources Ltd (ASX:KSN) and Variscan Mines Limited (ASX:VAR).

Mr Wehby was appointed to the ENA Board on 3 May 2018.

Aside from Mr Wehby's current directorships at Kingston Resources Ltd and Variscan Mines Limited, Mr Wehby has not held any other directorships in the past three years.

6.4 Financial information

The following information has been extracted from the audited financial statements of ENA for the financial years ended 30 June 2023, 2022 and 2021.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of IFRS and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 1 July 2023 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of ENA, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as otherwise disclosed in the 30 June 2023 financial statements and subsequent filings on ASX.

Copies of ENA's audited financial statements for the financial years ended 2023, 2022 and 2021 are available on the on the ENA website (<https://ensurance.com.au>). Copies will also be provided by ENA, free of charge, to any ENA Shareholder who requests it before the Scheme Meeting.

(a) Statement of Financial Position

Set out below is ENA's statement of financial position as at 30 June 2023, 2022 and 2021.

Statement of financial position

	2023	2022	2021
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	5,428,420	635,000	1,464,031
Trade and other receivables	1,212,558	290,700	1,768,777
Trust account insurer assets	7,502,005	2,547,447	19,226,262
Other assets	105,939	41,469	129,281
	<u>14,248,922</u>	<u>3,514,616</u>	<u>22,588,351</u>
Assets of disposal groups classified as held for sale	-	24,528,946	-
Total current assets	<u>14,248,922</u>	<u>28,043,562</u>	<u>22,588,351</u>
Non-current assets			
Receivables	-	-	273,347
Investments	3,397,508	1,200	1,200
Property, plant and equipment	18,653	22,477	11,506
Right-of-use assets	2,784	28,776	-
Intangibles	2,370,124	2,232,134	133,692
Bonds on deposit	8,479	1,448	18,743
Total non-current assets	<u>5,797,548</u>	<u>2,286,035</u>	<u>438,488</u>
Total assets	<u>20,046,470</u>	<u>30,329,597</u>	<u>23,026,839</u>
Liabilities			
Current liabilities			
Trade and other payables	483,291	413,094	1,309,351
Borrowings	-	-	66,665
Contracted payments	929,611	-	-
Lease liabilities	2,932	26,585	-
Employee benefits	182,648	107,693	88,917
Trust account insurer liabilities	7,523,187	2,602,137	18,859,720
	<u>9,121,669</u>	<u>3,149,509</u>	<u>20,324,653</u>
Liabilities directly associated with assets classified as held for sale	-	22,258,224	-
Total current liabilities	<u>9,121,669</u>	<u>25,407,733</u>	<u>20,324,653</u>
Non-current liabilities			
Borrowings	-	-	2,500,000
Lease liabilities	-	2,940	-
Employee benefits	41,200	26,556	9,936
Total non-current liabilities	<u>41,200</u>	<u>29,496</u>	<u>2,509,936</u>
Total liabilities	<u>9,162,869</u>	<u>25,437,229</u>	<u>22,834,589</u>
Net assets	<u>10,883,601</u>	<u>4,892,368</u>	<u>192,250</u>
Equity			
Issued capital	26,687,797	26,697,280	22,241,201
Reserves	86,170	(55,966)	74,164
Accumulated losses	<u>(15,890,366)</u>	<u>(21,748,946)</u>	<u>(22,123,115)</u>
Total equity	<u>10,883,601</u>	<u>4,892,368</u>	<u>192,250</u>

(b) **Statement of comprehensive income**

Set out below is ENA's statement of comprehensive income for the financial years ended 30 June 2023, 2022 and 2021.

Statement of profit or loss and other comprehensive income

	2023	2022	2021
	\$	\$	\$
Revenue from continuing operations	3,495,625	2,462,729	4,340,747
Other income	450,452	-	189,436
Interest revenue	76,121	18,847	3,959
Expenses			
Insurance	(30,216)	(10,518)	(144,893)
Business development	(52,528)	(5,052)	(79,737)
Compliance costs	(161,384)	(189,635)	(363,566)
Computers and communications	(21,030)	(88,833)	(334,850)
Depreciation and amortisation	(43,438)	(42,306)	(152,097)
Employment costs	(2,890,628)	(1,752,379)	(3,602,239)
Commissions - payaway	-	-	(182,621)
Legal and consulting fees	(163,443)	(115,696)	(109,327)
Occupancy costs	(102,440)	(60,092)	(167,092)
Travel and accommodation	(51,308)	(5,450)	(7,576)
Other expenses	(81,171)	(28,183)	(27,758)
Finance costs	(3,635)	(172,592)	(663,138)
Profit before income tax expense from continuing operations	445,761	10,840	(1,300,752)
Modified loss on sale of subsidiary	-	-	(2,086)
Income tax expense	-	-	-
Profit after income tax expense from continuing operations	445,761	10,840	(1,302,838)
Profit after income tax expense from discontinued operations	5,356,819	262,905	-
Profit after income tax expense for the year attributable to the owners of Ensurance Limited	5,802,580	273,745	(1,302,838)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	-	(59,408)	16,752
Other comprehensive income for the year, net of tax	-	(59,408)	16,752
Total comprehensive income for the year attributable to the owners of Ensurance Limited	5,802,580	214,337	(1,286,086)

(c) Statement of cash flows

Set out below is ENA's statement of cash flows for the financial years ended 30 June 2023, 2022 and 2021.

Statement of cash flows

	2023	2022	2021
	\$	\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	3,430,835	3,250,345	4,187,831
Payments to suppliers and employees (inclusive of GST)	(3,392,528)	(2,831,406)	(5,053,611)
	38,307	418,939	(865,780)
Interest received	50,894	18,847	6,145
Other receipts	523,563	-	168,242
Net cash from/(used in) discontinued operations	138,564	19,969	-
Net cash from operating activities	751,328	457,755	(691,393)
Cash flows from investing activities			
Payments for investments	(400,000)	-	-
Payments for property, plant and equipment	(7,609)	(2,191)	(9,252)
Payments for intangibles	(144,003)	(5,250)	(36,892)
Payments for security deposits	(7,031)	-	-
Payments for financial assets	-	-	(5,650)
Funds received on acquisition of TK Speciality Risks Pty Ltd	-	336,312	-
Proceeds from disposal of business	4,521,516	457,974	633,128
Net cash used in discontinued operations	(2,665)	(6,775)	-
Payments of income tax	(99,645)	-	-
Net cash from investing activities	3,860,563	780,070	581,334
Cash flows from financing activities			
Proceeds from issue of shares	-	2,145,001	1,013,982
Proceeds from borrowings	-	-	66,666
Payments for share buy-backs	(33,883)	-	-
Share issue transaction costs	-	(33,821)	-
Interest and other finance costs paid	-	(172,592)	(585,272)
Repayment of borrowings	(59,126)	(3,316,814)	(26,662)
Repayment of lease liabilities	(29,991)	(30,288)	(170,933)
Pre-acquisition dividend less expenses paid for TK Speciality Risks Pty Ltd	-	(276,154)	-
Net cash used in discontinued operations	(79,001)	1,342	-
Net cash used in financing activities	(202,001)	(1,683,326)	297,781
Net increase/(decrease) in cash and cash equivalents	4,409,890	(445,501)	187,722
Cash and cash equivalents at the beginning of the financial year	1,018,530	1,080,501	1,276,309
Cash and cash equivalents included in the discontinued operations	-	383,530	-
Cash and cash equivalents at the end of the financial year	5,428,420	1,018,530	1,464,031

Material changes to the financial position of ENA since 30 June 2023

The ENA Financial Report for the year ended 30 June 2023 was released to ASX on 23 August 2023. To the knowledge of the ENA Directors, the financial position of ENA has not materially changed since 30 June 2023, as reported in ENA's Annual Financial Report for that period, other than:

- (a) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by ENA; and
- (b) in accordance with generally known market conditions.

An electronic copy of ENA's Financial Report for the year ended 30 June 2023 is available on the ASX's website www.asx.com.au under ASX code 'ENA' or on ENA's website at <https://ensurance.com.au>.

Forecast financial information

ENA has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. ENA has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information for ENA on a standalone basis, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

6.5 ENA's issued securities

As at the date of this Scheme Booklet, ENA has 90,155,925 ENA Shares on issue.

6.6 ENA's substantial shareholders

Based on information lodged with ASX or known to ENA, ENA had the following substantial shareholders as at the date of this Scheme Booklet:

ENA Shareholder	Number of ENA Shares held	Percentage of issued ENA Shares
Kalonda Pty Ltd as trustee for the Leibowitz Super Fund ¹	16,220,492	17.99%
Vaughan (Tom) Kent ²	14,555,431	16.14%
BNP Paribas Nominees Pty Ltd	6,565,113	7.28%

Notes:

1. An entity of which Mr Anthony Leibowitz is a director and beneficiary.
2. Comprising (a) 5,000,000 ENA Shares held directly by Mr Kent; (b) 8,333,334 ENA Shares held by Mr Vaughan (Tom) Thales Kent as trustee for the Vaughan Kent Family Trust; and (c) 1,222,097 ENA Shares held by Spelt Kent Pty Ltd as trustee for the Spelt Kent Super Fund.

6.7 Interests of ENA Directors

As at the date of this Scheme Booklet, the ENA Directors have Relevant Interests in the following ENA Securities.

Director	ENA Shares	Percentage of issued ENA shares
Anthony Leibowitz	16,220,492 ¹	17.99%

Director	ENA Shares	Percentage of issued ENA shares
Vaughan Kent	14,555,431 ²	16.14%
Anthony Wehby	712,188 ³	0.79%
Total	31,488,111	34.92%

Notes:

1. Held by Kalonda Pty Limited as trustee for the Leibowitz Super Fund.
2. Comprising (a) 5,000,000 ENA Shares held directly by Mr Kent; (b) 8,333,334 ENA Shares held by Mr Vaughan (Tom) Thales Kent as trustee for the Vaughan Kent Family Trust; and (c) 1,222,097 ENA Shares held by Spelt Kent Pty Ltd as trustee for the Spelt Kent Super Fund.
3. Held by Ms Rosemary Wehby, Mr Wehby's spouse.

As at the date of this Scheme Booklet, no ENA Director has a Relevant Interest in any PSC securities.

As at the date of this Scheme Booklet, ENA holds 399,401 PSC Shares which were issued to ENA as part consideration of the acquisition of its UK business. Under the terms of the Scheme Implementation Deed, ENA's disposal of these PSC Shares is a condition that must be satisfied or waived in order for the Scheme to be implemented – refer to Section 11.2 for further details.

6.8 ENA Share trading history

The last recorded sale price of ENA Shares traded on ASX before the announcement of the Scheme on 8 August 2023 was \$0.20 (as at closing on 7 August 2023).

On the Last Practicable Date, the closing price of ENA Shares on ASX was \$0.27.

During the three month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of ENA Shares on ASX were, respectively, 27.5 cents on 18 September 2023 and 19 cents on 12 July 2023, 28 June 2023 and 29 June 2023.

Set out below is the volume weighted average price (**VWAP**) of ENA Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
VWAP	0.268	0.266	0.266	0.263

6.9 ENA announcements and reports

As a disclosing entity, ENA is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, ENA is subject to the ASX Listing Rules which require continuous disclosure of any information ENA has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ENA announcements are available on its website (<https://ensurance.com.au>) as well as the ASX website (www.asx.com.au). Further announcements concerning developments at ENA may be made and placed on these websites after the date of this Scheme Booklet.

In addition, ENA is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to ENA may be obtained from, or inspected at, an ASIC office.

ENA will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Scheme is approved by the Court. The following documents can

also be obtained from the ASX website (www.asx.com.au) or from the ENA website (<https://ensurance.com.au>):

- (a) the annual financial report of ENA for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC by ENA before lodgement of a copy of this Scheme Booklet with ASIC for registration); and
- (b) any continuous disclosure announcements made by ENA after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table summarises material announcements made by ENA to ASX since 23 August 2023 (being the date of lodgement of the annual report referred to in paragraph (a)).

Date Lodged	Description of Document (ASX announcement header)
31 August 2023	Becoming a substantial holder
23 August 2023	Appendix 4G – Corporate Governance

6.10 Risk factors

Risk factors relating to ENA and its business are discussed in Section 9.

7. Profile of PSC

This Section of the Scheme Booklet contains information in relation to PSC as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

7.1 Introduction to PSC

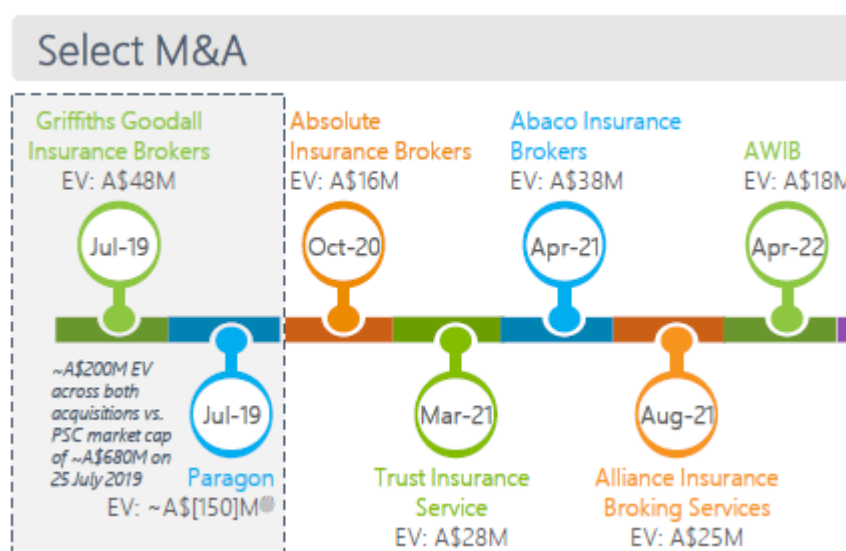
Established in 2006, PSC is a multi-national insurance services group, with operations in Australia, the United Kingdom, New Zealand, Hong Kong, Bermuda and the EU. PSC's global headquarters is located in East Melbourne, Australia.

PSC listed on the ASX in December 2015 and has grown strongly since this listing, both organically and by value enhancing acquisitions. The market capitalisation of PSC as at the Last Practicable Date was \$1.7 billion.

PSC Directors collectively own approximately 40.18% of PSC Shares, which creates alignment between the decision making of the PSC Board and PSC Shareholders.

PSC's vision is to become a large scale global insurance services group via disciplined organic and accretive acquisition growth which consistently delivers value to PSC Shareholders. Although its growth story can in part be attributed to its acquisition strategy, PSC's growth is also underpinned by strong organic revenue growth. PSC considers organic and acquisition growth to be of equal importance in ensuring its ongoing prosperity.

Key acquisitions in the past 5 years are summarised below. In addition to the below, PSC also acquired the UK operations of Ensurance Limited in March 2023 for \$8.2 million (less settlement adjustments).



PSC is well capitalised and has headroom under its existing banking facilities. The combination of group cash balances and available facility limits means PSC is well positioned to execute on future acquisition opportunities.

7.2 Overview of PSC's operations

PSC operates a decentralised business structure with over 35 offices, each with a dedicated manager and principal. This structure allows brokers autonomy and accountability within manageable units. Supporting each of PSC's businesses is a centralised administration, compliance, IT and finance function. The business operations can be summarised within three distinct operating segments:

- (a) Distribution – Insurance Broking and adjacent services: providing direct insurance broking services and solutions to customers across Australia and New Zealand.

MID-MARKET/CORPORATE BROKING



BROKING NETWORKS



ADJACENT SERVICES



- (b) Agency / Specialty: Home to the Chase Underwriting business, PSC's Agency & Specialty division provides insurance underwriting services with specialism in construction, healthcare, accommodation, hospitality and travel. The Ensurance Australian operations will be an addition to these businesses.

CHASE UNDERWRITING



Services exclusively to the construction sector in Australia & UK

MEDISURE



Specialist insurance products for the healthcare and allied health sector

BREEZE UNDERWRITING



Specialist insurance products for niche industries in accommodation, hospitality, professional risks and hire and rental

TRAVEL



Specialist insurance products for niche industries in accommodation, hospitality, professional risks and hire and rental

- (c) UK, Hong Kong, EU and Bermuda: The segment includes:
- (i) PSC's UK businesses which span wholesale broking, retail broking and underwriting agencies;
 - (ii) PSC's Hong Kong based insurance broking businesses;
 - (iii) PSC's Bermuda business which are part of the Paragon business and provide reinsurance and more complex insurance cover for large professional firms; and
 - (iv) PSC's EU businesses which are operated out of Ireland via an Irish subsidiary and operate a wholesale broking business.

This segment accounted for ~ 42% of PSC group earnings in FY23.

WHOLESALE



Independent Lloyd's and London market broker, specialising in Professional and Financial Lines across the USA and UK



Independent Lloyd's and London market wholesale broker with a focus on UK and Australian business. Core classes are Property, Casualty, Household, Motor and PI

PSC UK INSURANCE BROKERS ("Retail")



UK retail (direct) broker for commercial businesses as well as life and pensions for connected clients

HONG KONG



Direct broker of general insurances for commercial businesses in Hong Kong and the surrounding Bay Area.

7.3 Strategy

PSC's business strategy focuses on operating insurance intermediary businesses predominantly in Australia and the United Kingdom, with operations also in New Zealand, Hong Kong, Bermuda and Ireland.

Key elements of the strategy include:

- (a) improving the operations of existing businesses by focussing on client first outcomes and organic growth;
- (b) targeting acquisitions which have the potential for growth and have strong existing management;
- (c) alignment of key personnel;
- (d) identifying market and niche product opportunities and converting those opportunities; and
- (e) optimising business operations through efficiencies.

PSC has a successful track record of identifying opportunities to improve its financial performance.

This success is demonstrated by the substantial growth both organically and by acquisition from a single general insurance broking business in FY06 to a diversified insurance intermediary group with FY23 underlying revenue of \$298.6 million.

7.4 Industry overview / Regulatory / Compliance

(a) Industry Overview - The Australian General Insurance Market

The Australian general insurance market encompasses a range of companies that provide coverage for various asset classes. The risk is typically underwritten by the Australian Prudential Regulation Authority (**APRA**) approved domestic insurance companies, large multinational insurance companies as well as specialised underwriting markets such as Lloyd's of London.

In order to efficiently engage with underlying general insurance clients (which encompasses domestic households, small to medium enterprises and large corporations) there exists a diverse and fragmented general insurance intermediary sector.

Intermediaries play a material role in the activities of the general insurance market and typically service the insurance needs of SMEs and large corporations.

The general insurance intermediary sector predominantly comprises insurance brokers and underwriting agencies.

Insurance intermediaries do not take underwriting risk. They are remunerated by way of commission from the insurers and/or fees from the insured for the services they provide. The revenue pool for the general insurance intermediary sector in Australia is therefore a subset of the intermediated general insurance premiums.

Typically insurance brokers deal with generic insurance policies and risk advice whereas wholesale brokers and underwriting agencies generally provide risk products in specialist or niche risk categories for those insurance brokers. Wholesale brokers will generally specialise in certain insurance risk categories and work with specific insurers.

Within the Australian market there are multinational and listed Australian general insurance intermediaries. In addition, a large proportion of intermediaries are smaller, privately owned brokers.

The following are the other major companies that have a material market presence in the Australian insurance broking segment of the general insurance intermediary sector:

- (i) Marsh Mercer Australia Pty Ltd which is a subsidiary of Marsh McLennan, a multinational insurance services company;
- (ii) Aon Corporation, which is a subsidiary of Aon plc.;
- (iii) Arthur J Gallagher & Co which is a large global insurance broking and risk management company;
- (iv) Steadfast Group Limited, which is an ASX listed company which owns and operates equity interests in insurance brokers and underwriting agencies; and
- (v) AUB Group Limited which is an ASX listed company which owns and operates equity interests in insurance brokers and underwriting agencies.

These companies service clients ranging from multinational companies, large domestic companies, SMEs and individuals.

(b) **Industry Overview - Underwriting Agencies (Australia and United Kingdom)**

Overview of Industry

Underwriting agencies work in conjunction with general insurers to design and develop specialist policies, determine risk coverage and, in certain cases, manage claims and underwriting processes and subject to authority, bind the insurer. Underwriting agencies do not underwrite or bear the underlying insurance risk for the insurance policies that they offer as these are borne by the general insurer.

Underwriting agencies provide general insurers, including international insurers and market participants such as Lloyd's of London, with access to expertise and distribution in certain specialist market segments. The majority of the policies developed by underwriting agencies are for specific commercial risks, which are then offered either directly to the client or to the insurance broker market.

Underwriting agencies largely derive revenue from commissions from the insurer which underwrites the specific policies.

Underwriting agencies generally focus on specialised industries or risk classes. Underwriting agencies service brokers and other general insurance intermediaries. Occasionally an underwriting agency may deal directly with the end client (the insured).

There are several potential barriers to entry in regard to underwriting agencies additional to those of the insurance broker, including but not limited to specialised skills and expertise in regard to specific industries and risk classes and associated relationships with appropriate insurers.

(c) **Compliance**

Licensing requirements

The PSC Group operates in a highly regulated environment. Each subsidiary in the PSC Group that conducts an insurance services business; is a member of PSC's Authorised Representative network under an Australia Financial Services Licence (AFSL); or acts as an underwriting agency in Australia, the United Kingdom, Hong Kong, New Zealand, Bermuda or Ireland and must be appropriately licensed for the business it conducts. Further, the businesses operated by the PSC Group must comply with other general laws that apply in the jurisdiction they operate.

Compliance functions

Each licensed subsidiary must have in place compliance arrangements that are appropriate to the size and scale of each of their businesses.

Internal compliance resources in each jurisdiction are supplemented by external legal and compliance advice as and when required.

The PSC Group provides access to a range of support services to assist its businesses and other applicable licensees in managing their licensing requirements and other legal and compliance risks, including the provision of in-house training and access to a dedicated team for compliance.

Risk management framework

PSC has developed and will continue to evolve a risk management framework to address its business structure and operations.

7.5 Board and senior management

(a) **Directors of PSC**

The PSC Directors as at the date of this Scheme Booklet are as follows:

Brian Austin – Non-Executive Chairman

Brian Austin, an Independent Non-Executive Chairman, was appointed to the board on 10 December 2010. Mr Austin intends to stand down as Chairman, and Paul Dwyer intends to accept an appointment as Chairman, at the Company's next Annual General Meeting. With over 40 years Industry experience, Mr Austin has held senior executive positions in the Insurance industry, both in private and publicly listed companies. In that time Mr Austin has been instrumental in setting the strategy of capital raising and acquisitions. The executive positions Mr Austin has held have enabled him to develop

a global network of key relationships that allow the future growth strategies of the entity to be pursued with much confidence.

Paul Dwyer – Non-Executive Deputy Chairman

Paul Dwyer, a Non-Executive Director and Deputy Chairman, was appointed to the Board on 10 December 2010. Paul was the founder and CEO of PSC from inception to May 2019 when he transitioned to the Deputy Chairman role. Paul Dwyer intends to accept an appointment as Chairman following Brian Austin standing down as Chairman, at the Company's next Annual General Meeting. Prior to founding PSC Insurance Group, Mr Dwyer held a senior executive position with OAMPS Insurance Brokers Limited and previous to that role was a Regional Underwriter with CGU.

Antony Robinson – Managing Director

Antony Robinson, the Managing Director, was appointed to the Board on 13 July 2015. Mr Robinson has significant experience in wealth management and insurance, including Managing Director of Centrepont Alliance Limited, IOOF Holdings Ltd, WealthPoint and OAMPS Limited, joint Managing Director of Falkiners Stockbroking and senior executive positions at Link Telecommunications and Mayne Nickless. Mr Robinson's appointment carries with it the responsibility to ensure that finances and decision-making are robust and the business is aligned to the growth strategy of the Board. Mr Robinson is Chairman of ASX listed Pacific Current Group Limited and was previously a director of Bendigo and Adelaide Bank Limited (resigned November 2021).

John Dwyer – Executive Director

John Dwyer, an Executive Director, was appointed to the Board on 10 December 2010. Mr Dwyer has over 30 years' experience in the insurance industry, spending time with QBE as a Regional Underwriting Manager, commencing a joint venture with OAMPS Insurance Brokers Limited and eventually becoming Eastern Region Manager (NSW & ACT). As Director of Broking across the PSC Insurance Group, Mr Dwyer brings specialist business integration and practical operational skills pivotal to a growing business.

Melvyn Sims – Non-Executive Director

Mel Sims, an Independent Director, was appointed to the Board on 8 August 2016. Mr Sims is a highly regarded London based corporate lawyer with extensive experience in the insurance industry gained during his 30 years as a partner in the international law firm DLA Piper and since July 2015 as a partner in the international law firm DWF Group PLC which is listed on the London Stock Exchange. Over the course of Mr Sims' career he has held senior management roles, including managing DLA Piper Offices and practice groups in the Middle East and advised businesses in commercial and transactional matters often with an international perspective and in diverse markets ranging from general retail, aviation, sport and leisure through to regulated financial services businesses. Mr Sims has extensive Board experience having served as a board member of the Towergate Insurance Group and latterly Global Risk Partners. Mr Sims has not held directorships of other listed companies in the last three years.

Tara Falk – Executive Director

Tara Falk was appointed to the Board on 8 October 2019. Ms Falk has over 30 years' experience in the insurance industry and is co-founder and co-CEO of Paragon International Insurance Brokers Ltd, which PSC acquired in 2019. Ms Falk has extensive experience in all operations of running a specialist Lloyd's insurance broker,

working with leading insurers in Lloyd's, Europe, Bermuda and the United States. Ms Falk is involved with the placement of complex insurance programmes for many large professional service firms around the world and is also on the Board of the London & International Insurance Brokers' Association.

James Kalbassi – Executive Director

James Kalbassi was appointed to the Board on 15 June 2021. Mr Kalbassi has more than 30 years' experience in the insurance industry and as co-Founder and co-CEO of Paragon International Insurance Brokers Ltd, leading and building a specialist Lloyd's and International insurance broker. Mr Kalbassi's strategic and operational experience has helped to drive the company's success, representing some of the world's largest professional service firms and listed corporate clients. Mr Kalbassi has recently served as a Board Member of the UNiBA Partners global independent broker network.

Jo Dawson – Non-Executive Director

Jo Dawson, an Independent Non-Executive Director and Chair of the Audit and Risk Management Committee, was appointed to the Board on 15 June 2021. She has deep experience in highly regulated customer facing service businesses. Her prior roles include senior positions at Deloitte and National Australia Bank, and Chair of EL&C Baillieu Ltd (stockbrokers). Her current Non-Executive Directorships include Vision Super, Bank First Ltd, Generation Life Ltd and PetSure (Australia) Pty Ltd. Ms Dawson is also a former Director of ASX listed company Templeton Global Growth Fund Ltd (TGG).

(b) **Senior management of PSC**

David Hosking – Chief Executive Officer - Australia, NZ and Asia

David joined PSC in April 2021 as Chief Executive Officer of PSC Insurance Australia, New Zealand and Asia. David is responsible for leading the growth and strategic direction of the key divisions within these key geographies. He is a proven and well-respected leader in the Insurance Industry, and at PSC he supports a strong executive team to achieve significant growth targets whilst ensuring the necessary frameworks are in place across all the businesses

He has developed a deep understanding of the insurance industry holding senior roles in Australia and Asia with nearly thirty years insurance experience, most recently focusing on insurance broking and intermediary markets. His previous roles included Chief Financial Officer and subsequently Chief General Manager (Broker and Agency) at Allianz, where he demonstrated his financial, business and commercial acumen overseeing the growth of the Division. Prior to Allianz, he held senior roles at IAG.

Joshua Reid – Chief Financial Officer

Joshua Reid joined PSC in January 2015, with over 25 years' experience in the banking, finance and insurance industries. The majority of Mr Reid's career was with Macquarie Bank where he was involved with acquisition and growth finance, with a specialisation in insurance, held senior risk management roles and had extensive experience with principal transactions. Mr Reid has been CFO of PSC Insurance Group prior to its listing in 2015 and plays a lead role in executing on the long term strategic goals of PSC, including leading the Finance Team, acquisition due diligence, business planning and ensuring a sound funding structure

Julia Mitchell – Group Manager – Legal, Governance and Compliance

Julia Mitchell is PSC's Group Manager Legal, Governance and Compliance and her role spans over 6 regulatory jurisdictions. In addition to providing legal counsel to the company, Julia is responsible for regulatory compliance, governance and risk related affairs. She provides advice to the Board of Directors and Senior Leadership Team and Co Chair's the ESG Steering Committee.

Julia joined PSC in 2012 and has over 25 years' experience working in the insurance industry. She has significant capability in legal and regulatory matters and her career includes working within private practice as a solicitor and working with local and international insurers.

Stephen Abbott – Company Secretary

Stephen Abbott was appointed Company Secretary on 18 May 2015, having joined the PSC Insurance Group in March 2012. Mr Abbott has over 35 years' experience in accounting and finance both within industry and commerce and professional services firms with over 15 years in insurance broking.

7.6 Corporate governance

It is intended that the Combined Group will continue to be governed by PSC's current corporate governance policies and charters. For further information, PSC's 2023 Corporate Governance Statement lodged with ASX on 23 August 2023, is available at: <https://www.asx.com.au/markets/company/psi>, and a copy of PSC's core corporate governance policies can be accessed on PSC's website at: <https://www.pscinsurancegroup.com.au/corporate-governance/>.

7.7 PSC Historical Financial Information

(a) Overview

This Section 7.7 contains the following historical financial information of PSC:

- (i) historical statements of financial position as at 30 June 2023, 30 June 2022 and 30 June 2021 (**PSC Historical Statements of Financial Position**);
- (ii) historical income statements for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 (**PSC Historical Income Statements**); and
- (iii) historical statements of cash flows for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 (**PSC Historical Statements of Cash Flows**),

(together, the **PSC Historical Financial Information**).

The PSC Historical Financial Information relates to PSC on a standalone basis and, accordingly, does not reflect any impact of the Scheme.

This section presents summary financial information in relation to PSC for the purpose of this Scheme Booklet. The financial information contained in this section is presented in an abbreviated form and does not contain all disclosures, presentation, statements or comparatives that are usually provided in the annual report prepared in accordance with the Corporations Act. The financial information has not been subject to further review by an independent accountant. The financial information should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Further details of PSC's financial performance and financial statements for the financial years ended on 30 June 2023, 30 June 2022 and 30 June 2021 can be

found on the ASX website at www.asx.com.au or PSC's website at www.pscinsurancegroup.com.au.

All amounts disclosed in this Section 7.7 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Any discrepancies between totals and sums of components in tables and figures contained in this Section 7.7 are due to rounding.

(b) **Basis of preparation of the PSC Historical Financial Information**

All figures are based on the audited accounts of PSC Insurance Group Limited.

(c) **PSC Historical Statements of Financial Position**

Set out below is PSC's statement of financial position as at 30 June 2023, 2022 and 2021.

	30-Jun 2023 \$'000	30-Jun 2022 \$'000	30-Jun 2021 \$'000
Current assets			
Cash and cash equivalents	71,370	106,110	47,824
Financial assets - trust cash	274,791	241,289	244,464
Receivables	11,547	10,264	8,446
Contract assets - broking	71,300	62,287	57,714
Financial assets - derivatives	1,049	-	519
Other assets	9,987	7,399	9,012
Total current assets	440,044	427,349	367,979
Non-current assets			
Receivables	707	1,022	1,461
Financial assets - investments in shares and unit trusts	60,359	44,755	50,567
Equity accounted investments	24,025	9,236	9,131
Property, plant and equipment	16,861	17,354	18,330
Intangible assets	519,892	457,295	420,880
Right of use assets	18,525	19,818	20,516
Financial assets - derivatives	52	-	-
Total non-current assets	640,421	549,480	520,885
Total assets	1,080,465	976,829	888,864
Current liabilities			
Payables	299,362	263,241	263,620
Borrowings	-	-	-
Provisions	6,413	5,461	4,600
Current tax liabilities	6,510	6,316	5,081
Financial liabilities - derivatives	-	906	-
Lease liabilities	6,191	4,842	3,962
Contract liabilities - deferred revenue	12,291	7,653	5,169
Amounts payable to vendors	13,471	35,834	19,680
Total current liabilities	344,238	324,253	302,112
Non-current liabilities			
Payables	789	-	-
Borrowings	213,693	186,979	176,679
Provisions	691	541	613
Deferred tax liabilities	40,667	32,077	27,232
Financial liabilities - derivatives	-	-	48
Lease Liabilities	15,850	18,459	19,269
Contract liabilities - deferred revenue	412	360	354
Amounts payable to vendors	8,396	5,395	16,150
Total non-current liabilities	280,498	243,811	240,345
Total liabilities	624,736	568,064	542,457
Net assets	455,729	408,765	346,407
Equity			
Share capital	425,981	411,661	331,174
Reserves	(25,392)	(46,890)	(37,250)
Retained earnings	53,074	42,157	51,368
Equity attributable to owners of PSC Insurance Group Limited	453,663	406,928	345,292
Non-controlling interests	2,066	1,837	1,115
Total equity	455,729	408,765	346,407

(d) **PSC Historical Income Statements**

Set out below is PSC's statement of comprehensive income for the financial years ended 30 June 2023, 2022 and 2021.

	30-Jun 2023 \$'000	30-Jun 2022 \$'000	30-Jun 2021 \$'000
Revenue and other income			
Fee and commission income	289,574	251,146	203,625
Other revenue	926	848	811
Interest income	5,071	296	352
Share of equity accounted results	(251)	605	805
Gain / (loss) on financial instruments	16,987	(6,616)	17,943
Investment income	2,196	478	1,052
	314,503	246,757	224,588
Expenses			
Administration and other expenses	(49,172)	(38,903)	(24,735)
Depreciation expense - property, plant and equipment	(2,071)	(2,090)	(2,021)
Depreciation expense - right-of-use assets	(5,624)	(5,723)	(4,000)
Amortisation expense	(14,718)	(12,564)	(8,968)
Employee benefits expense	(138,659)	(121,217)	(102,259)
Finance costs	(8,983)	(8,038)	(8,947)
Finance costs - lease liabilities	(1,163)	(1,398)	(1,207)
Expected credit losses	(48)	(232)	(2,501)
Employee contractors	(3,296)	(2,863)	(3,022)
Information technology costs	(6,183)	(5,082)	(4,474)
Professional fees	(4,877)	(4,276)	(4,267)
	(234,794)	(202,386)	(166,401)
Profit before income tax expense	79,709	44,371	58,187
Income tax expense	(23,306)	(17,035)	(17,463)
Net profit from continuing operations	56,403	27,336	40,724
NPAT reconciliation to underlying EBITDA			
Tax	(23,306)	(17,035)	(17,463)
Profit before income tax expense	79,709	44,371	58,187
Non-Operating Items	(5,163)	(26,042)	6,685
Amortisation expense	(14,718)	(12,564)	(8,968)
Depreciation	(2,071)	(2,090)	(2,021)
Interest	(8,983)	(8,038)	(8,947)
Underlying EBITDA	110,644	93,105	71,438
Net AASB16	(393)	(421)	(568)
Underlying EBITDA, ex AASB16	111,037	93,526	72,006

(e) **PSC Historical Statements of Cash Flows**

Set out below is PSC's statement of cash flows for the financial years ended 30 June 2023, 2022 and 2021.

	30-Jun-23 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Cash flow from Operating activities			
Receipts from customers	297,103	260,179	209,096
Payments to suppliers and employees	(193,388)	(169,999)	(144,462)
Trust distributions / dividends received	2,811	764	767
Interest received	5,031	244	293
Interest paid	(8,043)	(7,219)	(8,947)
Income tax paid	(20,783)	(14,903)	(12,106)
Net cash provided by operating activities	82,732	69,067	44,642
Cash flow from investing activities			
Payments for deferred consideration/business acquisitions	(69,041)	(60,578)	(74,119)
Payment for property, plant and equipment	(1,291)	(1,262)	(2,695)
Proceeds from sale of financial assets	142	-	401
Payment for financial assets	(21)	(75)	(373)
Payment for other intangibles	(235)	(648)	(468)
Payment for equity investments	(16,335)	-	(938)
Proceeds from sale of equity investments	-	855	-
Net proceeds / payments from derivatives	(715)	404	406
Net cash flow (used in) investing activities	(87,495)	(61,305)	(77,787)
Cash flow from financing activities			
Proceeds from borrowings	20,000	98,740	15,481
Repayments of borrowings	-	(84,460)	-
Capital issued	-	80,000	60,000
Capital issuing costs	(54)	(1,487)	(1,313)
Dividend reinvestment underwrite shares issued	-	-	10,000
Proceeds from converted share options / LTIP	-	250	150
Payment of lease liabilities	(6,394)	(6,700)	(4,627)
Dividends paid	(43,597)	(35,867)	(27,643)
Payment of related party loans and receivables	(1,531)	(289)	(123)
Repayments of related party loans and receivables	585	574	3,169
Net cash (used in) / provided by financing activities	(30,990)	50,761	55,094
Reconciliation of cash			
Cash at beginning of the year	106,110	47,824	25,973
Net (decrease) / increase in cash held	(35,754)	58,523	21,949
Effect of exchange rate fluctuation on cash held	1,015	(238)	(98)
Cash at end of the year	71,371	106,110	47,824

(f) **Material changes to the financial position of PSC since 30 June 2023**

The PSC FY23 Annual Report was released to ASX on 23 August 2023.

To the knowledge of the PSC Directors, the financial position of PSC has not materially changed since 30 June 2023, as reported in the annual financial report of PSC for that period, other than:

- (i) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by PSC; and
- (ii) in accordance with generally known market conditions.

An electronic copy of the PSC FY23 Annual Report is available on the ASX's website www.asx.com.au under ASX code 'PSI' or on PSC's website.

(g) **Financial outlook of PSC**

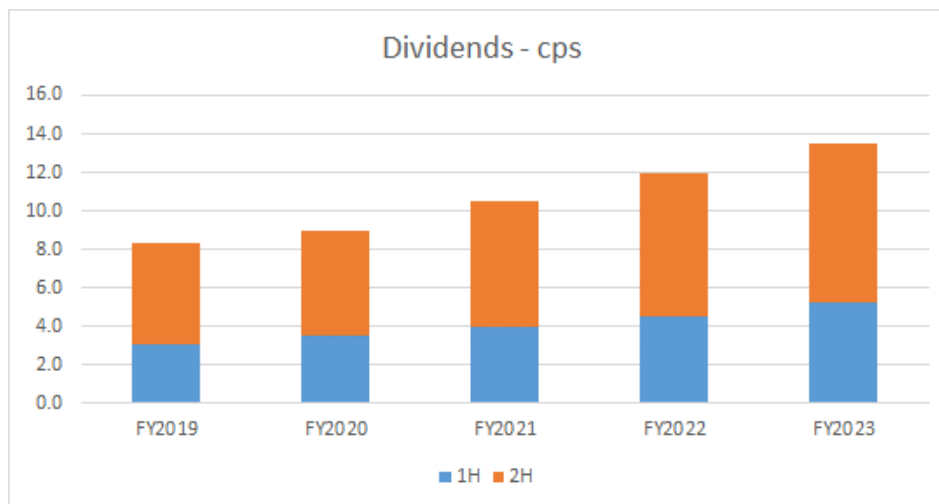
PSC confirmed its FY24 outlook upon release of the FY23 Annual Report on 23 August 202. Key points were:

- (i) underlying EBITDA expected between \$122-127m (growth of 10-14%).
- (ii) underlying NPATA expected between \$82-86m (growth of 5-10%).
- (iii) underlying EPS of \$0.23-0.24 per share (growth of 4-9%).
- (iv) additional incremental FY24 acquisition activity, including the proposed acquisition of ENA under the Scheme, is not included in the guidance range.

7.8 Dividend Policy

PSC aim to be a strong dividend payer, balancing the need to provide good income to the shareholders and retaining cash to assist with its growth strategy. In practice, the dividends are usually paid at between 60-70% of underlying NPATA.

A summary of dividends over the last 5 years are as follows:



Dividends in FY23 were 13.5 cents per PSC Share and dividends have grown at a compound growth rate of over 13% over the last 5 years. PSC operates a Dividend Reinvestment Program (**DRP**) program where PSC shareholders can re-invest dividends into PSC Shares.

7.9 PSC's corporate structure

PSC operates with many Subsidiaries, which upon the Scheme being implemented will remain Subsidiaries of PSC. PSC has over 100 Subsidiaries, which following implementation of the Scheme will include ENA.

7.10 PSC's issued securities

As at the Last Practicable Date, PSC had the following securities on issue:

Type of security	Number on issue
Ordinary Shares	359,275,121
Options expiring 31 March 2025 with exercise price \$6.50	2,000,000

The number of securities on issue may change as a result of participation by PSC Shareholders in PSC's dividend reinvestment plan following the date of this Scheme Booklet and prior to implementation of the Scheme.

In addition, in pursuit of its growth strategy, PSC may issue scrip consideration or other securities as a component of the purchase price for future acquisitions or as incentives for management.

7.11 PSC's substantial shareholders

Based on information lodged with ASX or known to PSC as at the Last Practicable Date, PSC had the following substantial shareholders:

PSC Shareholder	Number of PSC Shares held	Percentage of issued PSC Shares
Paul Dwyer Held by Mchalem No 2 Pty Ltd, Crathre Pty Ltd and P & M Dwyer Super	57,174,852	15.91%
John Dwyer Held by Glendale Dwyer Pty Ltd and Cumnock Dwyer Pty Ltd	34,571,351	9.62%
Brian Austin Held by Austin Superannuation Pty Ltd	32,277,966	8.98%

7.12 Interests of PSC Directors and ENA Directors in PSC's securities

The PSC Directors have a Relevant Interest in the following PSC securities as at the Last Practicable Date.

Director/Company	PSC Shares	PSC Options	Percentage of issued PSC shares
Paul Dwyer Held by Mchalem No 2 Pty Ltd, Crathre Pty Ltd and P & M Dwyer Super	57,174,852	0	15.91%
John Dwyer Held by Glendale Dwyer Pty Ltd and Cumnock Dwyer Pty Ltd	34,571,351	0	9.62%
Brian Austin Held by Austin Superannuation Pty Ltd	32,277,966	0	8.98%
Antony Robinson	3,599,290	2,000,000 (exercise price of	1.0%

Director/Company	PSC Shares	PSC Options	Percentage of issued PSC shares
Held by Antony Robinson, Robinson House Pty Ltd and Rowena House Pty Ltd		\$6.50, expiring on 31 March 2025)	
Mel Sims	306,653	0	0.09%
Tara Falk	8,786,200	0	2.45%
James Kalbassi	7,662,587	0	2.13%
Jo Dawson	10,000	0	0.00%
Total	144,388,899	2,000,000	40.18%

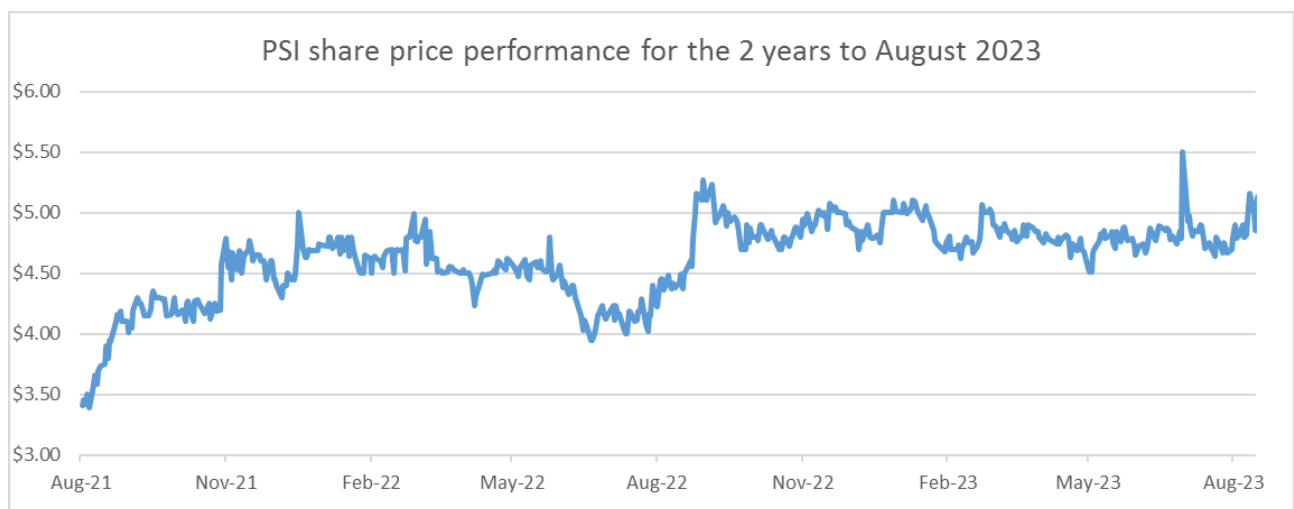
As at the date of this Scheme Booklet, no ENA Directors held a Relevant Interest in any PSC Shares or other securities in PSC.

7.13 PSC Share trading history

The closing price for PSC Shares on ASX on 7 August 2023 (being the last trading day prior to the Announcement Date) was \$4.90.

On the Last Practicable Date, the closing price of PSC Shares on ASX was \$4.82.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of PSC Shares on ASX were, respectively, \$5.50 on 30 June 2023 and \$4.62 on 19 September 2023.



Set out below is the volume weighted average price (**VWAP**) of PSC Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
VWAP	\$4.7760	\$4.7894	\$4.8502	\$4.8272

The PSC Share prices given above should not be taken as being an indication of the likely PSC Share price following implementation of the Scheme.

The current price of PSC Shares on ASX can be obtained from the ASX website (www.asx.com.au).

7.14 Long Term Incentive Plan

The Company has adopted the Long Term Incentive Plan 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 Long Term Incentive Plan. Each Award granted represents a right to receive one Share once the Award vests, and in the case of Options and Performance Rights is exercised by the relevant Participant.

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

- (a) which individuals will be invited to participate in the Long Term Incentive Plan;
- (b) the type of Award to be granted to each Participant;
- (c) the number of Awards to be granted to each Participant;
- (d) the fee payable (if any) by Participants on the grant of Awards to Participants;
- (e) the terms on which the Awards will vest and become exercisable, including any vesting conditions or performance hurdles which must be met;
- (f) 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;
- (g) 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
- (h) any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that Participants receive upon exercise of their Awards.

7.15 Funding of Scheme Consideration

The Scheme Consideration is comprised of Scrip Consideration and Top Up Cash Consideration (if any).

Scrip Consideration

If the Scheme becomes Effective, PSC will issue 5,000,000 New PSC Shares³⁰ to ENA Scheme Shareholders (or to the Sale Agent in the case of Ineligible Foreign Shareholders) on a pro rata basis to the ENA Shares held by those ENA Scheme Shareholders on the Record Date. The number of New PSC Shares is subject to any adjustment to the extent ENA's transaction costs in relation to the Scheme exceed \$500,000 per the ENA Transaction Cost Adjustment (see pages 2 and 3 and section 5.2 of this Scheme Booklet).

The New PSC Shares have an implied value of approximately \$24,100,000 based on an issue price of \$4.82 per New PSC Share on the Last Practicable Date.

³⁰ Assuming there is no ENA Transaction Cost Adjustment.

Top Up Cash Consideration

If upon the Scheme becoming Effective, the value of the 5,000,000 New PSC Shares³¹ to be issued as Scrip Consideration is less than A\$25.2 million (representing the purchase price payable by PSC for the shares in ENA), ENA Scheme Shareholders will be paid the difference between the value of those New PSC Shares and A\$25.2 million in cash. For this purpose, the value of each New PSC Share is determined using the volume weighted average price of PSC Shares over the period of 5 trading days prior to the Record Date for the Scheme.

The Top Up Cash Consideration will be funded using PSC's existing cash resources.

7.16 PSC's interest in ENA Shares

As at the date of this Scheme Booklet:

- (a) neither PSC nor any of its Associates have a Relevant Interest in any ENA securities; and
- (b) the voting power (as defined in the Corporations Act) of PSC in ENA is nil.

Except as disclosed in this Scheme Booklet, during the four months before the date of this Scheme Booklet neither PSC nor any Associate of PSC has:

- (a) provided, or agreed to provide, consideration for any ENA Shares; or
- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of ENA Shares which benefit is not offered to all ENA Scheme Shareholders under the Scheme.

7.17 Rights and liabilities attaching to PSC Shares

The rights and liabilities attaching to PSC Shares (and New PSC Shares that comprise the Scheme Consideration) are described in Section 13.5.

7.18 PSC's announcements and reports

As an ASX-listed 'disclosing entity', PSC is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules.

Specifically, as an ASX-listed company, PSC is subject to the ASX Listing Rules which require continuous disclosure of any information PSC has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, subject to exceptions such as for certain confidential information or incomplete proposals.

PSC announcements are available on its website (www.pscinsurancegroup.com.au) as well as ASX's website (www.asx.com.au). Further announcements concerning developments at PSC may be made and placed on these websites after the date of this Scheme Booklet.

In addition, PSC is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to PSC may be obtained from, or inspected at, an ASIC office.

PSC will provide a copy of each of the following documents, free of charge, to ENA Shareholders on request prior to the Scheme Meeting. Alternatively, these documents can

³¹ Assuming there is no ENA Transaction Cost Adjustment.

be obtained from ASX's website (www.asx.com.au) or from the PSC website (www.pscinsurancegroup.com.au):

- (a) the PSC FY23 Annual Report (being the annual financial report most recently lodged with ASIC by PSC before the Last Practicable Date); and
- (b) any continuous disclosure announcements made by PSC after the date of the lodgement of the annual financial report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table sets out a list of announcements made by PSC to ASX since 23 August 2023 (being the date of lodgement of the PSC FY23 Annual Report referred to in paragraph 7.18(a)).

Date lodged	Description of document (ASX announcement header)
11 September 2023	Application for quotation of securities - PSI
5 September 2023	Application for quotation of securities - PSI
1 September 2023	Date of AGM and Directors Nominations Close Date
23 August 2023	Appendix 4E and 2023 Annual Report
23 August 2023	2023 Full Year Results announcement
23 August 2023	2023 Full Year Results Shareholder and Investor Presentation
23 August 2023	Dividend / Distribution – PSI
23 August 2023	FY23 Appendix 4G
23 August 2023	Update – Dividend / Distribution – PSI

7.19 Risk factors

Risk factors relating to PSC and its business are discussed in Section 9.

7.20 Other material information

Except as disclosed elsewhere in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any PSC Directors, at the date of this Scheme Booklet which has not previously been disclosed to ENA Shareholders or to the ASX.

8. Profile of the Combined Group

8.1 Overview of the Combined Group

This Section of the Scheme Booklet contains information in relation to PSC if the Scheme is implemented.

Upon implementation of the Scheme, ENA will add a high growth operation and new product suite to PSC's Australian specialty businesses.

PSC operations will remain unchanged following implementation of the Scheme. The Agency and Specialty business, of which ENA will form part, will continue to be an important business within the Group.

PSC intends to utilise the Agency and Specialty broker distribution network to help grow the ENA offering in a meaningful way. By increasing the distribution of the ENA product, PSC believes it can increase the amount of revenue and earnings generated through the Combined Group's professional indemnity product offering.

8.2 Corporate structure

PSC will be the parent company of the Combined Group upon the implementation of the Scheme and ENA will be an indirect wholly-owned Australian subsidiary of PSC following implementation of the Scheme.

8.3 Capital structure

On the assumption that:

- (a) the Scheme becomes Effective; and
- (b) no other ENA Shares or PSC Shares are issued,

PSC will have approximately 359,275,121 PSC Shares and 2,000,000 PSC Options on issue prior to implementation of the Scheme.

If the Scheme becomes Effective, 5,000,000 New PSC Shares³² will be issued as Scheme Consideration, with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be paid in cash.

On that basis, upon implementation of the Scheme, the ENA Scheme Shareholders will hold approximately 1.4% of the total number of PSC Shares that will be on issue following implementation of the Scheme and current PSC Shareholders will hold approximately 98.6% of the total number of PSC Shares that will be on issue following implementation of the Scheme.³³

8.4 Intentions for the ENA business

(a) Continuation of business

If the Scheme is implemented, PSC will integrate the ENA business into its existing Agency and Specialty division. PSC's intention is to continue and grow the business of ENA. PSC intend to utilise the Agency and Specialty broker distribution network to help grow the ENA offering in a meaningful way. By increasing the distribution of the

³² Assuming that there is no ENA Transaction Cost Adjustment.

³³ The percentages in this section are based on PSC's issued share capital as at the Last Practicable Date.

ENA product, PSC believes it can increase the amount of revenue and earnings generated through the Combined Group's professional indemnity product offering.

(b) **Corporate strategy**

If the Scheme is implemented, PSC intends that its strategic plans outlined in section 7.3 will be applied to the Combined Group.

Given the ENA business would represent approximately 0.6% of the Combined Group's net profit before income tax expense (based on the FY23 pro forma consolidated income statement of the Combined Group), there would be no change to the existing PSC strategy of providing insurance services across Australia, the United Kingdom and internationally and undertaking value enhancing acquisitions to accelerate growth.

8.5 Substantial shareholdings

Based on the assumptions set out in Section 8.3 and on information lodged with ASX or known to PSC as at the date of this Scheme Booklet, PSC expects to have the following substantial shareholders upon implementation of the Scheme:

PSC Shareholder	Number of PSC Shares held	Percentage of issued PSC Shares
Paul Dwyer Held by Mchalem No 2 Pty Ltd, Crathre Pty Ltd and P & M Dwyer Super	57,174,852	15.91%
John Dwyer Held by Glendale Dwyer Pty Ltd and Cumnock Dwyer Pty Ltd	34,571,351	9.62%
Brian Austin Held by Austin Superannuation Pty Ltd	32,277,966	8.98%

8.6 Rights attaching to New PSC Shares

The rights and liabilities attaching to New PSC Shares that form part of the Scheme Consideration are described in Section 13.5.

8.7 Directors, management and employees of the Combined Group

Following implementation of the Scheme, the existing Board and senior management of PSC as described in section 7.5 will remain the same.

It is intended that following implementation of the Scheme, Tom Kent will continue in the role as CEO of ENA and the Non-Executive Directors of ENA will resign.

It is the present intention of PSC to continue with the employment of the majority of ENA's existing employees.

8.8 Corporate matters in relation to ENA

Following implementation of the Scheme, it is intended that:

- (a) ENA be removed from the official list of ASX; and
- (b) as ENA will be a wholly owned Subsidiary of PSC, the ENA Board will be reconstituted so that it comprises persons nominated by PSC.

8.9 Dividend policy

The PSC Board will consider the payment of dividends at each financial reporting date. PSC's dividend policy will not change as a result of the Scheme. Further information is set out in section 7.8 of this Scheme Booklet.

8.10 Financial overview of the Combined Group

The Combined Group pro forma historical financial information provided in this Scheme Booklet comprises of:

- (a) pro forma consolidated unaudited Income Statement for the year ended 30 June 2023;
- (b) a pro forma consolidated unaudited Statement of Financial Position as at 30 June 2023; and
- (c) pro forma consolidated unaudited Cash Flow for the year ended 30 June 2023.

The pro forma historical financial information is provided for illustrative purposes and is prepared on the assumption that the Scheme had been implemented on 30 June 2023 and ENA becomes a wholly owned subsidiary of PSC.

The Combined Group pro forma historical financial information has been prepared by the management of PSC. The information is based on PSC's and ENA's audited financial statements as at 30 June 2023. The pro forma historical financial information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards and in accordance with PSC's accounting policies, as set out in PSC's annual report for the financial year ended 30 June 2023.

The Combined Group pro forma historical financial information is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of PSC and ENA.

The information provided in this Section is presented on a pro forma basis only and, as a result, it is likely that this information will differ from the actual financial information of the Combined Group.

Acquisition Accounting

Australian Accounting Standards require the Scheme to be accounted for as an in-substance acquisition, with PSC deemed to be the acquirer. The pro forma Scheme will be accounted for as a business combination.

The value of the consideration for the acquisition of the ENA Shares under the Scheme will be measured based upon the value of the PSC Shares at close of trading on the Implementation Date. For the purposes of the Combined Group pro forma historical financial information, a value of \$4.90 per New PSC Share has been assumed, being the ASX closing price of PSC Shares on 7 August 2023 (the last trading day before the Announcement Date). Consequently, the value of the purchase consideration for accounting purposes may differ

from the amount assumed in the Combined Group pro forma historical financial information due to future changes in the market price of PSC Shares.

Combined Group pro forma Income Statement – Financial Year ended 30 June 2023

CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2023	PSC	Ensurance	Consolidated
	\$'000	\$'000	\$'000
Revenue and other income			
Fee and commission income	289,574	3,496	293,070
Other revenue	926	204	1,130
Interest income	5,071	76	5,147
Share of equity accounted results	(251)		(251)
Gain / (loss) on financial instruments	16,987	247	17,234
Investment income	2,196		2,196
	314,503	4,022	318,525
Expenses			
Administration and other expenses	(49,172)	(454)	(49,626)
Depreciation expense - property, plant and equipment	(2,071)	(11)	(2,082)
Depreciation expense - right-of-use assets	(5,624)	(26)	(5,650)
Amortisation expense	(14,718)	(6)	(14,724)
Employee benefits expense	(138,659)	(2,891)	(141,550)
Finance costs	(8,983)	(4)	(8,987)
Finance costs - lease liabilities	(1,163)		(1,163)
Expected credit losses	(48)		(48)
Employee contractors	(3,296)		(3,296)
Information technology costs	(6,183)	(21)	(6,204)
Professional fees	(4,877)	(163)	(5,040)
	(234,794)	(3,576)	(238,370)
Profit before income tax expense	79,709	446	80,155
Income tax expense	(23,306)	-	(23,306)
Net profit from continuing operations	56,403	446	56,849

Notes to Consolidated Income Statement

- The PSC income statement reflects the statutory net profit figure for FY23. Refer to section 7 of the Scheme Booklet for a reconciliation of PSC statutory net profit from continuing operations to the underlying EBITDA of PSC.
- The consolidated income statement for the Combined Group is based on the consolidated FY23 statutory profit for PSC and ENA.

Combined Group pro forma Statement of Financial Position – 30 June 2023

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2023	PSC	Ensurance	Adjustments	Pro-Forma Consolidated	
	30-Jun 2023	30-Jun 2023	30-Jun 2023	30-Jun 2023	
	\$'000	\$'000	\$'000	\$'000	Notes
Current assets					
Cash and cash equivalents	71,370	5,428	1,496	78,294	Sale of PSC Shares less ~ Cash Value of Consideration
Financial assets - trust cash	274,791	7,502	-	282,293	
Receivables	11,547	-	-	11,547	
Contract assets - broking	71,300	1,213	-	72,513	
Financial assets - derivatives	1,049	-	-	1,049	
Other assets	9,987	106	-	10,093	
Total current assets	440,044	14,249	1,496	455,789	
Non-current assets					
Receivables	707	-	-	707	
Financial assets - investments in shares and unit trusts	60,359	3,398	(2,196)	61,561	Sale of PSC Shares
Equity accounted investments	24,025	-	-	24,025	
Property, plant and equipment	16,861	19	-	16,880	
Intangible assets	519,892	2,370	14,316	536,578	Implied value of intangible assets
Right of use assets	18,525	10	-	18,535	
Financial assets - derivatives	52	-	-	52	
Total non-current assets	640,421	5,797	12,120	658,338	
Total assets	1,080,465	20,046	13,616	1,114,127	
Current liabilities					
Payables	299,362	8,160	-	307,522	
Provisions	6,413	183	-	6,596	
Current tax liabilities	6,510	-	-	6,510	
Financial liabilities - derivatives	-	-	-	-	
Lease liabilities	6,191	3	-	6,194	
Contract liabilities - deferred revenue	12,291	-	-	12,291	
Amounts payable to vendors	13,471	775	-	14,246	
Total current liabilities	344,238	9,121	-	353,359	
Non-current liabilities					
Payables	789	-	-	789	
Borrowings	213,693	-	-	213,693	
Provisions	691	41	-	732	
Deferred tax liabilities	40,667	-	-	40,667	
Financial liabilities - derivatives	-	-	-	-	
Lease Liabilities	15,850	-	-	15,850	
Contract liabilities - deferred revenue	412	-	-	412	
Amounts payable to vendors	8,396	-	-	8,396	
Total non-current liabilities	280,498	41	-	280,539	
Total liabilities	624,736	9,162	-	633,898	
Net assets	455,729	10,884	13,616	480,229	
Equity					
Share capital	425,981	26,688	(2,188)	450,481	Net increase in share capital of \$24.5m
Reserves	(25,392)	86	(86)	(25,392)	
Retained earnings	53,074	(15,890)	15,890	53,074	
Equity attributable to owners of PSC Insurance Group Lir	453,663	10,884	13,616	478,163	
Non-controlling interests	2,066	-	-	2,066	
Total equity	455,729	10,884	13,616	480,229	

Notes to pro-forma Consolidated Statement of Financial Position

- (a) Accounting entries arising from the Scheme, in accordance with the Scheme Implementation Deed

This pro forma Consolidated Statement of Financial Position reflects the acquisition of ENA by PSC in accordance with the Scheme Implementation Deed. For the purposes of preparing the pro forma historical financial information, the Scheme has been accounted for as a business combination. For the purpose of the pro forma historical financial information, the Scheme has been measured with reference to the estimated fair value of the Scheme Consideration.

The total fair value of the estimated consideration has been calculated at \$25.2m. Assumptions regarding the capital structure and purchase consideration are set out below:

- (i) the fair value of the New PSC Shares (assuming no adjustment for ENA transaction costs) is assumed at \$24.5m, based on 5 million New PSC Shares being issued at an assumed price of \$4.90 per PSC Share;
- (ii) the additional \$0.7m to be paid in cash; and

- (iii) the fair value of net assets acquired are assumed at \$10.9m – being the ENA net assets at 30 June 2023. The difference between the fair value of the Scheme Consideration and these net assets (being \$14.3m) is assumed to be intangible assets. The allocation between goodwill and identifiable intangible assets will be determined after Implementation.

Combined Group pro forma Consolidated Statement of Cashflows – Financial Year ended 30 June 2023

CONSOLIDATED STATEMENT OF CASHFLOWS			
For the Year ended 30 June 2023	PSC	Ensurance	Consolidated
	\$'000	\$'000	\$'000
Cash flows from operating activities	82,731	751	83,482
Cash flows from investing activities	(87,493)	3,861	(83,632)
Cash flows form financing activities	(30,991)	(2,002)	(32,993)
Cash and cash equivalents t the beginning of the financial year	106,110	1,019	107,129
Net increase / (decrease) in cash and cash equivalents	(35,756)	4,410	(31,346)
Effect of exchange rate fluctuation on cash held	1		1
Cash and cash equivalents at the end of the financial year	71,370	5,428	76,798

8.11 Financial outlook of the Combined Group

Following the implementation of the Scheme it is expected that under PSC ownership, the net profit of ENA will increase, however as ENA represents a small part of the Combined Group (FY23 net profit before income tax expense of ENA represented approximately 0.6% of the pro forma net profit before income tax expense for the Combined Group) it is not expected to have a material impact on PSC's financial performance.

ENA Shareholders should refer to the Independent Expert's Report set out in Annexure A for the expert's conclusions regarding valuations of PSC and ENA.

Following completion of the Scheme, the PSC Directors will determine the optimal financing for, and amounts to be made available for, the activities of the Combined Group. The PSC Directors will consider the best way forward for ensuring that adequate capital is available to maintain appropriate levels of cash in order to continue to implement its growth strategy.

8.12 Risks associated with the Combined Group

There are a number of risks associated with the Combined Group. These are summarised in Section 9.

8.13 Combined Group's register of securityholders

In accordance with Australian law, PSC's register of shareholders and optionholders will be maintained in Australia by its Australian registry, being:

Link Market Services Ltd, Level 10, Tower 4, 727 Collins Street, Melbourne VIC 3008.

9. Risk factors

9.1 Overview

Under the Scheme, ENA Scheme Shareholders (other than Ineligible Foreign Shareholders) will acquire New PSC Shares and consequently there will be a change to the risks that they will be exposed to. This Section outlines a number of the risks that may be relevant for ENA Shareholders to consider in deciding whether to vote in favour of the Scheme. These risks include:

- (a) specific risks relating to the performance of the Combined Group and the value of its shares (Section 9.2);
- (b) risks to ENA Shareholders if the Scheme does not proceed (Section 9.3); and
- (c) risks relating to the implementation of the Scheme (Section 9.4).

The risks outlined in this Section 9 are not exhaustive and do not take into account the investment objectives, financial situation, position or particular needs of ENA Shareholders. No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by ENA, PSC or the Combined Group. Each ENA Shareholder should consult their professional adviser if they have any queries.

9.2 Specific risks relating to the Combined Group

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

Reduction in commission rates and advice fees

The Combined Group derives material income from commissions and fees.

A significant reduction in the percentage commission and fee rates would lead to a material reduction in the revenue and earnings of the Combined Group.

Regulatory changes could ban contingent remuneration for general insurance brokers, as has occurred for other financial products. If such a ban were to be introduced this could lead to a material reduction in the revenue and earnings of the Combined Group.

Licensing requirements for Australian Financial Services Licence (AFSL) holders

The Combined Group operates in a highly regulated environment. Under the Corporations Act, an individual or company that conducts an insurance broking business or underwriting agency must hold and or operate under an AFSL issued by ASIC. The holder of an AFSL is subject to a number of compliance and reporting obligations. Companies in the Combined Group hold an AFSL or operate under the AFSL of another entity. The authorised representatives of companies in the Combined Group operate under the licences held in Australia and in New Zealand. If a company does not meet its obligations as an AFSL holder (or its representatives, including authorised representatives, do not meet those obligations), that company may risk fines, liability to pay compensation, enforceable undertakings or, most significantly, the suspension or cancellation of its AFSL. This would damage the reputation of the relevant company and lead to an interruption in the operation of its business and would likely result in a material reduction in the revenue and earnings of the company.

Any future legislative and regulatory changes may affect obligations, increasing compliance costs and adversely affect the Combined Group's profitability. In addition, like all entities

operating in the insurance or financial services sectors, the Combined Group is exposed to the risk of litigation and/or regulatory proceedings brought by policyholders, reinsurers, regulators, government agencies such as ASIC, or other potential claimants. In circumstances where the Combined Group Company has acquired the assets of another AFS licensee, the scope of the duties owed to the clients of that licensee by the Combined Group Company, post acquisition, may be increased as a consequence of the advice provided, and conduct of, the other AFS licensee in a way that increases the risks of litigation for the Combined Group Company.

Insurance intermediary services are also highly regulated in the United Kingdom and the other jurisdictions where the Combined Group will operate. The United Kingdom based businesses are required to maintain certain licences, permissions and authorisations and to comply with applicable rules and regulations, and are subject to extensive regulatory supervision on an on-going basis. The United Kingdom-based insurance intermediaries in the group are authorised by and subject to the broad supervisory powers of the Financial Conduct Authority (**FCA**).

The FCA has wide powers to support its supervisory functions and enforce regulatory compliance. These include the power to vary or cancel authorisations, to refuse approval for controllers, or to impose sanctions including criminal fines and penalties on authorised firms and individuals, obligations to take corrective action and/or to compensate clients, and requirements that controllers divest.

Changes in insurance products provided

The Combined Group earns a significant proportion of its revenue from the sale of insurance products both in Australia and in the United Kingdom.

These insurance products are provided by several key product providers. Key product providers may make fewer products available, may not make certain products available or may not make any products available to the Combined Group.

This may be for a number of reasons, including, where the product providers are insurers, decisions to limit the number of new policies that they write in response to market conditions, their perceptions of where their best growth opportunities may lie, or as a result of a lack of sufficient capital or funds generally which are required to underpin new policy growth.

The loss or impairment of any of these key product provider relationships, or a reduction in the nature or number of insurance products that the product providers make available, could adversely affect the Combined Group's business, financial condition and results from operations.

While new arrangements can be made to replace any loss of sales in the instance of the loss or impairment of a relationship with an insurance product provider (either through new or existing product providers), there can be no guarantee that the terms negotiated will be favourable.

Lloyd's appointments and approvals

The Combined Group's UK subsidiaries will be subject to supervision by Lloyd's as approved coverholders and Lloyd's brokers. Lloyd's supervises coverholders and brokers as part of its statutory role in supervising the Lloyd's market on an ongoing basis, and requires the Combined Group's UK subsidiaries to comply with various rules, regulations, guidelines and directions. Sanctions Lloyd's can impose include withdrawing a UK subsidiary's status as an approved coverholder and/or broker which would mean that the UK subsidiaries would no longer be able to enter into contracts of insurance or reinsurance on behalf of members Lloyd's syndicates pursuant to binding authority agreements and significantly restrict their ability to place insurance business in Lloyd's and the London insurance and reinsurance markets.

Reduction of GWP in the Australian and New Zealand or UK general insurance market

The Combined Group derives most of its revenue as a result of sale of general insurance products either as agent of the customer through its broker network or as agent of the insurer through its underwriting agency business. A substantial portion of the broker revenue relates to the proportion of the premium payable by the customer. The Combined Group's revenues could be adversely affected if any reduction in sales volumes or premium prices resulted in a reduction in the overall premium paid by insurance customers (known as "gross written premium) declined in Australia, New Zealand and / or the UK.

GWP is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of gross written premium.

Loss of capacity for underwriting agency business

Unexpected loss of an underwriting agency's underwriting capacity is likely to result in significant loss of income of the Combined Group. Further risk may be as a result of an underwriter withdrawing capacity due to uneconomic underwriting results. This would severely constrain the ability of underwriting agencies to write new business and may restrict them from renewing existing business. Any such scenario would have an adverse impact on the financial performance of the Combined Group's underwriting agency business. In both cases, the underwriting agency may need to close, reducing revenue and incurring wind down costs.

Data, technology and cyber security breaches

The Combined Group's operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in its computer systems and networks.

The Combined Group's facilities and systems as well as the facilities and systems used by the Combined Group's network partners, may be vulnerable to privacy and security incidents, security attacks and breaches, acts of vandalism or theft, computer viruses or other malware, hardware and software defects, malfunctions or updates, distributed denial-of-service or other cybersecurity risks, misplaced or lost data, programming and/or human errors or other similar events. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems, potential liability and regulatory action or liability under privacy and security laws (including as a result of a notifiable data breach under the Notifiable Data Breach Scheme), all of which could have a material adverse effect on the Combined Group's financial position and results of operations and harm the Combined Group's business reputation.

Dependence on third parties and services

The Combined Group relies on key software products and services supplied by third parties for its information management systems and delivery of services to brokers, clients and customers. If any software products upon which the Combined Group depends do not operate as expected then the services that the Combined Group operates may be adversely affected. There is an inherent risk that such third parties appointed do not perform their role to a satisfactory standard. There can be no assurance that the Company would be successful in attempting to enforce any of its contractual rights through legal action.

Furthermore, standard backup, restoration and recovery procedures are in place for the Combined Group. In accordance with AFSL requirements, Ensurance Australia Pty Ltd and applicable PSC Group entities are required to have in place disaster recovery plans. However, despite these protections, any significant interruptions to the Combined Group's information technology and communications systems could impair the ability of the Combined Group to continue to provide its services (such as access to the online platforms), or the loss

or corruption of data and may impact the Combined Group's brand image and potentially loss of customers.

Any of these impacts, or other potential effects, could materially affect the Combined Group's overall revenue and earnings.

Increased competition or market change

Increased competition from new entrants and existing market participants in markets in which the Combined Group operates, including increased commoditisation of business insurance products, may have an adverse impact on Combined Group's earnings. If there are changes in the remuneration model for, or the use of, insurance brokers, underwriting agencies, or risk services businesses, this may adversely impact the Combined Group's earnings and / or financial performance.

Foreign exchange risk

The Combined Group generates a significant proportion of its revenue in British Pounds but incurs costs in other currencies including Australian dollars and other denominations. The Combined Group is not currently hedging against exchange rate fluctuations and consequently will be at risk of any adverse movement in the applicable exchange rates.

Key personnel

The Combined Group's ability to successfully execute against its business plan and exploit market opportunities identified will be subject to the ability to attract and retain highly qualified and experienced executives and employees across all aspects of the business.

The Combined Group may not be able to attract or retain key staff or be able to find effective replacements in a timely manner. The Combined Group will ensure that it remains competitive in terms of employment conditions and salaries and to implement suitable incentive schemes to align the interests of employees and Shareholders. Recruiting and retaining qualified personal is important to the success of the Combined Group, but there can be no guarantee that appropriate personnel may be found. There may be periods of time where a particular position remains vacant while a suitable replacement is identified and appointed.

Any disputes with employees change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Combined Group.

Future capital requirements

The Combined Group may require further financing to continue to finance its ongoing growth strategy. Any additional equity financing that the Combined Group may undertake in the future may dilute existing shareholdings.

There can be no assurance that the Combined Group will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Combined Group. This may have an adverse effect on the Combined Group's financial position and prospects, in that the Combined Group may be required to scale back its growth strategies.

Success of planned acquisitions

As part of its growth strategy, the Combined Group will continue to identify and make further acquisitions of complementary businesses. Any such future potential transactions are accompanied by the risk that the transaction does not complete and costs incurred in conducting due diligence and negotiating acquisitions will be wasted. Further to this,

completed acquisitions may not deliver the benefits expected or may incur additional costs and time being spent to integrate the businesses. Any of these matters may impact the growth plans of the Combined Group.

Failure to manage growth

The Combined Group will need to continue to invest in processes to support the growth and development of its business. If this is not done in a timely, robust and efficient way to handle projected growth it may negatively impact on PSC's financial performance.

Equity market conditions and holding shares in PSC

Securities listed on the stock market, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities (including New PSC Shares) may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

9.3 Risks to ENA Shareholders if the Scheme does not proceed

ENA Shareholders should be aware that if the Scheme does not proceed, ENA Shareholders will retain their ENA Shares and will not receive any form of Scheme Consideration.

If the Scheme does not proceed, and no Superior Proposal for ENA is received, the ENA Directors will consider a number of alternative strategies for the operation and ownership of ENA's business, as well as other growth initiatives. These alternatives would take time to implement.

If the Scheme is not implemented, then in order for ENA to develop or grow its business, it may need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all. Further, any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If ENA is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

If the Scheme does not proceed, ENA will continue to operate as a stand-alone listed entity. ENA will still incur a proportion of the transaction and other costs of the Scheme. ENA Shares may trade below their current market price (or the value attributed by the Independent Expert) if the Scheme is not implemented. This may occur if, for example, investors consider that ENA's growth prospects are lower in the absence of the Scheme.

ENA Shareholders may, in addition to the normal risks they face, be exposed to the risks as set out below:

Licensing requirements for Australian Financial Services Licence (AFSL) holders

Generally, underwriting agencies, managing general agents and general insurance brokers that have a business in Australia are required to hold licences issued by ASIC in Australia. Under the laws of Australia an individual or a company must hold an AFSL (Australia) in order to conduct these businesses, unless exempt. Compliance with the obligations of an AFSL is the responsibility of the licensee. The ability of ENA to carry out its business objectives in

accordance with its stated objectives is dependent on the maintenance of ENA's ability to access an AFSL.

If ENA is unable to retain its access to an AFSL licence, it may not be able to continue to operate as it currently does. This may impact its ability to offer insurance and related services to its customers, which would result in a loss of income to ENA. Furthermore, if ENA does not comply with regulatory requirements, it may incur penalties, such as fines, obligations to pay compensation, enforceable undertakings, imposition of (or variations to) licence conditions or, ultimately, the cancellation or suspension of its access to an AFSL. The suspension or cancellation of access to an AFSL may also pose a reputational risk for ENA.

Dependence on third parties and services

ENA relies on key software products and services supplied by third parties for its information management systems and delivery of services to brokers, clients and customers. If any software products upon which ENA depends do not operate as expected then the services that ENA operates may be adversely affected. There is an inherent risk that such third parties appointed do not perform their role to a satisfactory standard. There can be no assurance that ENA would be successful in attempting to enforce any of its contractual rights through legal action.

Additional requirements for capital

ENA's capital requirements depend on numerous factors. Depending on ENA's ability to generate income from its operations, ENA may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If ENA is unable to obtain additional financing as needed, it may be required to reduce the scope of its business and operations plans. There is however no guarantee that ENA will be able to secure any additional funding or be able to secure funding on terms favourable to ENA.

Changes in insurance products provided

ENA earns a significant proportion of its revenue from the sale of insurance products. These insurance products are provided by several key product providers.

Key product providers may make fewer products available, may not make certain products available or may not make any products available to ENA. This may be for a number of reasons, including, where the product providers are insurers, decisions to limit the number of new policies that they write in response to market conditions; their perceptions of where their best growth opportunities may lie; or as a result of a lack of sufficient capital or funds generally which are required to underpin new policy growth.

The loss or impairment of any of these key product provider relationships, or a reduction in the nature or number of insurance products that the product providers make available, could adversely affect ENA and ENA's business, financial condition and results from operations.

While new arrangements can be made to replace any loss of sales in the instance of the loss or impairment of a relationship with an insurance product provider (either through new or existing product providers), there can be no guarantee that the terms negotiated will be favourable.

New product development and technology risk

ENA is reliant upon certain technologies and upon the successful commercialisation of these technologies. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of ENA, in which case this would adversely affect the profitability of ENA and likely the value of the ENA Shares.

Furthermore, standard backup, restoration and recovery procedures are in place for ENA. In accordance with AFSL requirements, Ensurance Underwriting Pty Ltd is also required to have in place its own disaster recovery plan. However, despite these protections, any significant interruptions to ENA's information technology and communications systems could impair the ability of ENA to continue to provide its services (such as access to the online platform), or the loss or corruption of data and may impact ENA's brand image and potentially loss of customers. Any of these impacts, or other potential effects, could materially affect ENA's overall revenue and earnings.

Contractual risk

To provide consistent service delivery, ENA has worked to build longstanding relationships with third party suppliers and employees working in the sector. The business of ENA has a significant dependence on its counterparties and their ability to meet their contractual obligations pursuant to the agreements entered into with a member of ENA. In particular, ENA relies on the continuation of product binding agreements between Ensurance Underwriting and insurers.

The ability of ENA to achieve its objectives depends upon the performance of counterparties to each of the agreements, of their respective obligations under those agreements, if any counterparty defaults in the performance of their obligations, it may be necessary for ENA or the relevant member of group (as the case may be) to approach a Court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

ENA has no current reason to believe that any of the parties which it or any of the members of ENA has contracted with will not meet and satisfy their obligations under their respective agreements.

Key personnel

ENA's ability to successfully execute against its business plan and exploit market opportunities identified will be subject to the ability to attract and retain highly qualified and experienced executives and employees across all aspects of the business. ENA may not be able to attract or retain key staff or be able to find effective replacements in a timely manner.

Any disputes with employees, change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in business that could adversely impact ENA.

Competition risk

ENA is participating in highly competitive markets. Some of ENA's competitors may have greater financial and other resources than ENA and, as a result, may be in a better position to compete for future business opportunities.

9.4 Risks relating to the implementation of the Scheme

The following risks have been identified as being key risks specific to the implementation of the Scheme.

Satisfaction or waiver of conditions precedent

Completion of the Scheme is subject to a number of conditions precedent. There can be no certainty, nor can ENA or PSC provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Scheme which are outside the control of ENA and PSC, including, but not limited to, approval of the Scheme by the Requisite

Majority of ENA Scheme Shareholders and required regulatory and third party approvals and consents (refer to Section 11.2 of this Scheme Booklet).

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed or the Scheme is delayed, the market price of ENA Shares may be adversely affected.

Termination rights

ENA and PSC each have the right to terminate the Scheme Implementation Deed in the circumstances described in Section 12.8 of this Scheme Booklet. As such, there is no certainty that the Scheme Implementation Deed will not be terminated before the Scheme is implemented.

If the Scheme Implementation Deed is terminated, ENA can provide no assurances that the ENA Board will be able to find a party willing to offer an equivalent or greater price for ENA Shares than the price to be paid under the terms of the Scheme Implementation Deed and the Scheme.

The value of the Scheme Consideration is not certain

Under the terms of the Scheme, ENA Scheme Shareholders (excluding Ineligible Foreign Shareholders) will receive approximately 0.056 New PSC Shares for every 1 ENA Scheme Share³⁴ they hold at the Record Date. The implied value of the Scheme Consideration that would be realised by individual ENA Scheme Shareholders will be dependent on the price at which the PSC Shares trade on ASX after the Implementation Date and is not fixed.

The price of PSC Shares following implementation of the Scheme may be higher or lower than the Scheme price as a result of a number of factors, including the financial and operating performance of PSC and general market conditions.

In addition, the Sale Agent (and/or a nominee of the Sale Agent) will be issued New PSC Shares attributable to certain Ineligible Foreign Shareholders and will sell them on market as soon as reasonably practicable after the Implementation Date. There is no guarantee regarding the prices that will be realised by the Sale Agent which may be either above or below current or historical market prices.

Risks of trading during deferred settlement trading period

ENA Scheme Shareholders will not necessarily know the exact number of New PSC Shares (due to rounding and any ENA Transaction Cost Adjustment) that they will receive (if any) as Scheme Consideration until a number of days after those shares can be traded on the ASX on a deferred settlement basis. ENA Scheme Shareholders who trade New PSC Shares on a deferred settlement basis, without knowing the number of New PSC Shares they will receive as Scheme Consideration may risk adverse financial consequences if they purport to sell more New PSC Shares than they receive.

Transaction and other costs

Transaction and other costs incurred (or which are expected to be incurred) by ENA in relation to the successful implementation of the Scheme are currently estimated at approximately \$325,000-340,000 (exclusive of GST), comprising adviser, legal, accounting, expert fees, planned redundancy costs and various other costs. Refer to Section 13.19 for further details.

Adjustment for ENA's transaction costs exceeding \$500,000

³⁴ Assuming no ENA Transaction Cost Adjustment.

As mentioned throughout this Scheme Booklet, the aggregate number of New PSC Shares that ENA Scheme Shareholders are entitled to receive may also be adjusted if ENA's transaction costs in relation to the Scheme exceed \$500,000 (including GST). This would result in less than 5,000,000 New PSC Shares being issued amongst ENA Scheme Shareholders as part of the Scheme Consideration. Details of the adjustment and a worked example showing how the adjustment works are set out on page 2 and in Section 5.2 of this Scheme Booklet.

Contract risk

Under contracts to which ENA or its Subsidiaries are a party, the Scheme may be deemed to result in a change of control event in respect of ENA that allows the counterparty to review or terminate the contract as a result of the change, upon implementation of the Scheme. If the counterparty to any such contract were to validly seek to renegotiate or terminate the contract on that basis, this may have a material adverse effect on the financial performance of the ENA business, depending on the relevant contracts.

A Superior Proposal for ENA may yet emerge

It is possible that a Superior Proposal for ENA, which is more attractive for ENA Shareholders than the Scheme, may materialise in the future. The implementation of the Scheme would mean that ENA Shareholders would not obtain the benefit of any such proposal.

The ENA Board is not currently aware of any such proposal and notes that since ENA and PSC announced the Scheme, there has been a significant period of time and ample opportunity for an alternative proposal for ENA which provides a different outcome for ENA Shareholders to emerge.

Since the Announcement Date, no alternative proposal has emerged and the ENA Directors have decided that the Scheme is in the best interests of Shareholders at the date of this Scheme Booklet.

Tax consequences for ENA Scheme Shareholders

If the Scheme proceeds, there may be tax consequences for ENA Scheme Shareholders which may include tax payable on any gain on the disposal of ENA Shares. However, ENA Scheme Shareholders should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to Section 10 for a summary of potential taxation implications.

Break fees under Scheme Implementation Deed

Under the Scheme Implementation Deed entered into between ENA and PSC, a liquidated amount (or break fee) of \$250,000 may become payable by ENA to PSC or PSC to ENA in certain circumstances. More information about the break fees that may be payable are set out in Section 12.7.

Other risks

Additional risks and uncertainties not currently known to ENA or PSC may also have a material adverse effect on ENA or PSC's business and that of the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of ENA, PSC or the Combined Group.

10. Australian tax implications

The following is a general summary of the Australian income tax, GST and duty considerations for ENA Scheme Shareholders who participate in the proposed Scheme.

INCOME TAX

10.1 Introduction

The following section addresses the income tax consequences of the proposed Scheme to Eligible ENA Scheme Shareholders.

Under the Scheme, each Eligible ENA Scheme Shareholder will receive approximately 0.056 PSC shares for every Eligible ENA Scheme Share held together with Top Up Cash Consideration (if applicable).³⁵

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and duty implications that could apply to ENA Scheme Shareholders in relation to the Scheme. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

This summary has been prepared solely for ENA Scheme Shareholders as described and limited below. Further, it is not intended to and should not be used or relied upon by anyone else and there is no acceptance of a duty of care to any other person or entity.

Only ENA Scheme Shareholders that are individuals, complying superannuation funds and corporate shareholders that hold their ENA Shares on capital account have been considered in this summary. In particular, this summary is not intended to cover ENA Scheme Shareholders who:

- (a) Are exempt from Australian income tax;
- (b) Hold their ENA Shares on revenue account or as trading stock;
- (c) Are partnerships or persons that are partners of such partnerships;
- (d) Acquired their ENA Shares under an employee share scheme or similar employee incentive plan;
- (e) Are temporary residents of Australia for Australian tax purposes;
- (f) Have changed tax residency while holding their ENA Shares;
- (g) Are foreign tax residents and hold their ENA Shares in carrying on a business at or through a permanent establishment in Australia; or
- (h) Are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their ENA Shares.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of participating in the Scheme based upon Australian taxation law and administrative practice in effect as at the date of this Scheme Booklet (which are both subject to change at any time, possibly with retrospective effect). ENA Scheme Shareholders should not refer to this summary for any other purpose.

³⁵ Assuming that there is no ENA Transaction Cost Adjustment.

This summary does not consider any specific facts or circumstances that may apply to ENA Scheme Shareholders. As the tax consequences for participating in the Scheme depend on each ENA Scheme Shareholder's individual circumstances, all ENA Scheme Shareholders are strongly advised to seek independent professional advice regarding the Australian and foreign tax consequences of the Scheme according to their own particular circumstances.

10.2 Australian Tax Resident Shareholders

This section applies to ENA Shareholders that participate in the Scheme and are residents of Australia for Australian income tax purposes that hold their ENA Shares on capital account. Based on representations made by ENA, it has been assumed that ENA does not have any "significant stakeholders" or "common stakeholders" as defined within the Income Tax Assessment Act 1997 (Cth).

10.2.1. Capital Gains Tax (CGT) Event

Under the Scheme, ENA Scheme Shareholders will dispose of their ENA Scheme Shares to PSC in exchange for the Scheme Consideration, comprising PSC Shares and cash consideration in the form of Top UP Cash Consideration (if any). The disposal of the ENA Scheme Shares to PSC under the Scheme will give rise to a CGT event. The time of the CGT event should be the date the ENA Scheme Shares are disposed of, which should occur on the Implementation Date.

In the absence of CGT roll-over relief, the following tax consequences are expected to arise for the ENA Scheme Shareholders:

- (a) A capital gain will be realised to the extent the capital proceeds received by the ENA Scheme Shareholders from the disposal of their ENA Scheme Shares exceed the cost base of those shares; or
- (b) A capital loss will be realised to the extent the capital proceeds received by the ENA Scheme Shareholders from the disposal of their ENA Scheme Shares are less than the reduced cost base of those shares.

Capital losses can be offset against capital gains derived in the same income year or in later income years, subject to loss recoupment tests. Specific loss recoupment rules apply to companies to limit their availability in future years in certain circumstances. ENA Scheme Shareholders should seek independent professional tax advice in relation to the operation of these rules.

10.2.2. Capital Proceeds

The capital proceeds on the disposal of the ENA Scheme Shares should be equal to the Scheme Consideration received by ENA Scheme Shareholders, ie the capital proceeds will be equal to the market value of the PSC Shares received by ENA Scheme Shareholders at the Implementation Date and any cash amounts received by ENA Scheme Shareholders from PSC as Top Up Cash Consideration.

10.2.3. Cost Base and Reduced Cost Base of an ENA Share

The cost base of an ENA Share will generally be equal to the cost of acquiring the ENA Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of an ENA Share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base do exist depending on the ENA Scheme Shareholder's individual circumstances. The cost base and reduced cost base of each ENA Share will depend on the individual circumstances of each ENA Scheme Shareholder.

10.2.4. CGT Discount

The CGT Discount may apply to Australian tax resident ENA Scheme Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their ENA Scheme Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their ENA Scheme Shares.

The CGT Discount is:

- (a) One-half if the ENA Scheme Shareholder is an individual or trustee; meaning only 50% of the capital gain will be included in assessable income; and
- (b) One-third if the ENA Scheme Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income.

The CGT Discount is not available to ENA Scheme Shareholders that are companies.

If the ENA Scheme Shareholder makes a discount capital gain, any carried forward capital losses may be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the ENA Scheme Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly we recommend trustees seek independent professional tax advice on how the CGT Discount applies to them and the trust's beneficiaries.

10.2.5. CGT Scrip for Scrip Roll-over Relief

Australian resident Eligible ENA Scheme Shareholders who make a capital gain from the disposal of their ENA Scheme Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). Broadly, CGT scrip for scrip roll-over relief enables ENA Scheme Shareholders to disregard the capital gain they make from the disposal of their ENA Scheme Shares under the Scheme, that is attributable to, consideration that is received in PSC Shares. Importantly, CGT scrip for scrip roll-over relief will not be available to disregard any capital gain arising from the disposal of ENA Shares that is attributable to any cash consideration received from PSC by way of Top Up Cash Consideration (please refer to the below for the further information).

For CGT scrip for scrip roll-over relief to be available, amongst other things, PSC must become the owner of 80% or more of the shares in ENA (which will occur if the Scheme is implemented) and the ENA Scheme Shareholders must make a capital gain on the disposal of their ENA Scheme Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

ENA Scheme Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

In addition, it is noted that PSC will not make a choice pursuant to sub-section 124-795(4) of the Income Tax Assessment Act 1997 (Cth) such that ENA Scheme Shareholders are unable to obtain CGT scrip for scrip roll-over relief.

10.2.6. Consequences of Choosing CGT Scrip for Scrip Roll-over Relief

If an Australian resident Eligible ENA Scheme Shareholder chooses to obtain CGT scrip for scrip roll-over relief, the capital gain arising on the disposal of their ENA Scheme Shares under the Scheme should be disregarded.

If an Eligible ENA Scheme Shareholder receives a combination of PSC Shares and cash (if any Top Up Cash Consideration is payable), the ENA Scheme Shareholder may be able to

make a choice pursuant to section 124-790 of the Income Tax Assessment Act 1997 (Cth) for a partial CGT scrip for scrip roll-over to be applied to the capital gain. Any capital gain attributable to the disposal of ENA Shares for PSC Shares will be disregarded, with the capital gain attributable to the cash consideration in the form of Top Up Cash Consideration (if any) being assessed under the general CGT rules.

The capital gain attributable to the cash consideration in the form of Top Up Cash Consideration (if any) may be calculated as follows:

Gain/(Loss) attributable to Top Up Cash Consideration

Value of Top Up Cash Consideration less Cost Base of ENA Shares attributable to Top Up Cash Consideration

The cost base of the ENA Shares that are attributable to the Top Up Cash Consideration may be calculated as follows:

Attributable Cost Base

Cost base of ENA Shares x $\frac{\text{Value of Top Up Cash Consideration}}{\text{Value of Total Consideration}}$

This summary of the CGT scrip for scrip roll-over and partial roll-over does not consider any specific facts or circumstances that may apply to Eligible ENA Scheme Shareholders. As the tax consequences for participating in the Scheme depend on each ENA Scheme Shareholder's individual circumstances, all ENA Scheme Shareholders are advised to seek independent professional advice according to their own particular circumstances.

Further, the first element of the cost base for the PSC Shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the ENA Scheme Shares exchanged via a full or partial CGT scrip for scrip roll-over under the Scheme. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the PSC Shares is generally taken to be the date when the ENA Scheme Shareholder originally acquired their ENA Scheme Shares eligible for full or partial CGT scrip for scrip roll-over.

10.2.7. Consequences if CGT Scrip for Scrip Roll-over Relief is not Available or is not Chosen

If an ENA Scheme Shareholder does not qualify for full or partial CGT scrip for scrip roll-over relief or does not choose to obtain full or partial CGT scrip for scrip roll-over relief, the general CGT treatment outlined above will apply.

If an ENA Scheme Shareholder makes a capital loss from the disposal of their ENA Scheme Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset against capital gains arising in earlier income years.

10.3 Foreign Tax Resident Shareholders

This Section applies to ENA Shareholders that participate in the Scheme and are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents) that hold their ENA Scheme Shares on capital account. It does not apply to ENA Scheme Shareholders who have held their ENA Scheme Shares at any time in carrying on a business at or through a permanent establishment in Australia or who have changed their tax residency while holding their ENA Scheme Shares.

10.4 Indirect Australian Real Property Interests

Foreign tax resident ENA Scheme Shareholders who hold their ENA Scheme Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their ENA Scheme Shares, provided their ENA Scheme Shares are not an “indirect Australian real property interest” as at the time of the disposal.

Broadly, an ENA Scheme Shareholder’s ENA Scheme Shares will not be an indirect Australian real property interest unless both of the following conditions are satisfied:

- (a) The foreign tax resident ENA Scheme Shareholder and their associates (as defined for tax purposes) together hold 10% or more of the issued shares in ENA at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their ENA Scheme Shares (the non-portfolio interest test); and
- (b) The aggregate market value of ENA’s assets which are taxable Australian property (broadly, being direct and indirect interests in real property, including land, leases of land and property affixed to land, situated in Australia) exceeds the aggregate market value of ENA’s assets which are not taxable Australian property (the principal asset test).

It is assumed that no foreign resident ENA Scheme Shareholder holds/held the requisite 10% or more of the issued shares in ENA at the time of disposal so the non-portfolio interest test is likely to be failed. Where this is the case, the ENA Scheme Shares would therefore not be an indirect Australian real property interest and no CGT should apply.

10.5 Foreign Resident CGT Withholding Rules

In broad terms, a foreign resident CGT withholding tax applies to transactions involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest from a foreign resident. The current withholding rate is 12.5%.

As noted above, it is unlikely that any foreign resident ENA Scheme Shareholders would pass the non-portfolio interest test and no CGT liability should therefore arise. However, it is suggested that to avoid any withholding, should it be applicable, foreign resident ENA Scheme Shareholders should complete a foreign resident capital gains withholding – vendor declaration form and provide this to PSC prior to the Implementation Date.

Foreign resident ENA Scheme Shareholders should seek independent professional tax advice in relation to the vendor declaration and the application of an exemption from CGT withholding in respect of this Scheme.

10.6 GST – Share Scheme

GST should not be payable by ENA Scheme Shareholders on the acquisition of their ENA Scheme Shares by PSC under the Scheme, or on the receipt of PSC Shares by Eligible ENA Scheme Shareholders as Scheme Consideration. The GST treatment should not change if any Top Up Cash Consideration is payable. ENA Scheme Shareholders who are registered for GST may not be entitled to input taxed credits (or only entitled to reduced input taxed credits) for any GST incurred on costs associated with the disposal of their ENA Scheme Shares. They should seek independent professional tax advice in relation to their individual circumstances.

10.7 Duty – Share Scheme

No Australian duty should be payable by ENA Scheme Shareholders on the acquisition of their ENA Scheme Shares by PSC under the Scheme or on the receipt of PSC Shares by Eligible ENA Scheme Shareholders as Scheme Consideration.

11. Implementing the Scheme

This Section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Scheme.

11.1 Actions already undertaken by ENA and PSC

ENA and PSC entered into the Scheme Implementation Deed on 8 August 2023 in which they agreed (among other things) their respective obligations in implementing the Scheme. The key terms of the Scheme Implementation Deed not otherwise addressed in this Section, are summarised in Section 12. A full copy of the Scheme Implementation Deed was released on ASX on 8 August 2023 and is available on ENA's website (<https://ensurance.com.au>). Since signing the Scheme Implementation Deed, ENA and PSC have undertaken the following activities to progress the implementation of the Scheme.

(a) Appointment of Independent Expert

ENA commissioned the Independent Expert, RSM Corporate Australia Pty Ltd, to prepare a report on whether the Scheme is in the best interests of ENA Scheme Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of ENA Scheme Shareholders.

The Independent Expert's Report is set out in Annexure A of this Scheme Booklet.

(b) Execution of Deed Poll by PSC

On 20 September 2023, PSC executed the Deed Poll in favour of each ENA Scheme Shareholder, pursuant to which PSC covenants to perform its obligations under the Scheme Implementation Deed and the Scheme. The key obligation of PSC under the Scheme is to provide the Scheme Consideration to each ENA Scheme Shareholder, subject to satisfaction of the Scheme Conditions.

The Deed Poll may be relied upon by an ENA Scheme Shareholder, despite the fact that they are not a party to it, and each ENA Scheme Shareholder appoints ENA as its agent to enforce their rights under the Deed Poll against PSC.

The Deed Poll is governed by the laws of New South Wales, Australia.

A copy of the Deed Poll is set out in full at Annexure C of this Scheme Booklet.

(c) Lodgement of draft Scheme Booklet with ASIC

On 11 September 2023, ENA lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. Following lodgement with ASIC, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

ENA has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

ENA has also lodged a copy of this Scheme Booklet with the ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

(d) **First Court Hearing**

On 28 September 2023, the Supreme Court of Western Australia ordered ENA to convene a meeting of ENA Shareholders to consider and vote on the Scheme.

The Scheme Meeting to consider the Scheme will be held virtually on 2 November 2023. The Scheme Meeting will commence at 11:00am (Perth time). You (or your proxy, corporate representative or attorney) may attend and participate in the virtual Scheme Meeting through an online platform. To attend the Scheme Meeting online, follow the instructions below.

- (i) Click on 'Join Meeting Now'.
- (ii) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.
- (iii) Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
- (iv) Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress.

For instructions on how to participate online please view the online meeting user guide at www.computershare.com.au/virtualmeetingguide.

For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting by the Requisite Majority.

Details of how to vote at the Scheme Meeting are set out at the beginning of this Scheme Booklet in the Section entitled "How to Vote".

A copy of the Notice of Scheme Meeting is set out in Annexure D of this Scheme Booklet.

The fact that under section 411(1) of the Corporations Act the Court ordered on 28 September 2023 that a meeting of ENA Shareholders be convened by ENA to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how ENA Shareholders should vote (on this matter, ENA Shareholders must reach their own decision); and
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

11.2 Scheme Conditions

Implementation of the Scheme is subject to satisfaction of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 3.1 of the Scheme Implementation Deed.

Certain of the Scheme Conditions set out in the Scheme and the Scheme Implementation Deed have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

Scheme Condition	
1.	<p>Authorisations from ASIC and ASX</p> <p>On or before 8:00am on the Second Court Date, ASIC and ASX issue or provide all authorisations and do all such other acts which ENA and PSC agree are reasonably necessary to implement the Scheme or effect the transaction, and those authorisations are not withdrawn, cancelled or revoked.</p>
2.	<p>Other Authorisations</p> <p>On or before 8:00am on the Second Court Date, ENA and PSC have obtained all other authorisations reasonably necessary to implement the Scheme and those authorisations are not withdrawn, cancelled or revoked.</p>
3.	<p>Independent Expert</p> <p>The Independent Expert issues a report which concludes that the Scheme is in the best interests of ENA Scheme Shareholders and the Independent Expert does not change or withdraw its conclusion in any update to its report or withdraw its report prior to 8.00am on the Second Court Date.</p>
4.	<p>First Court Date</p> <p>The First Court Date occurs within 8 weeks after the date of the Scheme Implementation Deed.</p>
5.	<p>Court approval</p> <p>The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.</p>
6.	<p>ENA Shareholder approval</p> <p>ENA Shareholders approve the Scheme by the Requisite Majorities under section 411(4)(a)(ii) of the Corporations Act.</p>
7.	<p>ENA Warranties</p> <p>At all times on and before 8:00am on the Second Court Date, the warranties provided by ENA under the Scheme Implementation Deed are true and correct in all material respects (other than the ENA warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given.</p>
8.	<p>PSC Warranties</p> <p>At all times on and before 8:00am on the Second Court Date, the warranties provided by PSC under the Scheme Implementation Deed are true and correct in all material respects (other than the PSC warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given.</p>
9.	<p>No ENA Prescribed Event</p> <p>No ENA prescribed event occurs or becomes known to PSC or ENA between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.</p>
10.	<p>No PSC Prescribed Event</p> <p>No PSC prescribed event occurs or becomes known to PSC or ENA between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.</p>

Scheme Condition
<p>11. No restraints</p> <p>No judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court, the Takeovers Panel, or other Authority of competent jurisdiction, remains in effect as at 8.00am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion or implementation of any aspect of the Scheme.</p>
<p>12. No Material Adverse Change</p> <p>No material adverse change has occurred or becomes known to ENA or PSC between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.</p>
<p>13. ENA's Disposal of PSC Acquisition Shares</p> <p>ENA having sold all its rights, title and interest in the PSC Shares held by ENA as at the date of the Scheme Implementation Deed, on market in the ordinary course of trading with the proceeds of such sale retained by ENA.</p>
<p>14. Liberty Agreement – Change of Control</p> <p>ENA having received and provided to PSC an executed consent from Liberty Mutual Insurance Company ABN 61 086 083 605 (Liberty) to any change of control of the ENA in connection with the Scheme, in accordance with the binding authority agreement between ENA and Liberty.</p>

For the Scheme to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the above table or otherwise waived to the extent it is capable of waiver.

As at the date of this Scheme Booklet, ENA is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. ENA Shareholders will receive an update on the status of the Scheme Conditions at the Scheme Meeting.

ENA will also announce to ASX any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with ENA's continuous disclosure obligations. These details will be published on ASX's website (www.asx.com.au) and will also appear on ENA's website (<https://ensurance.com.au>).

11.3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme is approved at the Scheme Meeting and all Scheme Conditions (other than approval by the Court at the Second Court Hearing) have been satisfied or waived in accordance with the Scheme Implementation Deed, ENA intends to apply to the Court on the Second Court Date (expected to be 7 November 2023) for the necessary orders to give effect to the Scheme.

ASIC has been requested to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of ENA Shareholders.

Each ENA Shareholder has the right to appear at Court at the hearing of the application by ENA for orders approving the Scheme. Any ENA Shareholder who wishes to object to the Scheme at that Court hearing or make a complaint to ASIC about the Scheme should note that the Court hearing for approval of the Scheme is expected to be held on 7 November 2023. The Court has an overriding discretion regarding whether or not to approve the Scheme, even if the Scheme is approved by the Requisite Majority of ENA Shareholders at the Scheme Meeting.

11.4 Scheme Meeting

The Scheme Meeting to consider the Scheme is scheduled to be held virtually on 2 November 2023. The Scheme Meeting will commence at 11:00am (Perth time).

You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform.

To attend and participate in the Scheme Meeting, you can log in by entering the following URL <https://meetnow.global/MKJJWWM> on your computer, tablet or smartphone.

Online registration will open 30 minutes before the Scheme Meeting.

To make the registration process quicker, please have your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and registered postcode or country code ready. Proxyholders will need to contact Computershare at +61 3 9415 4024 prior to the Scheme Meeting to obtain their login details.

To participate in the Scheme Meeting online follow the instructions below.

- (a) Click on 'Join Meeting Now'.
- (b) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meeting to obtain their login details.
- (c) Enter your postcode registered to your holding if you are an Australian ENA Shareholder. If you are an overseas ENA Shareholder select the country of your registered holding from the drop down list.
- (d) Accept the Terms and Conditions and 'Click Continue'.

For further instructions on how to participate online please view the online meeting user guide at [http:// www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

The Court has ordered that ENA convene the Scheme Meeting for the purposes of the ENA Shareholders considering and voting on the Scheme. The order of the Court to convene the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Scheme.

For the Scheme to be implemented, it is necessary that the Requisite Majority of ENA Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the Scheme Resolution, votes in favour of the Scheme must be cast by:

- (a) more than 50% in number of ENA Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and

- (b) at least 75% of the total number of votes cast on the Scheme Resolution by ENA Shareholders.

11.5 Steps after approval of the Scheme by ENA Scheme Shareholders at the Scheme Meeting but before the Second Court Date

If the Requisite Majority of ENA Shareholders approve the Scheme at the Scheme Meeting, ENA will, as soon as possible after the Scheme Meeting is held, announce the results of the ENA Shareholders' vote to ASX and will publish the results on ENA's website (<https://ensurance.com.au>).

11.6 Steps after Court approval at the Second Court Hearing

ENA and PSC have agreed that, if the Court makes orders approving the Scheme, ENA and PSC will take or procure the taking of the steps required for the Scheme to proceed, including:

(a) Record Date

ENA Scheme Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of ENA Scheme Shares at 7:00pm (Perth time) on the Record Date. The Record Date is the second Business Day following the Effective Date or any other date as agreed by ENA and PSC, expected to be 10 November 2023.

As from the Record Date (and other than for PSC following the Implementation Date), the ENA Share Register will close for transfers and all share certificates and holding statements for ENA Shares will cease to have effect as documents of title. Each entry on the ENA Share Register at 7:00pm (Perth time) on the Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

(b) Effective Date

If the Court approves the Scheme, ENA will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court order approving the Scheme. ENA intends to lodge the office copy of the Court order with ASIC on the Effective Date, which is expected to be 8 November 2023.

If all the Scheme Conditions are satisfied or waived, the Scheme will legally come into effect on the Effective Date.

If the Scheme has not become Effective or the relevant Scheme Conditions have not been satisfied or waived by 8 February 2024, or such later date as ENA and PSC agree in writing either party may serve notice on the other party, and the parties must then consult in good faith to determine whether the proposed acquisition may proceed by other means, or to extend the relevant time or date for satisfaction of the Scheme Condition or extend the End Date. If the parties do not reach an agreement within 10 Business Days of notice, either party may terminate the Implementation Deed and the Scheme will lapse and be of no further force or effect.

(c) Suspension of trading of ENA Shares

ENA will apply to ASX for suspension of trading of ENA Shares on ASX after the close of trading on ASX on the Effective Date. It is expected that the suspension will commence on the first Business Day after the day on which ENA notifies ASX of the Scheme becoming Effective.

(d) **Transfer of ENA Scheme Shares**

If the Scheme becomes Effective, on the Implementation Date:

- (i) all ENA Scheme Shares held by ENA Scheme Shareholders will be transferred to PSC without any further action required by ENA Scheme Shareholders; and
- (ii) ENA will enter the name of PSC into the ENA Share Register in respect of the ENA Scheme Shares.

ENA will then become a wholly-owned subsidiary of PSC and the ENA Board will be reconstituted so that it comprises persons nominated by the PSC Board.

(e) **Issue of New PSC Shares and Payment of Top Up Cash Consideration**

If the Scheme becomes Effective, PSC shall calculate the number of New PSC Shares to be issued in the event of any ENA Transaction Cost Adjustment, and on the Implementation Date the New PSC Shares to which ENA Scheme Shareholders are entitled under the Scheme will be issued to ENA Scheme Shareholders (other than Ineligible Foreign Shareholders). If Top Up Cash Consideration is payable, the Top Up Cash Consideration will be paid to ENA Scheme Shareholders on the Implementation Date.

It is expected that:

- (i) Holding Statements and CHESS Confirmation Advices for ENA Scheme Shareholders' entitlements to New PSC Shares will be despatched to ENA Scheme Shareholders whose New PSC Shares are held on PSC's register on the Implementation Date; and
- (ii) New PSC Shares will commence trading on ASX initially on a deferred settlement basis from 9 November 2023 and thereafter on a normal settlement basis from 20 November 2023.

If any Top Up Cash Consideration is payable, the Top Up Cash Consideration will be paid by PSC to a trust account operated by ENA as trustee for the ENA Scheme Shareholders by no later than 16 November 2023, the Business Day before the Implementation Date, to be paid to the ENA Scheme Shareholders on the Implementation Date.

For further information regarding the New PSC Shares to be issued, refer to Sections 11.8 and 13.5.

(f) **De-listing of ENA**

After the Implementation Date, ENA will apply to be removed from the official list of ASX.

(g) **Payments to Ineligible Foreign Shareholders**

New PSC Shares to which the Ineligible Foreign Shareholders would otherwise be entitled will be sold by the Sale Agent as soon as practicable (and in any event within 15 days after the date on which the New PSC Shares are quoted on the ASX) and the proceeds of the sale shall be remitted by the Sale Agent to PSC within 10 Business Days of settlement with PSC then promptly remitting proceeds to Ineligible Foreign Shareholders.

For more information refer to Section 5.7.

11.7 Warranty by ENA Scheme Shareholders

Each ENA Scheme Shareholder warrants to and has appointed and authorised ENA to warrant to PSC as agent and attorney for the ENA Scheme Shareholder, that:

- (a) all their ENA Scheme Shares (including any rights and entitlements attaching to those shares) transferred to PSC under the Scheme will, as at the date of the transfer, be fully paid and free from all encumbrances and restrictions on transfer of any kind;
- (b) they have full power and capacity to transfer their ENA Scheme Shares (including any rights and entitlements attaching to those shares) to PSC under the Scheme; and
- (c) they have no existing right to be issued any ENA Shares or any other ENA securities.

11.8 New PSC Shares

A summary of the rights attaching to New PSC Shares is set out in Section 13.5.

It is expected that:

- (a) all Eligible ENA Scheme Shareholders who receive New PSC Shares will have their names entered on the register of PSC Shareholders maintained by Link Market Services on the Implementation Date;
- (b) holding statements for Eligible ENA Scheme Shareholders' entitlements to New PSC Shares will be despatched to Eligible ENA Scheme Shareholders on the Implementation Date; those holding statements will be sent by prepaid post to the ENA Scheme Shareholders' addresses in the ENA Share Register as at 5:00pm (Perth time) on the Record Date; and
- (c) New PSC Shares are expected to commence trading on ASX initially on a deferred settlement basis from 9 November 2023 and thereafter on a normal settlement basis from 20 November 2023.

Each holder of New PSC Shares is responsible for confirming their holding before selling their New PSC Shares on a deferred settlement basis. Any sale of New PSC Shares before receipt of a holding statement is at the risk of the holder of those securities. To the extent permitted by law, ENA, PSC and Link Market Services disclaim all liability, whether in negligence or otherwise, to persons who sell their New PSC Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by ENA, PSC, Link Market Services, a broker or otherwise.

12. Key terms of the Scheme Implementation Deed

ENA and PSC entered into the Scheme Implementation Deed on 8 August 2023.

The Scheme Implementation Deed sets out the obligations of ENA and PSC in relation to the Scheme.

The ENA Directors consider that the Scheme Implementation Deed was entered into on arm's length commercial terms having regard to the fact that ENA undertook an assessment of any alternative strategic options available to it.

In making the above statement, the ENA Directors note that ENA Scheme Shareholders are being given the opportunity to consider and vote on whether the Scheme is approved at the Scheme Meeting.

This Section sets out a summary of the key terms and conditions of the Scheme Implementation Deed that are not otherwise addressed in this Scheme Booklet.

12.1 Scheme Conditions under the Scheme Implementation Deed

The Scheme is subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to Section 11.2 for further details.

12.2 No-shop restriction

The Scheme Implementation Deed includes exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earliest to occur of termination of the Scheme Implementation Deed. 8 February 2024 or the Implementation Date (**Exclusivity Period**).

During the Exclusivity Period, ENA must ensure that neither it nor any of its related bodies corporate or authorised representative directly or indirectly:

- (a) solicits, invites, encourages or initiates any third party to make any enquiries, negotiations, proposals or offers, or to enter into any discussions or negotiations, that could reasonably be expected to lead to, the making of a Competing Proposal; or
- (b) communicates to a third party any intention to do any of these things.

12.3 No-talk restriction

During the Exclusivity Period, ENA must ensure that neither it nor any of its related bodies corporate or authorised representatives, directly or indirectly:

- (a) negotiates or enters into correspondence, negotiations or discussions with any third party regarding; or
- (b) negotiates, accepts to enter into, or offers or agrees to negotiate, accept or enter into, any agreement, arrangement or understanding with any third party; or
- (c) communicate to any third party any intention to do any of the things referred to above,

in relation to, or which could be reasonably expected to lead to a Competing Proposal, even if that third party's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by ENA or any of its related bodies corporate or authorised representatives, or the third party has publicly announced the Competing Proposal.

12.4 No due diligence

During the Exclusivity Period, ENA must ensure that neither it nor any of its related bodies corporate or authorised representatives, directly or indirectly, discloses, provides, or otherwise makes available to any third party any non-public information relating to ENA in connection with, or with a view to obtaining or which could reasonably be expected to lead to, the development or announcement of an actual or potential Competing Proposal, including for the purposes of due diligence investigations on ENA and its operations.

If ENA proposes to disclose any such non-public information in connection with the purposes noted above, then:

- (a) before such information is disclosed, ENA must enter into a confidentiality agreement on terms no less onerous than the confidentiality agreement entered into between ENA and PSC; and
- (b) any such information must be provided to PSC as soon as practicable after the information is disclosed to the third party.

12.5 Fiduciary carve out

Certain exclusivity provisions (i.e. no talk, no due diligence restrictions) are subject to a “fiduciary out”, where those provisions do not apply to the extent they restrict the ENA Board from taking or refusing to take any action with respect to a Competing Proposal, provided that:

- (a) the actual, proposed or potential Competing Proposal is bona fide; and
- (b) the ENA Board has determined in good faith after:
 - (i) consultation with ENA’s external financial advisers, that the Competing Proposal is or is likely to lead to a Superior Proposal; and
 - (ii) consultation with ENA’s external legal advisers that failing to take an action in relation to the Competing Proposal would constitute or would likely constitute a breach of fiduciary or statutory duties of ENA Directors.

12.6 Matching right

If ENA receives a Competing Proposal and as a result, any ENA Director proposes to either:

- (a) change, withdraw or modify their recommendation of the Scheme; or
- (b) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal,

ENA:

- (c) must use its best endeavours to ensure that no ENA Director takes any action referred to in paragraphs (a) and (b); and
- (d) must ensure that ENA, the ENA Directors or any of its related bodies corporate or representatives directly or indirectly does not enter into any legally binding agreement, arrangement or understanding (whether legally binding or otherwise) with respect to a Competing Proposal, until each of the following has occurred:
 - (i) the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal;

- (ii) ENA has given PSC written notice (**Relevant Notice**) of the proposal by the ENA Directors to take the action referred to in paragraphs (a) or (b) (subject to PSC's rights under paragraph (f)), including details of the grounds on which the ENA Directors propose to take such action;
 - (iii) subject to paragraph (e), ENA has provided PSC with the identity of the rival acquirer and the material terms of the Competing Proposal and any information given to the rival acquirer (to the extent not already provided);
 - (iv) the rights under clause paragraph (f) have been exhausted; and
 - (v) ENA Directors have determined that the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal after PSC's rights under paragraph (f) have been exhausted and after evaluation of any Counter Proposal (defined below).
- (e) Prior to giving PSC the information under paragraph (g), ENA must advise the rival acquirer that the rival acquirer's name and other details which may identify the rival acquirer will be provided by ENA to PSC on a confidential basis.
- (f) If ENA gives a Relevant Notice to PSC under paragraph (d)(ii), PSC will have the right, but not the obligation, at any time during the period of at least (but not limited to) 4 full Business Days following the receipt of the Relevant Notice, to amend the terms of the transaction including increasing the amount of consideration offered under the transaction or proposing any other form of transaction (each a Counter Proposal), and if it does so then the ENA Directors must review and make a determination in respect of the Counter Proposal in good faith.
- (g) If the ENA Directors determine that the Counter Proposal would be more favourable, or at least no less favourable, to ENA and the ENA Shareholders than the Competing Proposal (having regard to the matters noted in clause 12.6.1 of the Scheme Implementation Deed), then ENA and PSC must use their best endeavours to agree the amendments to the Scheme Implementation Deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and ENA must use its best endeavours to procure that ENA's Directors recommend the Counter Proposal to the ENA Shareholders and not recommend the applicable Competing Proposal.
- (h) Each successive modification of a material term of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.

12.7 Break fee

ENA agrees to pay the Break Fee to PSC if any of the following occurs:

- (a) (**Withdrawal or modification of recommendation**): any ENA Director:
- (i) fails to support or recommend the Scheme as contemplated under the Scheme Implementation Deed;
 - (ii) changes, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme;
 - (iii) makes any public statement to the effect that the Scheme is not, or is no longer, supported or recommended by them;

- (iv) makes any public statement to the effect that they recommend a Competing Proposal,

and does not within 3 Business Days reinstate their recommendation of the Scheme, except in certain limited circumstances;

- (b) **(Competing Proposal)**: a Competing Proposal is publicly announced or made prior to the Second Court Date (whether or not such proposal is stated to be subject to any pre-conditions) and within 6 months of the End Date, a third party or associate of that third party (i) completes a Superior Proposal, or (ii) acquires a relevant interest in at least 50% of the ENA Shares, or otherwise comes to control the ENA group);
- (c) **(Material Breach)**: PSC validly terminates the Scheme Implementation Deed as a result of a material unremedied breach of the Scheme Implementation Deed by ENA;
- (d) **(Breach of exclusivity)**: ENA breaches the exclusivity provisions of the Scheme Implementation Deed; or
- (e) **(ENA Prescribed Event)**: an ENA prescribed event has occurred or becomes known to PSC or ENA between the date of execution of the Scheme Implementation Deed and 8:00am on the Second Court Date.

PSC agrees to pay the Break Fee to ENA if any of the following occurs:

- (a) **(Material Breach)**: ENA validly terminated the Scheme Implementation Deed as a result of a material unremedied breach of the Scheme Implementation Deed by PSC; and
- (b) **(PSC Prescribed Event)**: a PSC prescribed event has occurred or becomes known to PSC or ENA between the date of execution of the Scheme Implementation Deed and 8:00am on the Second Court Date.

12.8 Termination

The Scheme Implementation Deed (and hence the Scheme) may be terminated:

- (a) **(End Date)**: by either party, if the Scheme has not become Effective on or before the 11:59pm on the End Date;
- (b) **(ENA Board or Director adverse recommendation change)**: by PSC at any time prior to 8.00am on the Second Court Date if any ENA Director or the ENA Board changes, withdraws or adversely modifies or takes any action inconsistent with its recommendation to the ENA Shareholders that they vote in favour of the resolution to approve the Scheme or otherwise makes a public statement indicating that it no longer supports the Scheme or recommends a Competing Proposal, and does not, within 3 Business Days reinstate their recommendation of the Scheme;
- (c) **(ENA Board adverse recommendation change)**: by ENA if at any time prior to 8.00am on the Second Court Date if a majority of the ENA Board changes, withdraws or adversely modifies or takes any action inconsistent with its recommendation to the ENA Shareholders that they vote in favour of the resolution to approve the Scheme or otherwise makes a public statement indicating that it no longer supports the Scheme or recommends a Competing Proposal, provided that this is otherwise permitted under the Scheme Implementation Deed and if PSC is entitled or will become entitled to the Break Fee as a result of that action, the Break Fee has been paid in accordance with the Scheme Implementation Deed; and
- (d) **(Failure to satisfy or waive Scheme Conditions)**: by either party in circumstances where a Scheme Condition has not been satisfied or waived by the applicable time

and the parties have not been able to reach agreement as to how such failure is to be dealt with;

- (e) **(Material breach)**: by either party at any time prior to 8.00am on the Second Court Date, if the other is in material breach of a term of the Scheme Implementation Deed which breach cannot be remedied or has not been remedied by the earlier of:
 - (i) within 5 Business Days of receiving written notice from the relevant party to remedy that breach; or
 - (ii) 11:59 pm on the date immediately before the Second Court Date.

12.9 Amendments to the Deed Poll

The Deed Poll or any right created under it may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by ENA in writing; and
- (b) if on or after the First Court Date, the variation is agreed to by ENA in writing and the Court indicates that the variation would not of itself preclude approval by the Court of the Scheme,

in event, PSC must enter into a further deed poll in favour of the ENA Scheme Shareholders giving effect to the variation.

12.10 Representations and warranties

Each of ENA and PSC have given representations, warranties and covenants to the other that are considered to be standard warranties for an agreement of this kind. The representations, warranties and covenants given by each of ENA and PSC are set out in full in the Scheme Implementation Deed.

13. Additional information

13.1 Introduction

This Section 13 sets out additional information required to be disclosed to ENA Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to ENA Shareholders.

13.2 Interests of ENA Directors

As at the date of this Scheme Booklet:

- (a) ENA Directors held Relevant Interests in marketable securities of ENA as set out in Section 6.7; and
- (b) no ENA Director holds a Relevant Interest in marketable securities of PSC.

The following ENA Directors have acquired or disposed of a Relevant Interest in ENA Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet as set out in the table below:

Director	Date	Number Acquired (Post consolidation)	Value
Anthony Leibowitz	18 May 2023	363 Shares	\$76.23

ENA Directors who are ENA Scheme Shareholders will be entitled to receive Scheme Consideration along with other ENA Scheme Shareholders in accordance with the terms of the Scheme.

13.3 Interests of PSC Directors

As at the date of this Scheme Booklet:

- (a) PSC Directors held Relevant Interests in marketable securities of PSC as set out in Section 7.12; and
- (b) no PSC Director has any Relevant Interest in marketable securities of ENA.

13.4 ENA's interest in PSC securities

As at the date of this Scheme Booklet, ENA holds 399,401 PSC Shares which were received as part consideration for the acquisition by PSC of ENA's UK business. Under the terms of the Scheme Implementation Deed, ENA's disposal of these PSC Shares is a condition to the Scheme that must be satisfied or waived in order for the Scheme to be implemented (refer to Section 11.2 for further details).

13.5 Rights and liabilities attaching to New PSC Shares

If the Scheme becomes Effective, each ENA Scheme Shareholder (other than Ineligible Foreign Shareholders), will receive approximately 0.056 New PSC Shares for every 1 ENA Scheme Share they hold as at 7:00 pm (Perth time) on the Record Date.³⁶

The New PSC Shares issued as Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing PSC Shares.

³⁶ Assuming no ENA Transaction Cost Adjustment.

The following is a summary of the principal rights attaching to PSC Shares. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of PSC. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to PSC Shares are set out in the PSC's constitution, a copy of which is available for inspection at PSC's registered office during normal business hours and on the PSC website (www.pscinsurancegroup.com.au).

(a) **Quotation on ASX**

Quotation of New PSC Shares is not guaranteed or automatic. However, on PSC making an application to ASX for quotation of the New PSC Shares, quotation is expected in the ordinary course as PSC is already admitted to the official list of ASX and shares of the same class as those to be issued as the consideration under the Scheme have been granted official quotation by ASX.

It is expected that the New PSC Shares will commence trading on ASX, initially on a deferred settlement basis, on 9 November 2023. It is the responsibility of each ENA Scheme Shareholder to determine their entitlement to New PSC Shares under the Scheme before trading those shares to avoid the risk of selling shares that they do not own. Normal trading of the New PSC Shares issued pursuant to the Scheme is expected to commence on 20 November 2023.

(b) **General meetings**

Subject to the rights of the holders of PSC Shares issued on special terms and conditions, PSC Shareholders are entitled to receive:

- (i) at least 28 days' written notice of every general meeting of PSC Shareholders (whether or not the member is entitled to vote at the meeting); and
- (ii) all notices, accounts and other documents required to be sent under the constitution of PSC (**PSC Constitution**) or the Corporations Act.

(c) **Voting rights**

Subject to certain exceptions, at a general meeting of PSC, every PSC Shareholder who is entitled to vote and who is present in person or by proxy, attorney or representative has one vote on a show of hands (except that if the PSC Shareholder has appointed two proxies, in which case neither proxy may vote) and one vote on a poll for each fully paid PSC Share held by that PSC Shareholder (or, for each partly paid PSC Share held, a fraction of the vote equal to the proportion which the amount paid bears to the total issue price of the PSC Share).

In accordance with Section 250JA of the Corporations Act, voting at meetings will ordinarily be on a poll. A poll may also be demanded by at least five PSC Shareholders, who are present in person or by proxy or representative and entitled to vote on the resolution, by any one or more PSC Shareholders who are present holding PSC Shares constituting at least 5% of the total votes that may be cast on the resolution on a poll, or by the Chairman.

The Chairman does not have a casting vote.

(d) **Dividend rights**

The PSC Board may determine that a dividend is payable and to declare dividends in accordance with the Corporations Act. The amount and timing for payment and the method of payment of any dividend will be determined by the PSC Directors in

accordance with the Constitution. Subject to the Corporations Act, the Constitution and any rights or restrictions attached to a class of PSC Shares, dividends are to be apportioned and paid among PSC Shareholders in proportion to the amounts paid up on the PSC Shares held by each PSC Shareholder.

(e) **Winding-up**

In a winding up, the liquidator may, with the sanction of a special resolution of PSC:

- (i) divide among PSC Shareholders in kind the assets of PSC and may for that purpose, fix the value of assets of PSC and decide how the division is to be carried out as between the PSC Shareholders and different classes of PSC Shareholders; and
- (ii) vest the assets of PSC in trustees on any trusts for the benefit of the PSC Shareholders as the liquidator thinks appropriate.

The liquidator cannot compel a PSC Shareholder to accept marketable securities in respect of which there is a liability as part of a distribution of assets of PSC.

(f) **Transfer of shares**

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, PSC Shareholders may transfer all or any PSC Shares by any means permitted by the Corporations Act or by law. In certain circumstances, the PSC Board may refuse to register a transfer of PSC Shares, including where the transfer would create a new holding of an unmarketable parcel, and may only do so where the refusal would not contravene the ASX Listing Rules or the ASX Settlement Operating Rules. The PSC Board must not register a transfer if the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules forbid registration.

(g) **Issue of further shares and other securities**

Subject to any restrictions imposed by the Corporations Act or the ASX Listing Rules, the PSC Board may issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the PSC Board decides, and PSC may issue PSC Shares with any preferential, deferred or special rights, privileges or conditions or with any restrictions provided the rights attaching to such PSC Shares include the rights set out in or determined in accordance with the Constitution.

(h) **Variation of rights**

If PSC issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied or cancelled:

- (i) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (ii) by special resolution passed at a meeting of the holders of the issued shares of the affected class.

Subject to their terms of issue, the rights attached to a class of PSC Shares are not treated as varied by the issue of further shares of that class.

(i) Alteration of PSC constitution

The Constitution may only be amended by a special resolution passed by at least 75% of the votes cast by PSC Shareholders entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution must be given to PSC Shareholders.

(j) PSC Directors – Term of office, appointment and removal

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, a PSC Director, other than the Managing Director, must retire from office by no later than the third annual general meeting following their appointment or election or 3 years, whichever is longer.

Subject to the PSC Constitution, the PSC Directors may appoint a person to be a PSC Director to fill a casual vacancy on the PSC Board or in addition to the existing PSC Directors, who will then hold office until the next annual general meeting, at which time he or she will be eligible for election.

PSC may, subject to section 203D of the Corporations Act, by resolution of the members in a general meeting, remove a PSC Director from office.

13.6 Benefits to ENA officers in connection with retirement from office

There are no proposals for any payments or other benefit to be made or given to a director, secretary or executive officer of ENA or any Related Body Corporate of ENA as compensation for the loss of, or as consideration for or in connection with their retirement from office in ENA or any Related Body Corporate of ENA as a result of the Scheme.

13.7 Remuneration of ENA Directors

The ENA Directors are entitled to be paid fees for their services as directors of ENA and have been paid the following fees in the past two financial years:

ENA Director	FY2023	FY2022
Anthony Leibowitz	\$246,992 ¹	\$283,574 ²
Vaughan (Tom) Kent	\$303,609 ³	\$282,490 ⁴
Anthony Wehby	\$39,780 ⁵	\$39,600 ⁶

Notes:

1. Includes \$209,432 in cash salary and fees, \$16,840 in superannuation and \$20,720 in share-based payments.
2. Includes \$226,731 in cash salary and fees, \$22,673 in superannuation and \$34,170 in share-based payments.
3. Includes \$276,000 in cash salary and fees, \$25,292 in superannuation and \$2,317 in Long-Term benefits.
4. Includes \$254,585 in cash salary and fees, \$24,430 in superannuation and \$3,475 in Long-Term benefits.
5. Includes \$39,780 in cash salary and fees.
6. Includes \$39,600 in cash salary and fees.

13.8 Remuneration of PSC Directors

The PSC Directors are entitled to be paid fees for their services as directors of PSC and have been paid the following fees in the past two financial years:

PSC Director	FY2023	FY2022
Brian Austin	\$350,000	\$350,000
Antony Robinson	\$867,692	\$611,170
Melvyn Sims	\$160,800	\$164,986
Paul Dwyer	\$110,000	\$100,000
John Dwyer	\$350,000	\$350,000
Tara Falk	\$957,979	\$755,691
Joanne Dawson	\$121,550	\$110,000
James Kalbassi	\$957,979	\$755,691

13.9 Payments to non-executive PSC Directors

The PSC Constitution provides that non-executive directors of PSC may be paid, as remuneration for their services as directors of PSC, a sum determined from time to time by PSC Shareholders in a general meeting, with that sum to be divided amongst the non-executive directors in such manner and proportion as they agree.

As at the date of this Scheme Booklet, the aggregate maximum remuneration for non-executive PSC Directors is \$950,000 per annum.

13.10 Disclosure of payments and benefits to ENA Directors, secretaries and executive officers

There are no benefits payable to the Executive and Non-Executive Directors of ENA following their retirement as Directors on implementation of the Scheme.

Other than as set out above, no ENA Director, secretary or executive officer of ENA (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from PSC which is conditional on, or is related to, the Scheme other than in their capacity as an ENA Shareholder or as set out in Section 13.6.

13.11 Creditors of ENA

The Scheme, if implemented, will not affect the interests of creditors of ENA.

ENA has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

13.12 Right to inspect and obtain copies of the ENA Share Register

An ENA Shareholder has the right to inspect the ENA Share Register, which contains the name and address of each ENA Shareholder and certain other prescribed details relating to ENA Shares, without charge. An ENA Shareholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

13.13 No administrator

It is not proposed that any person be appointed to manage or administer the Scheme.

13.14 No relevant restrictions in the constitution of ENA

There are no restrictions on the right to transfer ENA Shares in ENA's constitution.

13.15 No unacceptable circumstances

The ENA Directors do not believe that the Scheme involves any circumstances in relation to the affairs of any member of ENA that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

13.16 ENA Scheme Shareholders in jurisdictions outside the Permitted Jurisdictions

This Scheme Booklet and the Scheme is subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Any ENA Scheme Shareholder whose address as shown in the ENA Share Register at 7:00pm (Perth time) on the Record Date is outside of Australia or its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom will be an Ineligible Foreign Shareholder for the purposes of the Scheme, other than an ENA Scheme Shareholder in respect of whom PSC is satisfied that the laws of that holder’s country of residence (as shown in the ENA Share Register) would permit the issue and allotment of New PSC Shares, either unconditionally or after compliance with conditions which PSC in its sole discretion regards as acceptable and not unduly onerous.

PSC will not issue New PSC Shares to an Ineligible Foreign Shareholder. If you are an Ineligible Foreign Shareholder, you should refer to Section 5.7 for further information.

13.17 Privacy and personal information

ENA and PSC, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of ENA Shareholders, and the names of individuals appointed by ENA Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme. The personal information may be disclosed to ENA’s and PSC’s share and option registries and investor relations advisers, to securities brokers and to print and mail service providers.

ENA Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact Computershare on 1300 850 505 (within Australia) or +61 (03) 9415 4000 (outside Australia) in the first instance if they wish to request access to that personal information.

ENA Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

13.18 Supplementary information

ENA will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet

for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each ENA Shareholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on ENA's website (<https://ensurance.com.au>). Any such supplementary document will also be released to ASX and accordingly will be available from ASX's website (www.asx.com.au).

13.19 Advisers and experts

(a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role
RSM Corporate Australia Pty Ltd	Independent Expert
Steinepreis Paganin	Legal adviser to ENA
Maddocks	Legal adviser to PSC
Computershare Investor Services	ENA's share registry
Link Market Services	PSC's share registry
William Buck (SA) Pty Ltd	Tax adviser to ENA

(b) Consents of advisers and experts

RSM Corporate Australia Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

RSM Corporate Australia Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of RSM Corporate Australia Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

PSC has given its consent to the inclusion of the PSC Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

William Buck (SA) Pty Ltd has consented to the inclusion of Section 10 of this Scheme Booklet except in respect of the duty aspects of Section 10 and references to the information set out in that Section in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

Steinepreis Paganin has given its consent to be named in this Scheme Booklet as legal adviser to ENA in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Shaun Garlick & Co Pty Ltd has consented to the inclusion of Section 10.7 of this Scheme Booklet and references to the information set out in that Section in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

Maddocks has given its consent to be named in this Scheme Booklet as legal adviser to PSC in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Computershare has given its consent to be named in this Scheme Booklet as ENA's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Link Market Services has given its consent to be named in this Scheme Booklet as PSC's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in Section 13.19(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) **Disclaimers of responsibility**

Each person named in Section 13.19(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New PSC Shares under the Scheme;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in Section 13.19(b); and
- (iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) **Fees**

Each person named in Section 13.19(a) as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

13.20 Effects of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

13.21 Data in charts, graphs and tables

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

13.22 No other material information

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by an ENA Shareholder whether or not to vote in favour of the Scheme, being information that is within the knowledge of any ENA Directors or of a Related Body Corporate of ENA and which has not previously been disclosed to ENA Shareholders.

14. Glossary of defined terms

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

A\$ or \$	The lawful currency of Australia.
AASB	The Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
Annexure	An annexure of this Scheme Booklet.
Announcement Date	8 August 2023, being the date of announcement of the Scheme.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given to it in section 12 of the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates as the context requires.
ASX Listing Rules	The official listing rules of ASX.
ASX Settlement Operating Rules	The settlement rules of ASX Settlement Pty Ltd ACN 008 504 532.
Australian Accounting Standards	The Australian Accounting Standards issued by the AASB.
Authority	Has the meaning given in clause 1.1 of the Scheme Implementation Deed.
Business Day	A day as defined in the ASX Listing Rules other than any day which banks are not open for general banking business in Perth, Western Australia.
CGT	Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> .
Combined Group	The corporate group comprising PSC and its subsidiaries, including the ENA Group, if the Scheme is implemented.
Competing Proposal	<p>Means any proposal, offer, transaction or arrangement by a third party that, if completed substantially in accordance with its terms, would mean amongst things of a similar nature:</p> <ul style="list-style-type: none"> (a) a person would acquire directly or indirectly a Relevant Interest or become the holder of 20% or more of the ENA Shares; (b) a person would directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of ENA; (c) a person would acquire control of ENA or a person may otherwise indirectly or directly acquire, merge or amalgamate with, ENA; (d) ENA will issue, on a fully diluted basis, 20% or more of its share capital as consideration for the assets or share capital of a third party; (e) ENA will cease to be admitted to the official list of ASX or the ENA Shares will cease to be officially quoted on the market operated by ASX, <p>or any proposal by ENA to implement any reorganisation of capital or dissolution or any proposal, offer or transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Scheme, or any transaction that would otherwise result in the Scheme not proceeding.</p>
Computershare	Computershare Investor Services Pty Limited (ABN 48 078 279 277), the security registry for ENA.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).

Corporations Regulations	The <i>Corporations Regulations 2001</i> (Cth).
Court	The Supreme Court of Western Australia.
Deed Poll	The deed poll dated 20 September 2023 executed by PSC whereby, among other things, PSC covenants to carry out its obligations under the Scheme, as set out in Annexure C.
Effective	When used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Scheme.
Effective Date	The date on which the Scheme becomes Effective.
Eligible ENA Scheme Shareholders	ENA Scheme Shareholders other than Ineligible Foreign Shareholders.
ENA or Company	Ensurance Ltd (ACN 148 142 634).
ENA Board	The board of ENA Directors as at the date of this Scheme Booklet.
ENA Directors	The directors of ENA.
ENA Group	ENA and its Subsidiaries.
ENA Prescribed Event	Has the meaning given in clause 1.1 of the Scheme Implementation Deed.
ENA Scheme Shares	Means all Shares held by the Scheme Participants as at the Record Date.
ENA Scheme Shareholders	Each person who is registered in the ENA Share Register as the holder of an ENA Scheme Share as at 7:00pm (Perth time) on the Record Date.
ENA Share	A fully paid ordinary share in the capital of ENA.
ENA Share Register	The register of ENA Shareholders maintained by Computershare in accordance with the Corporations Act.
ENA Shareholder	Each person who is registered in the ENA Share Register from time to time as the holder of an ENA Share.
ENA Transaction Cost Adjustment	Means the adjustment to the number of New PSC Shares to be issued to ENA Scheme Shareholders as set out on page 2 and in section 5.2.
ENA Warranties	Means each warranty of ENA set out in Schedule 1 of the Scheme Implementation Deed.
End Date	Means the later of: (a) 8 February 2024 (being, 6 months after the date of the Scheme Implementation Deed); (b) or such other date as PSC and ENA may agree.
FSMA	Financial Services and Markets Act 2000.
FY21	The period of 12 months (financial year) ending 30 June 2021.
FY22	The period of 12 months (financial year) ending 30 June 2022.
FY23	The period of 12 months (financial year) ending 30 June 2023.
GST	Goods and services tax.
GWP	Means gross written premium.
Implementation Date	The date that is five Business Days after the Record Date, or such other date as ENA and PSC agree in writing.
Independent Expert	RSM Corporate Australia Pty Ltd (ACN 050 508 024)
Independent Expert's Report	The report of the Independent Expert in relation to the Scheme as set out in Annexure A of this Scheme Booklet.

Ineligible Foreign Shareholder	An ENA Shareholder whose address as shown in the ENA Share Register at 7:00pm (Perth time) on the Record Date is a place outside Australia or its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom.
Last Practicable Date	27 September 2023, being the last practicable date before the finalisation of this Scheme Booklet.
Liberty Agreement	Has the meaning given in Section 1.1 of the Scheme Implementation Deed.
Material Adverse Change	Has the meaning given in Section 1.1 of the Scheme Implementation Deed.
Net Sale Proceeds	The sale proceeds of New PSC Shares sold under the Sale Facility by the Sale Agent in respect of Ineligible Foreign Shareholders, less any applicable brokerage, selling costs, taxes and charges.
New PSC Share	A PSC Share to be issued as consideration under the Scheme.
New PSC Share Price	Means the VWAP of the New PSC Shares over the period of 5 trading days prior to the Record Date.
Permitted Jurisdictions	Means Australia or its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom.
PSC	PSC Insurance Group Limited (ACN 147 812 164).
PSC Acquisition Shares	Means 399,401 PSC Shares that are held directly or indirectly by the ENA as at the date of entry into the Scheme Implementation Deed.
PSC Board	The board of PSC Directors as at the date of this Scheme Booklet.
PSC Directors	The directors of PSC.
PSC FY23 Annual Report	The annual financial report of PSC for the year ended 30 June 2023.
PSC Information	The information relating to PSC and the Combined Group provided by PSC to ENA in writing for inclusion in this Scheme Booklet, being: <ul style="list-style-type: none"> (a) the Letter from PSC; (b) the information contained in Section 7; (c) the information contained in Sections 8 (other than to the extent of financial information provided or published by ENA); (d) the information contained in Sections 9.2; and (e) the information contained in Section 13 regarding PSC or the interests of PSC Directors or their Associates.
PSC Prescribed Event	Has the meaning given in clause 1.1 of the Scheme Implementation Deed.
PSC Option	An option to acquire a fully paid ordinary share in the capital of PSC.
PSC Share	A fully paid ordinary share in the capital of PSC.
PSC Shareholder	Each person who is registered in the PSC Share Register from time to time as the holder of a PSC Share.
PSC Warranties	Means each warranty of PSC set out in Schedule 2 of the Scheme Implementation Deed.
Record Date	The second Business Day after the Effective Date or such other date after the Effective Date as ENA and PSC agree in writing.

Regulatory Authority	Includes: (a) ASX; (b) ASIC; (c) the Takeovers Panel; (d) a government or governmental, semi-governmental or judicial entity or authority; (e) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (f) any regulatory organisation established under statute.
Related Body Corporate	The meaning given to it in the Corporations Act.
Relevant Interest	The meaning given to it in sections 608 and 609 of the Corporations Act.
Requisite Majority	In respect of the Scheme, approval by: (a) more than 50% in number of ENA Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution by ENA Shareholders.
Sale Agent	The person nominated by PSC to sell the New PSC Shares that are attributable to Ineligible Foreign Shareholders under the terms of the Scheme (and/ or a nominee of that person).
Sale Facility	The mechanism by which Ineligible Foreign Shareholders receive the Net Sale Proceeds of any sale of New PSC Shares they would otherwise receive, as described in Section 5.8.
Scheme Booklet	This booklet that comprises the Notice of Scheme Meeting and explanatory statement in respect of the Scheme to be approved by the Court and despatched to ENA Shareholders and includes the Annexures to this booklet.
Scheme Conditions	The conditions for implementation of the Scheme as set out in clause 3.1 to the Scheme Implementation Deed as detailed at Section 12.2.
Scheme	The scheme of arrangement between ENA and the ENA Scheme Shareholders as described in clause 4 of the Scheme Implementation Deed and set out in Annexure B.
Scheme Consideration	The New PSC Shares to be issued to ENA Scheme Shareholders and the Top Up Cash Consideration (if any) to be paid to ENA Scheme Shareholders under the terms of the Scheme in consideration for the transfer to PSC of ENA Scheme Shares or in relation to Ineligible Foreign Shareholders, the Net Sale Proceeds equivalent to be paid under the Sale Facility and any Top Up Cash Consideration (if any) to be paid to Ineligible Foreign Shareholders.
Scheme Implementation Deed	The Scheme Implementation Deed dated 8 August 2023 between ENA and PSC relating to the implementation of the Scheme.
Scheme Meeting	The meeting of ENA Shareholders to be held virtually at 11:00am (Perth time) on 2 November 2023 to consider and vote on the Scheme. The notice convening the Scheme Meeting is set out in Annexure D.
Scheme Resolution	The resolution set out in the Notice of Scheme Meeting set out in Annexure D.
Second Court Date	The first day of the Second Court Hearing, being 7 November 2023.
Second Court Hearing	The hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
Section	A section of this Scheme Booklet.

Subsidiaries	Has the meaning it has in the Corporations Act.
Superior Proposal	<p>A written bona fide Competing Proposal which the ENA Board acting in good faith in the interests of ENA and the ENA Shareholders and, after having first obtained written advice from its legal and financial advisers, determines:</p> <ul style="list-style-type: none"> (a) is reasonably capable of being completed in accordance with its terms, taking into account all aspects of the Competing Proposal; and (b) would, if completed substantially in accordance with its terms, be more favourable to ENA Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal..
Takeovers Panel	Means the panel established by Part 10 of the <i>Australia Securities and Investment Commission Act</i> (Cth).
Top Up Cash Consideration	The cash consideration payable to ENA Scheme Shareholders to satisfy any difference between the value of the New PSC Shares and the purchase price of \$25.2 million.
VWAP	Has the meaning given in the ASX Listing Rules.

Corporate Directory

Ensurance Ltd

Directors

Anthony Leibowitz
Anthony Wehby
Vaughan Kent

Company Secretary

Samir Hallab

Registered & Principal Office

101 Grafton Street
BONDI JUNCTION NSW 2022

Telephone: +61 2 9167 8050
Email: corp@ensurance.com.au
Website: <https://ensurance.com.au>

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor

William Buck (SA)
Level 6, 211 Victoria Square
ADELAIDE SA 5000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: 1300 555 159

PSC Insurance Group Limited

Directors

Brian Austin
Paul Dwyer
Tony Robinson
John Dwyer
Melvyn Sims
Tara Falk
James Kalbassi
Jo Dawson

Company Secretary

Stephen Abbott

Registered & Principal Office

96 Wellington Parade
EAST MELBOURNE VIC 3002

Solicitors

Maddocks
Angel Place
Level 27, 123 Pitt Street
SYDNEY NSW 2000

Auditor

Ernst & Young (Melbourne)
8 Exhibition Street
MELBOURNE VIC 3000

Share Registry

Link Market Services Ltd
Level 13, Tower 4
727 Collins Street
MELBOURNE VIC 3008

Telephone: 1300 554 474

Annexure A – Independent Expert's Report



ENSURANCE LTD

Financial Services Guide and Independent Expert's Report

September 2023

We have concluded that the Scheme is in the Best Interests of ENA Scheme Shareholders

FINANCIAL SERVICES GUIDE

Overview

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 2 of this report.

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27 September 2023

The Directors
Ensurance Ltd
Level 21, Westfield Tower 2
101 Grafton Street
Bondi Junction, NSW, 2022

Dear Directors

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

- 1.1 On 8 August 2023, Ensurance Ltd ACN 148 142 634 ("ENA" or "the Company") announced it had entered into a binding Scheme Implementation Deed ("Implementation Deed") with PSC Insurance Group Limited ("PSC") under which PSC will, subject to satisfaction of various conditions, acquire 100% of the issued capital of ENA by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) ("the Act") ("the Scheme").
- 1.2 Under the terms of the Scheme, ENA shareholders participating in the Scheme ("ENA Scheme Shareholders") will in total receive the greater of \$25.2 million ("Minimum Scheme Consideration") and 5,000,000 New PSC Shares¹ ("Scheme Scrip Consideration"), to be satisfied by way of the issue of the Scheme Scrip Consideration, with any difference between the value of the Scheme Scrip Consideration and the Minimum Scheme Consideration to be paid in cash ("Top Up Cash Consideration"), resulting in ENA Scheme Shareholders (other than Ineligible Foreign Shareholders, refer to section 4 for further details) receiving approximately 0.056 New PSC Shares for each ENA Share held. The Minimum Scheme Consideration represents a minimum consideration of \$0.2795 per ENA Share. ENA and PSC have executed the Implementation Deed to give effect to the Scheme if all conditions precedents are satisfied or waived.
- 1.3 The Scheme is subject to the Supreme Court of Western Australia or another court having jurisdiction in relation to the Scheme as agreed between ENA and PSC ("Court") ordering the Company to convene a meeting of ENA Shareholders where they will consider a resolution seeking approval of the Scheme ("Scheme Meeting"). The Scheme Meeting is to be held on or about 2 November 2023 and, under the Act, it will be approved by the ENA Shareholders if the resolution is passed by a majority of the ENA Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution at the Scheme Meeting. If the Scheme is approved by the requisite majorities of ENA Shareholders and all conditions under the Implementation Deed (other than approval by the Court at a second Court hearing) have been satisfied or waived in accordance with the Implementation Deed, ENA will apply to the Court at the second Court hearing for the Court to approve the Scheme which, if approved by the Court, will become binding on all ENA Shareholders who hold ENA Shares as at the Scheme Record Date (as defined in the Scheme Booklet), irrespective of whether or not they voted for the Scheme.

¹ Assuming that there is no PSC Share Adjustment.

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- 1.4 The Directors of ENA have requested RSM Corporate Australia Pty Ltd (“RSM”), being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of the ENA Scheme Shareholders.
 - 1.5 Accordingly, we have prepared this Report for the purpose of stating, in our opinion whether or not the Scheme, and as such the offer under the Scheme, is in the best interests of the ENA Scheme Shareholders and to set out the reasons for that opinion. Our Report is to be included in the Scheme Booklet and Notice of Meeting to be sent to the ENA Shareholders in respect of the Scheme Meeting.
 - 1.6 All dollar figures in this Report refer to Australian Dollars, unless otherwise advised.
 - 1.7 This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of the ENA Shareholders. The ultimate decision whether to approve the Scheme should be based on each of the ENA Shareholders’ assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. The ENA Shareholders should read and have regard to the contents of the Scheme Booklet and Notice of Meeting which has been prepared by the Directors and Management of ENA other than the PSC Information in the Scheme Booklet (as that term ‘PSC Information’ is defined in the Scheme Booklet) which has been prepared by PSC. The ENA Shareholders who are in doubt as to the action they should take with regard to the Scheme and the matters dealt with in this Report, should seek independent professional advice.

2. Summary and Conclusion

Opinion

- 2.1 In the absence of any other relevant information and/or a Superior Proposal, RSM considers the Scheme to be **fair and reasonable** to the ENA Scheme Shareholders, and as such, that the Scheme is **in the best interests** of the ENA Scheme Shareholders.
- 2.2 A summary of our reasons and the approach we have taken in assessing our opinion is set out in Sections 11 and 12 of our Report.

Approach

- 2.3 In assessing whether the Scheme is “in the best interests” of the ENA Scheme Shareholders, we have considered Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 – Content of Expert Reports (“RG 111”), which provides specific guidance as to how an expert is to appraise a Scheme of Arrangement.
- 2.4 Schemes of Arrangement can be used as an alternative to a takeover bid under Chapter 6 of the Act to achieve substantially the same outcome. In these circumstances, RG 111 suggests that the form of analysis to be undertaken by the expert should be substantially the same as for a takeover bid.
- 2.5 In effect, the Scheme represents a takeover offer for ENA via an offer of the greater of \$25.2 million (“Minimum Scheme Consideration”) or 5,000,000 fully paid ordinary shares in PSC² (“Scheme Scrip Consideration”), to be satisfied by way of the issue of the Scheme Scrip Consideration, with any difference between the value of the Scheme Scrip Consideration and the Minimum Scheme Consideration to be paid in cash (“Top Up Cash Consideration”). Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme to be “in the best interests” of the ENA Scheme Shareholders, we have:
- a) considered whether the Scheme is “fair” to the ENA Scheme Shareholders by assessing and comparing:
 - the Fair Value of an ENA Share on a controlling basis prior to the Scheme; with
 - the Minimum Scheme Consideration per ENA Share; and
 - b) considered whether the Scheme is “reasonable” to the ENA Scheme Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to the ENA Scheme Shareholders, in their decision of whether or not to approve the Scheme.
- 2.6 Further information on the approach we have employed in assessing whether the Scheme is in “the best interests” of the ENA Scheme Shareholders is set out at Section 3 of this Report.

Is the Scheme fair to the ENA Scheme Shareholders?

- 2.7 In assessing whether we consider the Scheme to be fair to the ENA Scheme Shareholders, we have valued an ENA Share on a controlling basis prior to the implementation of the Scheme, and compared it to the Minimum Scheme Consideration per ENA Share, to determine whether an ENA Scheme Shareholder would be better or worse off should the Scheme be approved.

² Assuming that there is no PSC Share Adjustment.

2.8 Our assessment is set out in the table below.

Table 1 Comparison of assessed value of an ENA Share prior to the Scheme and the Minimum Scheme Consideration per ENA Share

	Low	High
Fair Value per ENA Share prior to the Scheme (controlling basis)	\$0.2320	\$0.2606
Minimum Scheme Consideration per ENA Share ¹	\$0.2795	\$0.2795

Source: RSM analysis

Note 1: Minimum Scheme Consideration per ENA Share of \$0.2795 has been calculated as \$25.2 million (Minimum Scheme Consideration) divided by the 90,155,925 total ordinary shares of ENA on issue as at 11 September 2023.

2.9 The above comparison is depicted graphically in the table below.

Figure 1 Comparison of assessed value of an ENA Share prior to the Scheme and the Minimum Scheme Consideration per ENA Share



Source: RSM analysis

2.10 We consider that, as the Minimum Scheme Consideration per ENA Share is greater than the Fair Value of an ENA Share prior to the Scheme, and in the absence of any other relevant information, in our opinion, the Scheme is **fair** to the ENA Scheme Shareholders, and as such, **in the best interests** of the ENA Scheme Shareholders.

Consideration of other factors relating to Scheme

2.11 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid.

2.12 Section 12 of this Report sets out our consideration of other factors relating to the implementation of the Scheme which are likely to be relevant to the decision of the ENA Shareholders as to whether or not to approve the Scheme. We set out a summary of these factors below.

2.13 ENA's Directors have unanimously recommended that ENA Shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet).

The extent to which a control premium is being paid

2.14 The Minimum Scheme Consideration offered per Scheme Share is \$0.2795 which represents a 40% premium on the closing price of ENA Shares of \$0.20 on 7 August 2023 (being the last day ENA Shares were available for trading immediately prior to the announcement of the Scheme).

- 2.15 RSM has conducted a study on 605 takeovers and schemes of arrangements involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("RSM Control Premium Study 2021"). Based on the RSM Control Premium Study 2021, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the banks and diversified financials sector were in the range of 24.8% to 26.4%. In determining the control premium, the offer price was compared to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, the closing share price of the acquiring company on the day prior to the date of the offer was used. The 40% premium of the Minimum Scheme Consideration per ENA Share above the ENA closing share price of \$0.20 on 7 August 2023 is higher than the average control premium range observed in the study.
- 2.16 An analysis of the implied premium of the offer under the Scheme over the VWAP of ENA Shares in the 180 trading days prior to the announcement is set out in the table below.

Table 2 Comparison of assessed value of ENA Share VWAP prior to the Scheme and Minimum Scheme Consideration per ENA Share

Period up to and including 7 August 2023	ENA VWAP \$	Minimum Scheme Consideration per ENA Share \$	Implied Premium %
1 Trading Day	0.2000	0.2795	39.8%
5 Trading Days	0.2000	0.2795	39.8%
10 Trading Days	0.2027	0.2795	37.9%
30 Trading Days	0.2020	0.2795	38.4%
60 Trading Days	0.2023	0.2795	38.1%
90 Trading Days	0.2049	0.2795	36.4%
120 Trading Days	0.2078	0.2795	34.5%
180 Trading Days	0.2138	0.2795	30.7%

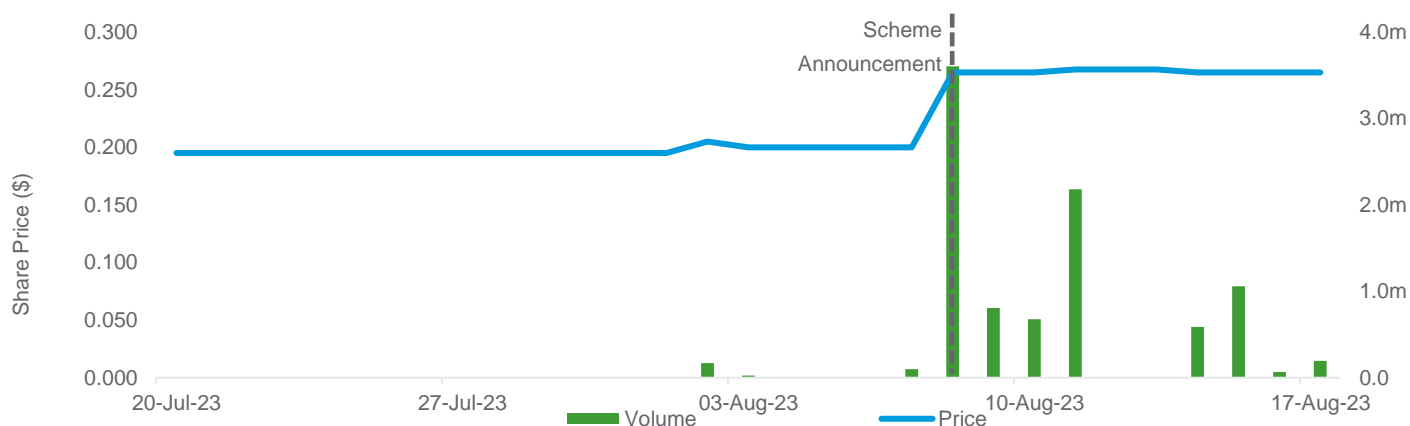
Source: RSM analysis

- 2.17 The implied control premium of the Minimum Scheme Consideration per ENA Share over the VWAP of ENA Shares ranges from 30.7% to 39.8% over the last six months, which is higher than the average control premiums observed in the RSM 2021 Control Premium Study.

The price of ENA Shares after the announcement of the Scheme

- 2.18 The Scheme was announced to the ASX on 8 August 2023, which saw the closing ENA Share price increase by 32.5% to \$0.265 over the previous closing price of \$0.20 on 7 August 2023. Shown below is a summary of the trading activity of ENA Shares in the period leading up to and following the Scheme announcement.

Figure 2 Post Announcement share price performance of ENA Shares



Source: S&P Capital IQ

2.19 Since the announcement of the Scheme on 8 August 2023, ENA's closing share price has traded at a high of \$0.267 and a low of \$0.265, representing discounts of 4% and 5% respectively to the Minimum Scheme Consideration per ENA Share of \$0.2795 per share. The ENA share price has remained relatively consistent since the announcement, indicating market expectations that the Scheme will be successfully implemented or an alternative Superior Proposal may emerge.

Liquidity of ENA Shares

2.20 Historically, the liquidity of ENA Shares has been low with \$67,000 (or 0.8% of the total free float) worth of ENA Shares traded in the 30 trading days prior to the Scheme announcement, and \$897,000 (or 10.1% of the total free float) worth of ENA Shares traded in the 180 trading days prior. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis.

2.21 The Scheme provides ENA Scheme Shareholders with an ability to convert their investment in ENA to an investment in PSC Shares. PSC demonstrates a moderate level of liquidity, with approximately \$73,128,000 (or 8.6% of total free-float) worth of shares on issue traded in the 180 days prior to the Scheme announcement.

Advantages of approving the Scheme

2.22 The advantages of the Scheme are summarised below:

Table 3 Advantages of approving the Scheme

Advantage	Details
The Scheme is fair	The Scheme is fair to the ENA Scheme Shareholders
Premium on ENA traded share price	The Minimum Scheme Consideration per ENA Share represents a 40% premium to the pre-announcement ENA traded share price, and a 36.4% premium to the 90 trading day VWAP.
Diversification	The Scheme will provide ENA Scheme Shareholders with exposure to a more diversified asset portfolio. PSC provides diversified insurance services, including commercial and life insurance broking, workers compensation consulting services and underwriting services in Australia, UK, Hong Kong, New Zealand, Bermuda and the EU.
Increased analysis of operations and expected share price performance	PSC's operations and share performance are covered by a range of analysts which will enhance the availability of information in relation to the operations and consensus expectation for share price performance.
Dividends	ENA has not paid any dividends over the period FY14 to FY23 as a result of its historical financial performance. PSC has paid dividends in each year ranging from \$0.07 to \$0.14 over the period FY18 to FY23, enhancing the probability of ENA Scheme Shareholders receiving dividends following the implementation of the Scheme.

Disadvantages of approving the Scheme

2.23 The key disadvantages of the Scheme are:

Table 4 Disadvantages of approving the Scheme

Disadvantage	Details
Dilutionary impact	ENA Scheme Shareholders will, collectively, have a diluted ownership of 1.37% ³ of PSC following the implementation of the Scheme. This will reduce the ENA Scheme Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets within the PSC group.
No ENA Board involvement	Following the implementation of the Scheme, no current ENA Board members will form part of the PSC Board.
Change in risk profile	Following the implementation of the Scheme, there will be a change in the risk profile of the shares held by ENA Scheme Shareholders, with new exposure to different insurance services and jurisdictions. This change in risk profile may not complement the investment strategy of some ENA Scheme Shareholders.
Value of the Scheme Consideration following implementation of the Scheme is not certain	The value of the Scheme Consideration that would be realised by individual ENA Scheme Shareholders following implementation of the Scheme is not certain, as it will depend on the price at which the New PSC Shares trade on the ASX in the future, which may expose ENA Scheme Shareholders to the risk that the effective value they receive for their ENA Scheme Shares may move adversely from the market value of the Scheme Consideration at the date of implementation of the Scheme.

Future prospects of ENA if the Scheme is not approved

2.24 If the Scheme is not approved by ENA Shareholders, ENA will remain listed on the ASX and will continue its operations in the same manner in which it is currently operating. ENA's Board of Directors will reassess ENA's options and strategies in such circumstances.

2.25 The ENA share price increased by 32.5% to \$0.265 over the previous closing price of \$0.20 following the announcement of the Scheme. If the Scheme is not approved, and in the absence of a Superior Proposal, we consider it possible that the price of ENA Shares may fall in the near-term, likely to the levels seen prior to the announcement of the Scheme.

Alternative proposals and likelihood of an alternative takeover offer

2.26 The ENA Directors have advised us that no formal alternative offers or approaches by potential acquirers have been received since the announcement of the Scheme on 8 August 2023.

2.27 The alternative to the Scheme is for the ENA Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in ENA either through maintaining ENA as an independent company or through the emergence of a Superior Proposal to the Scheme. Whilst there is no evidence to suggest that the ENA Shareholders would be better off under such an alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting. However, since the announcement of the Scheme on 8 August 2023, we understand that no Superior Offers have been put forward as the date of this Report.

Conclusion on reasonableness

2.28 In the absence of a Superior Proposal, RSM considers the Scheme **reasonable** to the ENA Scheme Shareholders and as such, the Scheme to be **in the best interests** of the ENA Scheme Shareholders.

³ Based on the issued capital of PSC as at the Last Practicable Date and assuming no PSC Share Adjustment

2.29 An individual ENA Shareholder's opinion in relation to the Scheme may be influenced by their individual circumstances. If in doubt, ENA Shareholders should consult an independent advisor.

3. Scope of the Report

Purpose of this Report

- 3.1 The Directors of ENA have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of the ENA Scheme Shareholders.

Regulatory guidance

- 3.2 It is relevant to note that the expression “in the best interests” is not defined within either the Act or the Regulations. Therefore, in determining whether the Scheme is in the best interests of the ENA Scheme Shareholders, we have had regard to the views expressed by the ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.
- 3.3 RG 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transactions is comparable to a takeover bid and is therefore representative of a change of control transaction. Where a Scheme would achieve substantially the same outcome as a takeover bid, RG 111 aligns “in the best interests” with the “fair and reasonable” test. While RG 111 does not define “fair and reasonable” it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid RG 111 applies the “fair and reasonable” test as two distinct criteria, stating:
- a takeover offer is considered “fair” if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
 - a takeover offer is considered “reasonable” if it is fair or, where the offer is “not fair”, it may still be “reasonable” if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- 3.4 RG 111 contends that if an expert was to conclude that a Scheme is “fair and reasonable” if it was in the form of a takeover bid, it will also be able to conclude that the Scheme is in the best interests of the members of the company.

Adopted basis of evaluation

- 3.5 In effect, the Scheme essentially represents a scrip for scrip offer by PSC (with additional cash consideration if the value of the Scheme Scrip Consideration is less than the Minimum Scheme Consideration) for 100% of the ENA Shares held by the ENA Scheme Shareholders. Therefore, consistent with the guidance set out in RG 111 as summarised above, in assessing whether or not we consider the Scheme to be in “the best interests” of the ENA Scheme Shareholders we have considered whether the Scheme is “fair” by assessing and comparing:
- the Fair Value of an ENA Share on a controlling basis prior to the Scheme; with
 - the Minimum Scheme Consideration per ENA Share.
- 3.6 On this basis, if the Minimum Scheme Consideration per ENA Share is equal to or greater than the Fair Value of an ENA Share prior to the Scheme, in our opinion, the Scheme would be “fair” and, as such, in the best interests of the ENA Scheme Shareholders.
- 3.7 Our assessment of the Fair Value of an ENA Share has been prepared on a basis which is consistent with the following definition of Fair Value:
- *“the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction”*

3.8 In assessing whether the Scheme is in the “best interests” of the ENA Scheme Shareholders, in addition to considering whether or not the Scheme is “fair” to the ENA Scheme Shareholders, we have also considered whether the Scheme is “reasonable” by undertaking an analysis of the following factors:

- the potential advantages and disadvantages of the Scheme;
- the extent to which a control premium is being paid;
- the price of ENA’s Shares post the announcement of the Scheme;
- the likelihood of a Superior Proposal emerging;
- the future prospects of ENA if the Scheme is not implemented;
- the existence of alternative proposals;
- the liquidity the Scheme provides; and
- the likely market price of ENA Shares if the Scheme is not implemented.

3.9 Our assessment of the proposed Scheme is based on economic, market and other conditions prevailing at the date of this Report.

4. Summary of the Scheme

Overview

- 4.1 On 8 August 2023, ENA announced that it had entered into a binding Scheme Implementation Deed (“Implementation Deed”) with PSC under which, subject to the satisfaction or waiver of various conditions, PSC will acquire 100% of the issued capital of ENA by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth).
- 4.2 Under the terms of the Scheme, the ENA Scheme Shareholders are entitled to receive the Scheme Consideration in respect of the Scheme Shares held by the ENA Scheme Shareholders. Subject to section 4.3 below, the Scheme Consideration applicable to the Scheme Shares held by the ENA Scheme Shareholders is:
- (a) the Scheme Scrip Consideration; plus
 - (b) the Top Up Cash Consideration (if any).
- 4.3 Ineligible Foreign Shareholders who are ENA Scheme Shareholders will not receive Scheme Scrip Consideration, but will instead receive the sale proceeds (less brokerage and other costs) from the sale of the New PSC Shares to which Ineligible Foreign Shareholders would have been entitled which will be issued to a sale agent and sold on-market on the ASX.
- 4.4 The Scheme Scrip Consideration means such number of New PSC Shares per Scheme Share to be issued to ENA Scheme Shareholders (other than to Ineligible Foreign Shareholders) under the Scheme. To the extent that ENA’s transaction costs exceed \$500,000 (including GST), the total number of New PSC Shares to be issued by PSC on the Implementation Date will be calculated by using the below formula:
- $(5,000,000 \text{ New PSC Shares less PSC Share Adjustment}) / \text{the number of Scheme Shares.}$
- 4.5 The PSC Share Adjustment means the number of New PSC Shares calculated by using the below formula:
- $\text{The amount by which the actual transaction costs incurred by ENA in connection with the Scheme exceed } \$500,000 \text{ (including GST)} / \text{New PSC Share Price.}$
- 4.6 The New PSC Share Price is calculated as the VWAP of PSC Shares on the ASX for the 5 trading days prior to the Record Date.
- 4.7 The Top Up Cash Consideration per Scheme Share is calculated using the formula below:
- $\text{Top Up Cash Consideration} = (\text{Minimum Scheme Consideration} - \text{value of Scheme Scrip Consideration}) / \text{total number of Scheme Shares.}$
- 4.8 The value of the Scheme Scrip Consideration is calculated by multiplying the total number of New PSC Shares to be issued under the Scheme by the New PSC Share Price.
- 4.9 For the avoidance of doubt, if the value of the Scheme Scrip Consideration is equal to or greater than the Minimum Scheme Consideration, there will be no Top Up Cash Consideration.
- 4.10 The above will result in approximately 0.056 New PSC Shares for each Scheme Share held⁴.
- 4.11 If the Scheme is implemented, ENA will become a wholly owned subsidiary of PSC.

⁴ Assuming that there is no PSC Share Adjustment.

Key conditions of the Scheme

4.12 The implementation of the Scheme is subject to a number of Conditions Precedent which are set out in section 3.1 of the Implementation Deed. The Conditions Precedent which must be satisfied or waived are:

- (a) **Authorisations from ASIC and ASX:** on or before 8.00am on the Second Court Date (as defined in the Implementation Deed), ASIC and ASX issue or provide all authorisations and do all such other acts which PSC and ENA agree are reasonably necessary to implement the Scheme and those authorisations are not withdrawn, cancelled or revoked.
- (b) **Other authorisations:** on or before 8.00am on the Second Court Date, PSC and ENA have obtained all other authorisations reasonably necessary to implement the Scheme and those authorisations are not withdrawn, cancelled or revoked.
- (c) **Independent Expert:** The Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of ENA Scheme Shareholders and the Independent Expert does not change or withdraw its conclusion in any update to its report or withdraw its report prior to the 8.00am on the Second Court Date.
- (d) **First Court Date:** the First Court Date occurs within eight weeks after the date of the Implementation Deed.
- (e) **Court approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Act.
- (f) **Shareholder approval:** ENA Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) the Act, except to the extent the Court orders otherwise under section 411(4)(a)(ii)(A) of the Act.
- (g) **ENA warranties:** at all times on and before 8.00am on the Second Court Date, the ENA warranties are true and correct in all material respects (other than the ENA warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given.
- (h) **PSC warranties:** at all times on and before 8.00am on the Second Court Date, the PSC warranties are true and correct in all material respects (other than the PSC warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given.
- (i) **Target Prescribed Event:** no Target Prescribed Event (as defined in the Implementation Deed) has occurred or becomes known to PSC or ENA between the date of the Implementation Deed and 8.00am on the Second Court Date.
- (j) **Bidder Prescribed Event:** no Bidder Prescribed Event (as defined in the Implementation Deed) has occurred or becomes known to PSC or ENA between the date of the Implementation Deed and 8.00am on the Second Court Date.
- (k) **No restraints:** no judgment, order, decree, statute, law, ordinance rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court, the Takeovers Panel, or other authority of competent jurisdiction remains in effect as at 8.00am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion or implementation of any aspect of the Scheme.
- (l) **No Material Adverse Change:** no Material Adverse Change (as defined in the Implementation Deed) occurs or becomes known to PSC or ENA between the date of the Implementation Deed and 8.00am on the Second Court Date.
- (m) **ENA's disposal of Bidder Acquisition Shares:** ENA having sold all its rights, title and interest in the Bidder Acquisition Shares (as defined in the Implementation Deed) on market in the ordinary course of trading with the proceeds of such sale retained by ENA.

- (n) **Liberty Agreement – change of control:** ENA having received and provided to PSC an executed consent from Liberty Mutual Insurance Company ABN 61 086 083 605 to any change of control of ENA in connection with the Scheme, in accordance with the terms of the Liberty Agreement (as defined in the Implementation Deed).

Strategic rationale for the Scheme

- 4.13 As outlined in the Scheme Booklet, the strategic rationale for the Scheme is the ability for ENA Scheme Shareholders to participate in the benefits of the Combined Group which will include ENA assets under PSC ownership.
- 4.14 Following the implementation of the Scheme, ENA will obtain access to PSC's stronger balance sheet and resources and global reach to help ENA unlock its full potential.

Capital structure of the Scheme

- 4.15 As outlined in the table below, PSC will have 359,275,121 PSC Shares and 2,000,000 Options on issue prior to implementation of the Scheme assuming that:
- (a) the Scheme becomes effective; and
 - (b) no other ENA Shares or PSC Shares are issued.
- 4.16 The number of PSC securities on issue may change as a result of participation by PSC Shareholders in PSC's dividend reinvestment plan following the date of the Scheme Booklet and prior to implementation of the Scheme. In addition, in pursuit of its growth strategy, PSC may issue scrip consideration or other securities as a component of the purchase price for future acquisitions or as incentives for management.

Table 5 Proposed Share Capital

	Ordinary Shares	% Interest
Existing PSC Shares on issue before the Scheme	359,275,121	98.63%
5,000,000 New PSC Shares issued in exchange for 100% of the ENA Shares ⁵	5,000,000	1.37%
PSC Shares on issue - Post Scheme	364,275,121	100.00%

Source: Management of ENA and PSC
Based on the issued capital of PSC as at the Last Practicable Date

- 4.17 If the Scheme becomes effective, 5,000,000 New PSC Shares⁶ will be issued as Scheme Scrip Consideration to the ENA Scheme Shareholders (other than in relation to Ineligible Foreign Shareholders).
- 4.18 ENA Scheme Shareholders (other than Ineligible Foreign Shareholders) will hold approximately 1.37%⁵ of the total number of PSC Shares that will be on issue following implementation of the Scheme and current PSC Shareholders will hold approximately 98.63%⁵ of the total number of PSC Shares that will be on issue following implementation of the Scheme.

⁵ Based on the issued capital of PSC as at the Last Practicable Date and assuming no PSC Share Adjustment.

⁶ Assuming that there is no PSC Share Adjustment.

5. Profile of Ensurance Ltd

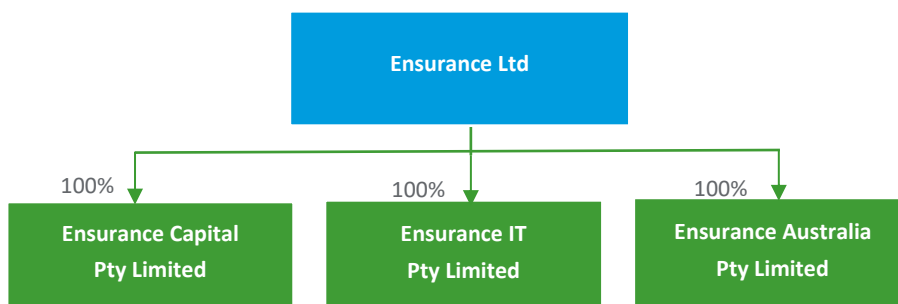
Overview

- 5.1 Ensurance Ltd (“ENA”) is an Australian publicly listed company, domiciled in Australia. Ensurance IT Pty Ltd, Ensurance Capital Pty Ltd and Ensurance Australia Pty Ltd are controlled subsidiaries of Ensurance Ltd, collectively forming the Ensurance Group.
- 5.2 Ensurance Australia Pty Ltd (“Ensurance Australia”), is a wholly owned subsidiary of ENA, which operates as an insurance underwriting agency, providing tailored insurance products through partnerships with underwriters. Under a traditional intermediated model, Ensurance Australia distributes insurance solutions through qualified brokers, partnering with over 300 broking businesses and 1,500 individual brokers nationwide.
- 5.3 Before divesting its UK subsidiary, Ensurance UK Limited, ENA’s UK operations was the main contributor to revenue and the main market of focus for the Ensurance Group. Ensurance UK offered a range of insurance products, including contractors-all risk, contractors-plant and equipment, home build, combined liability, engineering inspection, construction, cyber, terrorism and sabotage insurance products to its customers.
- 5.4 ENA announced on 4 November 2022 that it signed a binding agreement with Chase UK Holdings Limited (a subsidiary of PSC) to sell its UK subsidiary for \$8.2 million. The sale process was completed as per ENA’s ASX announcement on 10 March 2023.
- 5.5 On 1 July 2021, ENA acquired TK Speciality Risks Pty Ltd (“TKSR”), an Australian boutique underwriting agency owned by Mr. Tom Kent, who now serves as the current Chief Executive Officer of ENA. TKSR was subsequently re-branded to Ensurance Australia and since then, the Company has focused on expanding its reach across Australia, maintaining offices in Sydney, Melbourne, Adelaide and Perth, with a core team of senior underwriters who provide tailored insurance products via ENA’s broker network.
- 5.6 Following the divestment of its UK operations and the acquisition of TKSR, ENA’s strategic focus has been on growing its Australian operations both through continued organic expansion of its business and through targeted and strategic business acquisitions, investments and alliances. In March 2023, ENA announced its strategic investment in car insurance start-up company, KOBA Insurance Holding Pty Limited (“KOBA”), via a Simple Agreement for Future Equity (“SAFE”), for up to \$1.5 million.
- 5.7 The market capitalisation of ENA as at the date of this Report was approximately \$23.9 million.

ENA’s corporate structure

- 5.8 The corporate structure of ENA is outlined in the figure below following the divestment of Ensurance UK.

Figure 3 ENA corporate structure



Source: ENA audited financial statements

Directors and management

5.9 The directors of ENA are summarised in the table below.

Table 6 ENA Directors

Name	Title	Experience
Anthony Leibowitz	Chairman	<p>Mr Leibowitz has over 30 years of corporate finance, investment banking and broad commercial experience. Previous roles include Chandler Macleod Limited and Pilbara Minerals Limited, where he acted as Chairman and was an early investor in both companies. Mr Leibowitz was a partner of a global professional services organisation and is a Fellow of the Institute of Chartered Accountants in Australia.</p> <p>Mr Leibowitz was appointed to the ENA Board on 27 September 2017.</p> <p>During the past three years, Mr Leibowitz has served as a director of Ensurance Ltd, Trek Metals Limited (ASX:TKM), Astute Metals NL (ASX: ASE), Bardoc Gold Limited (ASX:BDC) and Greenvale Mining Limited (ASX:GRV).</p>
Vaughan (Tom) Kent	Executive Director	<p>Mr Kent has worked in the insurance sector for both Australian and global insurers in a number of key roles since 2004. Most recently, prior to establishing TK Specialty Risks Pty Ltd in 2015, Mr Kent was the Professional and Financial Lines Manager for Axis Specialty Australia in South Australia.</p> <p>Mr Kent was appointed to the ENA Board on 17 February 2022.</p> <p>Mr Kent has not held any other directorships in the past three years.</p>
Anthony Wehby	Non-Executive Director	<p>Mr Wehby was a partner in PricewaterhouseCoopers for 19 years where he specialised in Corporate Finance and was responsible for the management of the national corporate finance practice. Since 2001 he has held Non-Executive Director roles and maintained a financial consulting practice, focusing on companies considering significant changes. Mr Wehby was a founding Director and Chairman of Aurelia Metals Limited, Chairman of Tellus Resources Ltd and member of the Board Advisory Committee of Moss Capital Funds Management Limited. Mr Wehby is also currently on the Board of Kingston Resources Ltd (ASX:KSN) and Variscan Mines Limited (ASX:VAR).</p> <p>Mr Wehby was appointed to the ENA Board on 3 May 2018.</p> <p>Aside from Mr Wehby's current directorships at Kingston Resources Ltd and Variscan Mines Limited, Mr Wehby has not held any other directorships in the past three years</p>

Source: ENA Scheme Booklet

Financial Performance

5.10 The following table sets out a summary of the financial performance of ENA for the years ended 30 June 2021 (“FY21”), 30 June 2022 (“FY22”) and 30 June 2023 (“FY23”) extracted from the audited financial statements of the Company.

Table 7 ENA Statement of Financial Performance

Financial performance (\$'000)	Ref	FY21 <i>Audited</i>	FY22 <i>Audited</i>	FY22 <i>Audited</i> (Restated)	FY23 <i>Audited</i>
Revenue	a)	4,341	7,295	2,463	3,496
Other income	b)	189	-	-	450
Interest revenue		4	19	19	76
Total revenue		4,534	7,314	2,482	4,022
Expenses					
Insurance		(145)	(172)	(11)	(30)
Business development		(80)	(140)	(5)	(53)
Compliance costs		(364)	(343)	(190)	(161)
Computer and communications		(335)	(566)	(89)	(21)
Depreciation and amortisation		(152)	(87)	(42)	(43)
Employment costs	c)	(3,602)	(5,046)	(1,752)	(2,891)
Commissions		(183)	(107)	-	-
Legal and consulting fees		(109)	(138)	(116)	(163)
Occupancy costs		(167)	(217)	(60)	(102)
Travel and accommodation		(8)	(27)	(5)	(51)
Other expenses		(28)	(19)	(28)	(56)
Finance costs		(663)	(180)	(173)	(4)
Operating profit / (loss)		(1,301)	274	11	446
Modified loss on sale of subsidiary		(2)	-	-	-
Profit / (loss) before income tax		(1,303)	274	11	446
Income tax expense		-	-	-	-
Profit / (loss) after income tax expense from continuing operations		(1,303)	274	11	446
Profit after income tax expense from discontinued operations	d)	-	-	263	5,357
Profit / (loss) after income tax expense		(1,303)	274	274	5,803
Other comprehensive income / (expense)		17	(59)	(59)	-
Total comprehensive Profit / (loss) for the year	e)	(1,286)	214	214	5,803

Source: ENA Audited Annual Reports

5.11 We note the following in relation to ENA's financial performance:

- a) An analysis of the historical revenue and earnings over the FY21 to FY23 period is impractical given the material change in the operations of the Company following its divestment of its UK operations and the acquisition of TKSR.
- b) Other income comprises net foreign exchange gain, revaluation increments on PSC Shares (refer to the commentary in 5.14 below regarding ENA's holding of PSC Shares), as well as research and development claims from the ATO in FY23.
- c) Employment costs which comprise of chairman fees, non-executive director fees, superannuation expenses, wages and salaries, other employment related costs, bonus paid, payroll tax and movements in employee benefit provisions, was the largest expense category for the Company over the three years to FY23.
- d) Profit after income tax expense from discontinued operations relate to the divestment of Ensurance UK in FY23.
- e) ENA disclosed a total comprehensive loss of \$1.3 million for the period FY21, and a total comprehensive profit of \$214,000 and \$5.8 million for the periods FY22 and FY23 respectively. Excluding Ensurance UK, the total comprehensive profit was \$11,000 and \$446,000 for the periods FY22 and FY23 respectively.

Dividends

5.12 No dividends have been paid over the historical period FY21 through FY23.

Financial Position

5.13 The table below sets out a summary of the financial position of ENA as at 30 June 2021, 30 June 2022 and 30 June 2023.

Table 8 ENA Statement of Financial Position

A\$'000	Ref	30-Jun-21 <i>Audited</i>	30-Jun-22 <i>Audited</i>	30-Jun-22 <i>Audited</i>	30-Jun-23 <i>Audited</i>
		Pre-UK divestment	Pre-UK divestment	Post-UK divestment	Post-UK divestment
Current Assets					
Cash and cash equivalents	a)	1,464	1,019	635	5,428
Trade and other receivables	b)	1,769	2,416	291	1,213
Trust account insurer assets	c)	19,226	24,335	2,547	7,502
Bonds on deposits		-	18	-	-
Other		129	148	41	106
Total current assets		22,588	27,935	3,515	14,249
Non-current assets					
Receivables		273	-	-	-
Investments	d)	1	1	1	3,398
Property, plant and equipment		12	30	22	19
Right-of-use assets		-	29	29	3
Intangibles	e)	134	2,333	2,232	2,370
Bonds on deposits		19	1	1	8
Total non-current assets		438	2,394	2,286	5,798
Assets of disposal group classified as discontinued operations	f)	-	-	24,529	-
Total assets		23,027	30,330	30,330	20,046
Current liabilities					
Trade and other payables	g)	1,309	981	413	483
Borrowings		67	73	-	-
Contracted payments	h)	-	-	-	930
Lease liabilities		-	27	27	3
Employee benefits		89	108	108	183
Trust account insurer liabilities	i)	18,860	24,219	2,602	7,523
Total current liabilities		20,325	25,408	3,150	9,122
Non-current liabilities					
Borrowings		2,500	-	-	-
Lease liabilities		-	3	3	-
Employee benefits		10	27	27	41
Total non-current liabilities		2,510	29	29	41
Liabilities directly associated with assets classified as discontinued operations	j)	-	-	22,258	-
Total liabilities		22,835	25,437	25,437	9,163
Net assets / (liabilities)	k)	192	4,892	4,892	10,884
Equity					
Issued capital		22,241	26,697	26,697	26,688
Reserves		74	(56)	(56)	86
Accumulated losses		(22,123)	(21,749)	(21,749)	(15,890)
Total equity		192	4,892	4,892	10,884

Source: ENA Annual Reports

5.14 We note the following in relation to ENA's financial position:

- a) ENA's cash and cash equivalents have increased from \$1.5 million at 30 June 2021 to \$5.4 million at 30 June 2023, with the increase largely attributable to the proceeds received from the sale of Ensurance UK.
- b) Trade and other receivables comprise commission on trust assets (net of allowance for expected credit losses) and other receivables.
- c) Trust account insurer assets comprise insurance debtors and trust accounts.
- d) Investments comprise:
 - An investment in unlisted companies carried at \$1,200;
 - A \$1.5 million investment in KOBA through a SAFE, entered into during FY23. The investment will be made in up to five separate tranches over a two-year period. ENA has an unconditional obligation to pay the first three tranche amounts, totalling \$1.2 million. Payment of the fourth tranche of \$150,000 on 15 October 2024 is contingent on a valuation cap of \$15 million and the September 2024 quarter net profit of KOBA being greater than \$0 and positive operating cash flow. Payment of the fifth tranche of \$150,000 on 15 January 2025 is contingent on a valuation cap of \$20 million and the December 2024 half-year results of KOBA showing a net operating profit and cashflow of over \$100,000. If the relevant milestones for the fourth and fifth tranches are not achieved by the relevant tranche payment dates, ENA has the option (but not the obligation) to proceed to make the relevant tranche payment. In exchange for payment of each tranche, ENA has the right to be issued shares in KOBA; and
 - \$2.2 million of PSC Shares held by the Company, carried at fair value, which were issued as part of the consideration for the sale of Ensurance UK and associated revaluation increments in FY23.
- e) Intangibles comprise goodwill of \$2.2 million pertaining to the acquisition of TKSR and the written-down value of software of \$146,000.
- f) Assets of disposal group classified as discontinued operations comprise cash and cash equivalents, trade and other receivables, trust account, insurance debtors, prepayments, property, plant and equipment, intangibles and bonds on deposit associated with Ensurance UK.
- g) Trade and other payables comprise trade payables and other payables.
- h) Contracted payments in FY23 relates to an amount of \$775,216 payable for the investment in KOBA under the SAFE, with the balance relating to insurance premium funding and other payables.
- i) Trust account insurer liabilities relate to underwriter's liabilities, which largely nets off against the trust account insurers assets balance.
- j) Liabilities directly associated with assets classified as discontinued operations comprise trade payables, other payables, underwriter's liability and amounts due to associates in relation to Ensurance UK.
- k) ENA disclosed a net assets position of \$192,000 as at 30 June 2021, which increased to \$4.9 million as at 30 June 2022 (or \$2.6 million excluding net assets associate with Ensurance UK) and \$10.9 million as at 30 June 2023.

Capital structure

5.15 As at 11 September 2023, ENA has 90,155,925 ordinary shares on issue with the top 20 shareholders of ENA as set out below.

Table 9 ENA Top 20 shareholders

	Registered Shareholder	No. Shares Held	
1	KALONDA PTY LTD <LEIBOWITZ SUPER FUND A/C>	16,220,492	18.0%
2	MR VAUGHAN THALES KENT <VAUGHAN KENT FAMILY A/C>	8,333,334	9.2%
3	BNP PARIBAS NOMS PTY LTD <DRP A/C>	6,565,113	7.3%
4	MR VAUGHAN THALES KENT	5,000,000	5.5%
5	H&G HIGH CONVICTION LIMITED	4,275,871	4.7%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,964,168	3.3%
7	CHURCH STREET TRUSTEES LIMITED <THE MATLAS A/C>	2,923,207	3.2%
8	SHELLFRO PTY LTD <A&S VIDOR FAMILY A/C>	2,173,914	2.4%
9	CAPRICORN ELEVEN SUPERANNUATION FUND PTY LTD <CAPRICORN ELEVEN S/F AC>	2,034,783	2.3%
10	FIRST CAR INTERNATIONAL LIMITED <0312.6904.02.01 A/C>	1,900,000	2.1%
11	GOLDSTAKE CORPORATION PTY LTD	1,873,555	2.1%
12	MUSEUM INVESTMENTS LIMITED	1,849,738	2.1%
13	CITICORP NOMINEES PTY LIMITED	1,555,451	1.7%
14	NATIONAL NOMINEES LIMITED	1,450,615	1.6%
15	SPELT KENT PTY LTD <SPELT KENT SUPER FUND A/C>	1,222,097	1.4%
16	MR WILLIAM TSIMIS	1,160,306	1.3%
17	DKP SUPER PTY LTD <PAVIC SUPER FUND A/C>	1,101,018	1.2%
18	DR IDA CONSTABLE	1,000,000	1.1%
19	MR JOHN HUGH BRENNAN	964,553	1.1%
20	MR DAVID ALAN STERN	944,044	1.0%
Total ordinary shares held by top 20		65,512,259	72.7%
	All other shareholders	24,643,666	27.3%
Total ordinary shares on issue		90,155,925	100.0%

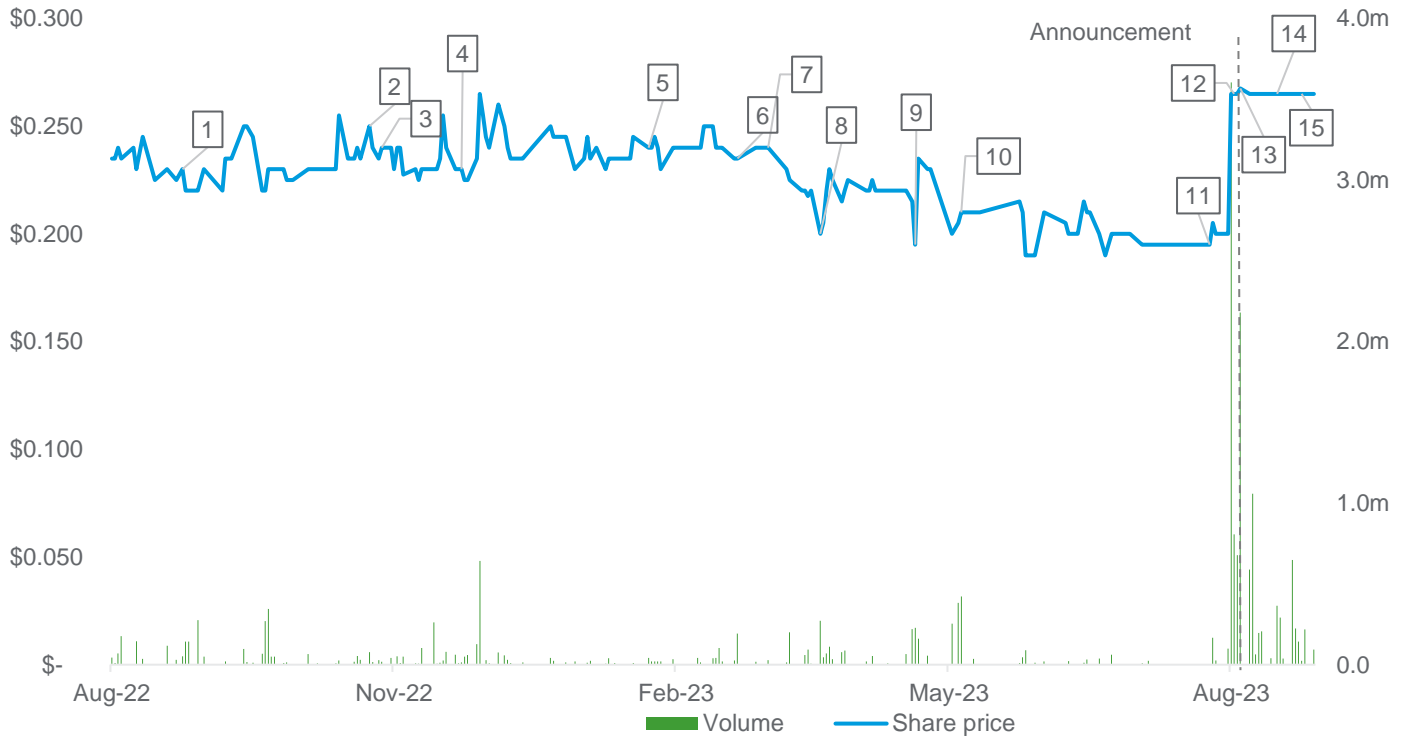
Source: ENA Management

5.16 At the date of this Report, ENA has no outstanding unlisted options or performance rights.

Share price performance

5.17 The figure below sets out a summary of ENA's closing share price and traded volumes over the 12-month period to 7 August 2023, being the last trading day before the Scheme announcement, and the subsequent period to 4 September 2023.

Figure 4 ENA recent share trading history



Source: S&P Capital IQ

5.18 Key announcements made by the Company over the 12-month period to 7 August 2023 are summarised below.

Table 10 Significant announcements made by ENA before the Scheme announcement

Ref	Date	Commentary
1	31/08/2022	ENA released its annual report to its shareholders which reported a total after-tax profit of \$273,745, reflecting strong turnaround from \$1.3 million loss in the previous corresponding period ("PCP").
2	31/10/2022	Annual General Meeting, Operational Update to Shareholders, AGM Presentation, Results of Annual General Meeting and Initial Director's Interest Notice
3	4/11/2022	ENA announced the sale of its UK operations to PSC with the execution of a binding Sales & Purchase Agreement ("SPA"). Under the terms of SPA, PSC will pay \$6.15 million (excluding settlement adjustments) in cash and the balance of \$2.05 million in PSC Shares.
4	30/11/2022	ENA advised that Mr Samir Hallab has resigned as Non-Executive Director of the Company effective on 30 November 2022.
5	30/01/2023	ENA announced its December quarterly activities and cash flow summary which presented a net cash from operating activities amount of \$32,000.
6	28/02/2023	ENA released its Half Year Accounts to shareholders which reported that it recorded a total profit after tax of \$325,728 for the half year ended 31 December 2022 (\$263,429 in PCP), of which \$78,940 (\$160,468 in PCP) was the profit from continuing operations.
7	10/03/2023	ENA announced that it has completed the sale of its UK operations to PSC, following the satisfaction of all conditions precedent to the binding SPA signed in November 2022 and approval from UK regulatory bodies.
8	27/03/2023	ENA announced its strategic investment in car insurance start-up company KOBA for up to \$1.5 million.
9	28/04/2023	ENA announced its March quarterly activities and cash flow summary which presented a net cash from operating activities amount of \$312,000.
10	12/05/2023	ENA announced 2 million shares to be bought back for a cash consideration at \$0.21/share (or \$420,000).
11	31/07/2023	ENA announced its June quarterly activities and cash flow summary which presented a net cash used in operating activities amount of \$98,000.

Source: ASX announcements

5.19 Significant announcements made by the Company from the date of the Scheme announcement on 8 August 2023 and up to 4 September 2023 are summarised below.

Table 11 Significant announcements made by ENA after and including the Scheme announcement

Ref	Date	Commentary
12	8/08/2023	Under the proposed Scheme of Arrangement, PSC has agreed to acquire all of the issued shares in the capital of ENA at the greater of \$25.2 million and 5,000,000 PSC Shares ⁷ . ENA Scheme Shareholders will be entitled to receive approximately 0.056 New PSC Share for each ENA Share. The transaction values ENA at no less than \$25.2 million and each ENA Share at approximately 28 cents per ENA Share. The ENA Board unanimously recommends proposal for the acquisition of ENA by PSC and enters into Implementation Deed.
13	11/08/2023	ENA announced H&G High Conviction Limited became a substantial holder on 11 August 2023 with 4,575,871 ordinary shares (5.1% voting power).
14	23/08/2023	ENA released its annual report to its shareholders which reported that it posted a total after-tax profit of \$5,802,580, reflecting strong growth from \$273,745 in the PCP.
15	31/08/2023	ENA announced Harvest Lane Asset Management Pty Ltd became a substantial holder on 31 August 2023 with 4,907,075 ordinary shares (5.44% voting power).

Source: ASX announcements

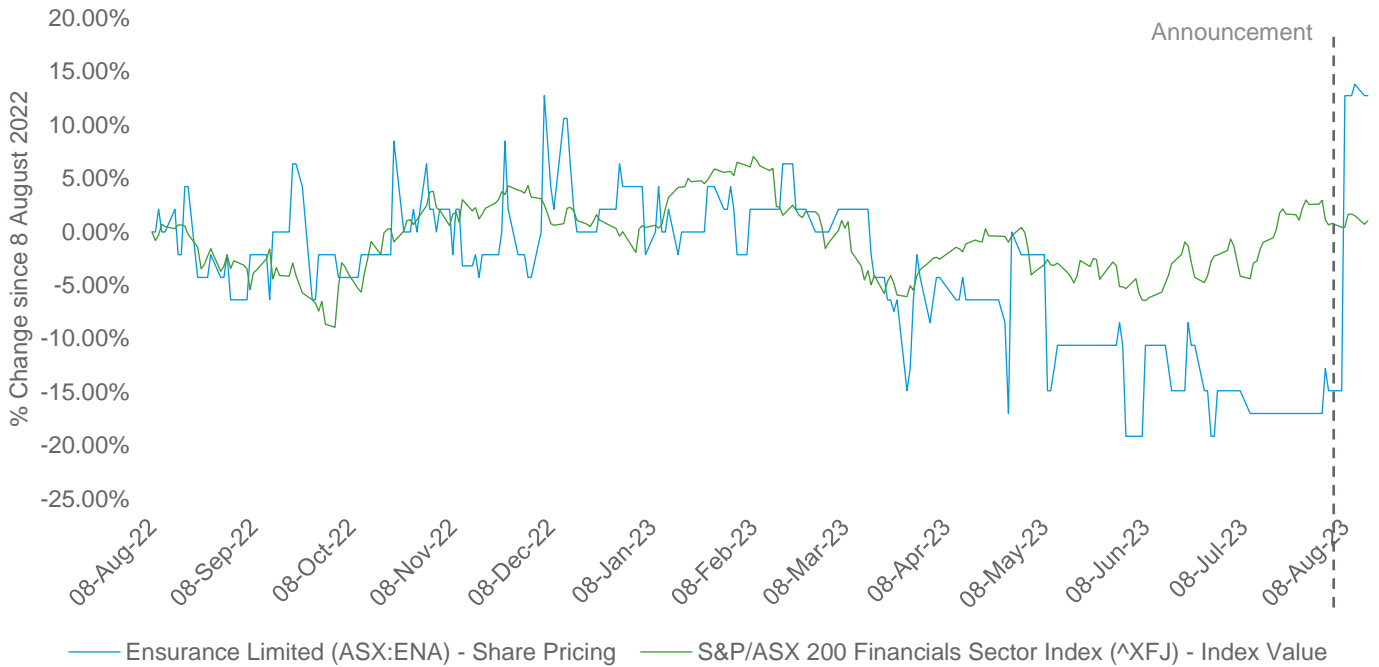
5.20 Over the period from 8 August 2022 to 7 August 2023, being the last day ENA Shares were traded prior to the announcement of the Scheme:

- a) ENA Shares traded and closed at \$0.20 on the last day of trade prior to the Scheme announcement;
- b) Approximately 10% of ENA Shares were traded over a 12-month period, demonstrating a low level of stock liquidity; and
- c) The most significant day of trading over the period was on 6 December 2022, with 642,550 ENA Shares traded due to the change of Tom Kent's and Tony Leibowitz's director interests. No ASX price query was issued.

⁷ Assuming that there is no PSC share Adjustment

5.21 The following chart illustrates the relative movement in the ENA Share price against the S&P/ASX All Ordinaries Index from 8 August 2022 to 7 August 2023, and the period subsequent to the Scheme announcement.

Figure 5 Relative movements in ENA's share price



Source: S&P Capital IQ

5.22 ENA Share price trended down over the period of review from \$0.235 on 8 August 2022 to \$0.20 on 7 August 2023, representing a decline of 15%. The S&P/ASX 200 Financials Sector Index trended up by 0.4% from 6,357 on 8 August 2022 to 6,384 on 7 August 2023.

5.23 Our analysis indicates that, whilst ENA Share price broadly tracked the S&P/ASX 200 Financials Sector Index from 8 August 2022 to 8 April 2023, it has underperformed the index since, leading up to the Scheme announcement.

6. Profile of PSC Insurance Group Limited

Overview

- 6.1 PSC Insurance Group Limited (“PSC”) is an ASX-listed company, providing diversified insurance services across Australia, UK, Hong Kong, New Zealand, Bermuda and the EU. Established in 2006, and headquartered in Melbourne, PSC operates a decentralised business structure with over 35 offices, each with a dedicated manager and principal. This structure allows brokers autonomy and accountability within manageable units. Supporting each of PSC’s businesses is a centralised administration, compliance, IT and finance function. PSC has an experienced team of insurance practitioners with broad skill sets, at both Board and executive level.
- 6.2 The operations of PSC can be summarised in three distinct operating segments, being:
- a. Distribution – Insurance broking and adjacent services: providing direct insurance broking services and solutions to customers across Australia and New Zealand;
 - b. Agency/ Specialty – Home to the Chase Underwriting business, PSC’s Agency & Specialty division provides insurance underwriting services with specialism in construction, healthcare, accommodation, hospitality and travel.
 - c. UK, Hong Kong, EU and Bermuda – The segment includes:
 - i. PSC’s UK businesses which span wholesale broking, retail broking and underwriting agencies.
 - ii. PSC’s Hong Kong based insurance broking businesses.
 - iii. PSC’s Bermuda businesses which are part of the Paragon business and provide reinsurance and more complex insurance cover for large professional firms.
 - iv. PSC’s EU businesses which are operated out of Ireland via an Irish subsidiary and operate a wholesale broking business.

6.3 The market capitalisation of PSC as at the date of this Report was approximately \$1,803 million.

PSC’s corporate structure

6.4 PSC owns approximately 100 subsidiaries, the majority of which are 100% controlled.

Directors

6.5 The directors of PSC are noted in the table below.

Table 12 PSC directors

Name	Title	Experience
Brian Austin	Non-Executive Chairman	Brian Austin, an Independent Non-Executive Chairman, was appointed to the board on 10 December 2010. Mr Brian Austin intends to stand down as Chairman, and Mr Paul Dwyer intends to accept an appointment as Chairman, at the Company’s next Annual General Meeting. With over 40 years industry experience, Mr Austin has held senior executive positions in the insurance industry, both in private and publicly listed companies.

Name	Title	Experience
Paul Dwyer	Non-Executive Director and Deputy Chairman	Paul Dwyer, a Non-Executive Director and Deputy Chairman, was appointed to the Board on 10 December 2010. Paul was the founder and CEO of PSC from inception to May 2019 when he transitioned to the Deputy Chairman role. Mr Paul Dwyer intends to accept an appointment as Chairman following Mr Brian Austin standing down as Chairman, at the Company's next Annual General Meeting. Prior to founding PSC Insurance Group, Mr Dwyer held a senior executive position with OAMPS Insurance Brokers Limited and previous to that role was a Regional Underwriter with CGU.
Antony Robinson	Managing Director	Antony Robinson, the Managing Director, was appointed to the Board on 13 July 2015. Mr Robinson has significant experience in wealth management and insurance, including Managing Director of Centrepont Alliance Limited, IOOF Holdings Ltd, WealthPoint and OAMPS Limited, joint Managing Director of Falkiners Stockbroking and senior executive positions at Link Telecommunications and Mayne Nickless. Mr Robinson is a Director of ASX listed Pacific Current Group Limited and Bendigo and Adelaide Bank Limited (resigned November 2021).
John Dwyer	Executive Director	John Dwyer, an Executive Director, was appointed to the Board on 10 December 2010. Mr Dwyer has over 30 years' experience in the insurance industry, spending time with QBE as a Regional Underwriting Manager, commencing a joint venture with OAMPS Insurance Brokers Limited and eventually becoming Eastern Region Manager (NSW & ACT).
Melvyn Sims	Non-Executive Director	Mel Sims, an Independent Director, was appointed to the Board on 8 August 2016. Mr Sims is a London based corporate lawyer with experience in the insurance industry gained during his 30 years as a partner in the international law firm DLA Piper and since July 2015 as a partner in the international law firm DWF Group PLC which is listed on the London Stock Exchange. Over the course of Mr Sims' career he has held senior management roles, including managing DLA Piper Offices and practice groups in the Middle East and advised businesses in commercial and transactional matters often with an international perspective and in diverse markets ranging from general retail, aviation, sport and leisure through to regulated financial services businesses. Mr Sims served as a board member of the Towergate Insurance Group and latterly Global Risk Partners. Mr Sims has not held directorships of other listed companies in the last three years.
Tara Falk	Executive Director	Tara Falk was appointed to the Board on 8 October 2019. Ms Falk has over 30 years' experience in the insurance industry and is co-founder and co-CEO of Paragon International Insurance Brokers Ltd. Ms Falk has extensive experience in all operations of running a specialist Lloyd's insurance broker, working with leading insurers in Lloyd's, Europe, Bermuda and the United States. Ms Falk is involved with the placement of complex insurance programmes for many large professional service firms around the world and is also on the Board of LIIBA, London & International Insurance Brokers' Association.
James Kalbassi	Executive Director	James Kalbassi was appointed to the Board on 15 June 2021. Mr Kalbassi has more than 30 years' experience in the insurance industry and as co-Founder and co-CEO of Paragon International Insurance Brokers Ltd, leading and building a specialist Lloyd's and International insurance broker. Mr Kalbassi has recently served as a Board Member of the UNiBA Partners global independent broker network.

Name	Title	Experience
Jo Dawson	Non-Executive Director	Jo Dawson, an Independent Non-Executive Director and Chair of the Audit and Risk Management Committee, was appointed to the Board on 15 June 2021. She has experience in highly regulated customer facing service businesses. Her prior roles include senior positions at Deloitte and National Australia Bank, Chair of EL&C Baillieu Ltd (stockbrokers). Her current Non-Executive Directorships include Vision Super, Bank First Ltd, Generation Life Ltd and PetSure (Australia) Pty Ltd. Ms Dawson is also a former Director of ASX listed company Templeton Global Growth Fund Ltd (TGG).

Source: PSC Annual Reports and website

Financial Performance

6.6 The following table sets out the consolidated financial performance of PSC for FY21, FY22 and FY23, extracted from the audited financial statements of PSC.

Table 13 PSC Statement of Financial Performance

Financial performance (\$'000)	Ref	Year ended 30-Jun-21 <i>Audited</i>	Year ended 30-Jun-22 <i>Audited</i>	Year ended 30-Jun-23 <i>Audited</i>
Fee and commission income	a)	203,625	251,146	289,574
Other revenue	b)	811	848	926
Interest income		352	296	5,071
Share of equity accounted results	c)	805	605	(251)
(Loss) / gain on financial instruments	d)	17,943	(6,616)	16,987
Investment income	e)	1,052	478	2,196
Total revenue and other income		224,588	246,757	314,503
Expenses				
Administration and other expenses	f)	(24,735)	(38,903)	(49,172)
Depreciation expense - property, plant and equipment		(2,021)	(2,090)	(2,071)
Depreciation expense - right-of-use assets		(4,000)	(5,723)	(5,624)
Amortisation expense		(8,968)	(12,564)	(14,718)
Employee benefits expense	g)	(102,259)	(121,217)	(138,659)
Finance costs		(8,947)	(8,038)	(8,983)
Finance costs - lease liabilities		(1,207)	(1,398)	(1,163)
Expected credit losses		(2,501)	(232)	(48)
Employee contractors		(3,022)	(2,863)	(3,296)
Information technology costs		(4,474)	(5,082)	(6,183)
Professional fees		(4,267)	(4,276)	(4,877)
Profit / (loss) before income tax		58,187	44,371	79,709
Income tax expense		(17,463)	(17,035)	(23,306)
Profit / (loss) for the year	h)	40,724	27,336	56,403
Other comprehensive income		6,039	(11,372)	21,135
Total comprehensive income		46,763	15,964	77,538
Total comprehensive income attributable to owners of PSC Insurance Group Limited		46,486	15,286	76,892
Total comprehensive income attributable to non-controlling interests		277	678	646

Source: PSC Audited Annual Reports

6.7 We note the following in relation to PSC’s financial performance:

- a. Income from fees and commissions grew at a compound annual growth rate (“CAGR”) of approximately 19% between FY21 and FY23. Fee and commission income in FY23 consisted of commission income of \$215 million, fee income of \$57.8 million and other fees of \$16.6 million. The three segments contributed to the revenue growth in FY23 as follows:
 - i. Distribution: 19% revenue growth (\$20.9 million);
 - ii. Agency (Specialty): approximately 14% revenue growth (\$2.9 million);
 - iii. UK: 15% revenue growth (\$18.1 million).
- b. Other revenue includes but is not limited to professional services fees for services provided from strategic partners such as insurers, premium funders and underwriting agencies. Other revenue and associated other fees are recognised when the right to receive payment is established.
- c. Share of equity accounted results relates to interests in associates and joint ventures. They are initially recognised at cost, then the PSC group’s share of the profit and loss associates and joint ventures is included in the PSC group’s consolidated statement of profit or loss and other comprehensive income.
- d. (Loss) / Gain on financial instruments relate to gain or loss derived from derivatives, fair value adjustments and disposal of investment in associates. A gain on fair value adjustments of \$14.9 million was recorded in FY23, compared to a loss of (\$5.8 million) recorded in FY22.
- e. Investment income relates to dividend income and trust distributions.
- f. Administration and other expenses include acquisition legal and professional fees, other acquisition and transaction related costs, employment costs, realised and unrealised loss / (gain) on foreign exchange, net loss on deferred consideration, share-based payment expense and other. It increased at a CAGR of 41% largely contributed by increased acquisition related costs and the realised and unrealised loss on foreign exchange resulting from a volatile macro environment over FY21 to FY23.
- g. Employee benefits expense comprises employee benefits (e.g. wages and salaries and leave entitlements) and superannuation, which has increased at a CAGR of 16% over the period reviewed.
- h. PSC’s profit increased from \$27.3 million in FY22 to \$56.4 million in FY23, driven largely by organic growth across the three operating segments, but included growth through acquisitions, including Alan Wilson Insurance Brokers (distribution segment), 12 small bolt-ins of portfolios across Australia and New Zealand, and three acquisitions in its offshore markets.

Dividends

6.8 PSC has declared and paid the following dividends from FY19 to FY23:

Table 14 PSC dividend payment history

Dividends history (per share)	FY19	FY20	FY21	FY22	FY23
Dividends paid and declared for the financial year	\$0.076	\$0.087	\$0.095	\$0.110	\$0.127

Source: PSC Audited Annual Reports

Financial Position

6.9 The table below sets out a summary of the consolidated financial position of PSC for FY21, FY22 and FY23 , extracted from the audited financial statements of PSC.

Table 15 PSC Statement of Financial Position

A\$'000	Ref	30-Jun-21 <i>Audited</i>	30-Jun-22 <i>Audited</i>	30-Jun-23 <i>Audited</i>
Current Assets				
Cash and cash equivalents	a)	47,824	106,110	71,370
Financial assets - trust cash	b)	244,464	241,289	274,791
Receivables	c)	8,446	10,264	11,547
Contract assets - broking	d)	57,714	62,287	71,300
Financial assets - derivatives		519	-	1,049
Other assets	e)	9,012	7,399	9,987
Total current assets		367,979	427,349	440,044
Non-current assets				
Receivables		1,461	1,022	707
Financial assets - investments in shares and unit trusts	f)	50,567	44,755	60,359
Equity accounted investments	g)	9,131	9,236	24,025
Property, plant and equipment		18,330	17,354	16,861
Intangible assets	h)	420,880	457,295	519,892
Right of use assets		20,516	19,818	18,525
Financial assets - derivatives		-	-	52
Total non-current assets		520,885	549,480	640,421
Total assets		888,864	976,829	1,080,465
Current liabilities				
Payables	i)	263,620	263,241	299,362
Provisions		4,600	5,461	6,413
Current tax liabilities		5,081	6,316	6,510
Financial liabilities - derivatives		-	906	-
Lease liabilities		3,962	4,842	6,191
Contract liabilities - deferred revenue	j)	5,169	7,653	12,291
Amounts payable to vendors	k)	19,680	35,834	13,471
Total current liabilities		302,112	324,253	344,238
Non-current liabilities				
Payables	i)	-	-	789
Borrowings	l)	176,679	186,979	213,693
Provisions		613	541	691
Deferred tax liabilities		27,232	32,077	40,667
Financial liabilities - derivatives		48	-	-
Lease liabilities		19,269	18,459	15,850
Contract liabilities - deferred revenue	j)	354	360	412
Amounts payable to vendors	k)	16,150	5,395	8,396
Total non-current liabilities		240,345	243,811	280,498
Total liabilities		542,457	568,064	624,736
Net assets	m)	346,407	408,765	455,729
Equity				
Share capital		331,174	411,661	425,981
Reserves		(37,250)	(46,890)	(25,392)
Retained earnings		51,368	42,157	53,074
Equity attributable to owners of PSC Insurance Group Limited		345,292	406,928	453,663
Non-controlling interests		1,115	1,837	2,066
Total equity		346,407	408,765	455,729

Source: PSC Annual Reports

6.10 We note the following in relation to PSC's financial position:

- a. As of 30 June 2023, PSC had consolidated unrestricted cash and cash equivalents of approximately \$71.4 million. These cash reserves are not subject to security interests, rights of set off or other arrangements that might materially affect PSC's ability to use them to pay the Top Up Cash Consideration (if required).
- b. Financial assets – trust cash of \$274.8 million relates to cash held on trust for insurance premiums received from policy holders which will ultimately be paid to underwriters. Cash held on trust cannot be used to meet business obligations or operating expenses other than payments to underwriters and/or refunds to policyholders.
- c. Current receivables include other receivables from broking, reinsurance and underwriting agency operations and related parties loans and receivables; non-current receivables include related parties loans and receivables.
- d. Contract assets – broking of \$71.3 million represent amounts due from policyholders in respect of insurances arranged by controlled entities.
- e. Other assets of \$9.9 million comprise of prepayments as well as bonds and deposits.
- f. Financial assets – investments in shares and unit trusts of \$60.3 million comprise largely of shares held in listed corporations (\$54.3 million), with other shares and units held making up the balance (\$5.8 million).
- g. Equity accounted investments of \$24.0 million relate to PSC's equity share value in various associates and joint ventures. In FY23, PSC acquired equity shares in two companies: Bay Building Group Pty Ltd (acquisition of 40% equity for \$12.03 million) and Eldin Risk Partners Limited (acquisition of 40% for \$3.75 million).
- h. Intangible assets of \$519.8 million consists largely of goodwill recorded on business combinations totalling \$399.5 million, with the balance relating to identifiable intangible assets recognised as part of business combinations totalling \$120.3 million.
- i. Current payables consist of payables from broking, reinsurance and underwriting agency operations of \$275.0 million, trade creditors of \$2.9 million, and sundry creditors and accruals of \$21.5 million.
- j. Contract liabilities – deferred revenue of \$12.7 million represents PSC's obligation to transfer services to the customer for which PSC has received consideration from the customer. A contract liability arises in relation to claims handling income when consideration is received from the customer in advance of the claims handling service being performed.
- k. Amounts payable to vendors represents deferred and contingent consideration expected to be made to vendors for acquisitions, totalling \$21.9 million. The contingent consideration payable is calculated based on a multiple of revenue as defined in the various sale and purchase agreements.
- l. Borrowings comprises secured liabilities and bank loans. PSC has two primary funding facilities: PSC Syndicated Facility Agreement (limit: \$190 million) and PSC UK Pty Ltd (limit: £41.25 million, equivalent to approximately \$78.6 million), and a property funding facility to 96 Wellington Parade Pty Ltd totalling \$7.6 million.
- m. PSC disclosed a total net assets position of \$346 million as at 30 June 2021, which increased to \$409 million as at 30 June 2022 and \$456 million as at 30 June 2023.

Capital structure

6.11 As at the date of this Report, PSC had approximately 359,275,121 ordinary shares on issue. PSC's substantial shareholders as at the date of its latest Annual Report released on the ASX on 23 August 2023 are set out below:

Table 16 PSC Top 20 shareholders

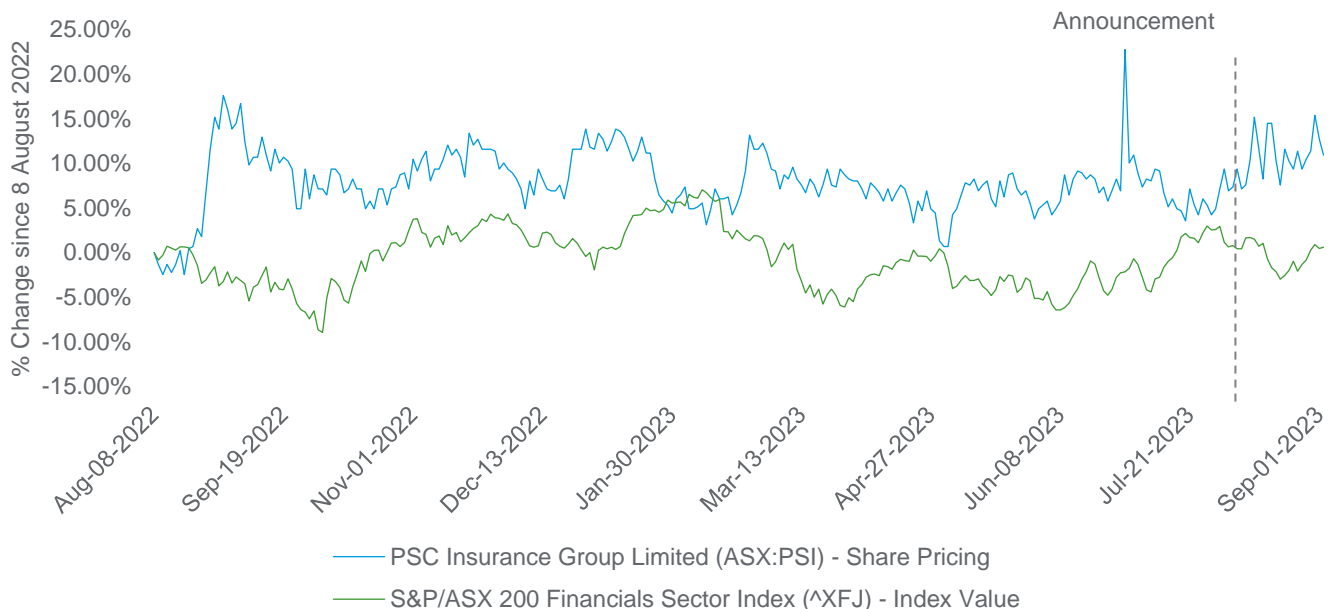
	Registered Shareholder	No. Shares Held	
1	McHalem No 2 Pty Ltd	55,714,555	15.6%
2	HSBC Custody Nominees (Australia) Limited	46,007,279	12.9%
3	J P Morgan Nominees Australia Pty Limited	36,685,644	10.3%
4	Glendale Dwyer Pty Ltd	33,654,315	9.4%
5	Austin Superannuation Pty Ltd	32,277,966	9.1%
6	Citicorp nominees Pty Limited	20,138,330	5.7%
7	National Nominees Limited	17,843,718	5.0%
8	BNP Paribas Noms Pty Ltd	6,706,830	1.9%
9	Rubi Holdings Pty Ltd	5,000,000	1.4%
10	Namarong Investments Pty Ltd	4,500,000	1.3%
11	Walker Insurance & Financial Services Pty Ltd	4,492,168	1.3%
12	Mr Michael David Gunnion & Mrs Debra Lee Gunnion	3,524,226	1.0%
13	Locust Fund Pty Ltd	3,213,078	0.9%
14	Rowena House Pty Ltd	2,796,725	0.8%
15	BNP Paribas Nominees Pty Ltd	2,260,814	0.6%
16	UYB Com Pty Ltd	2,142,479	0.6%
17	BNG Family Pty Ltd	1,961,156	0.6%
18	Dead Grateful Pty Ltd	1,925,898	0.5%
19	HSBC Custody Nominees (Australia) Limited - A/C 2	1,925,503	0.5%
20	Angus Mcphie	1,917,463	0.5%
Total ordinary shares held by top 20		284,688,147	80.0%
	All other shareholders	71,715,274	20.1%
Total ordinary shares on issue		356,403,421	100.0%

Source: PSC Audited Annual Report

Share price performance

6.12 The following chart illustrates the relative movement in the PSC Share price against the S&P/ASX All Ordinaries Index over the 12 months prior to the announcement of the Scheme and the subsequent period to 4 September 2023.

Figure 6 Relative movements in PSC Share price



Source: S&P Capital IQ

6.13 PSC Share price trended up over the period from \$4.48 on 8 August 2022 to a peak of \$5.50 on 30 June 2023, before reducing to \$4.97 on 4 September 2023, representing an overall increase of 9%.

6.14 Our analysis indicates that PSC Share price outperformed the S&P/ASX 200 Financials Sector Index from 8 August 2022 to 4 September 2023.

6.15 The table below sets out the VWAP of PSC Shares for the 1, 5, 10, 60, 90, 120, 180 and 365 days prior to the announcement of the Scheme.

Table 17 VWAP of PSC Shares

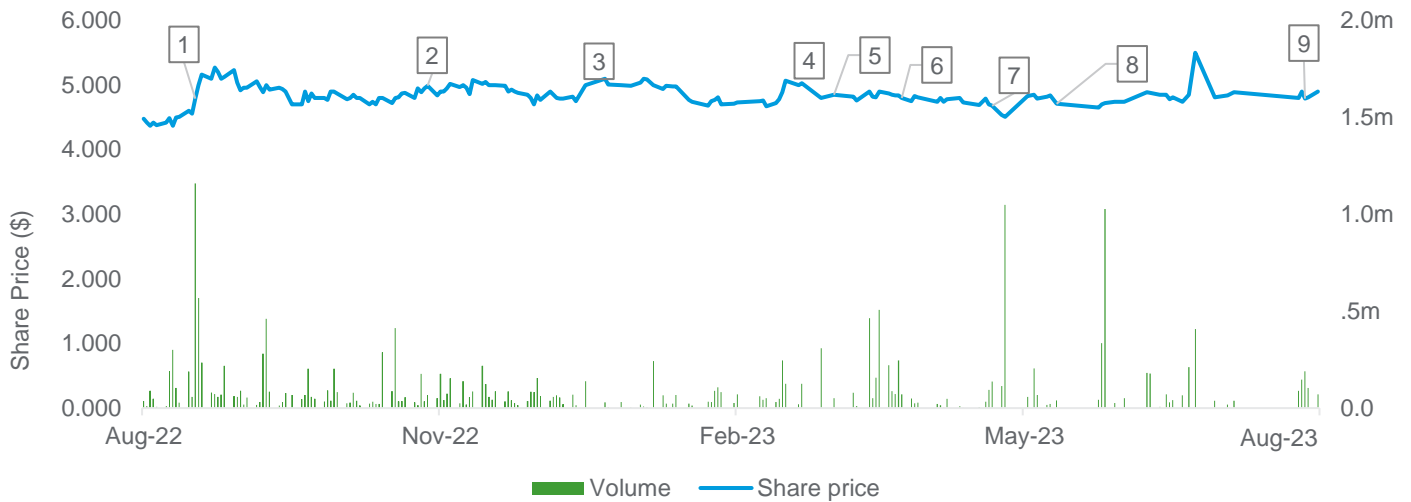
Calendar days	VWAP \$	Share price Low \$	Share price High \$	Volume traded ('000)	Value traded (\$'000)	Percentage of issued capital %
1 day	4.9000	4.9000	4.9000	71	345	0.0%
5 days	4.8169	4.7900	4.9000	365	1,760	0.1%
10 days	4.8258	4.6700	4.9000	645	3,112	0.2%
30 days	4.7665	4.6400	4.9000	1,601	7,632	0.5%
60 days	4.8925	4.6400	5.5000	3,664	17,925	1.0%
90 days	4.8322	4.6400	5.5000	7,017	33,909	2.0%
120 days	4.7794	4.5100	5.5000	10,178	48,643	2.9%
180 days	4.8048	4.5100	5.5000	15,220	73,128	4.3%
365 days	4.8291	4.3700	5.5000	26,188	126,467	7.4%

Source: S&P Capital IQ

6.16 As set out in the table above, PSC's Shares fluctuated between \$4.37 and \$5.50 over the 365 trading days to 7 August 2023 and had a VWAP of approximately \$4.83 with a total traded volume of 7.4% of the issued capital.

- 6.17 In the 30 trading days prior to the announcement, PSC Share price fluctuated slightly from \$4.64 to \$4.90 and had a VWAP of approximately \$4.77 with a traded volume of 0.5% of the issued capital.
- 6.18 PSC's closing price on 7 August 2023, the last day of trade prior to the Scheme announcement, was \$4.90. The daily trade price had the same low and high of \$4.90 with 0.02% of the issued capital traded.
- 6.19 Trading in PSC Shares prior to the announcement of the Scheme along with key announcements are illustrated in the graph below.

Figure 7 PSC recent share trading history



Source: S&P Capital IQ

6.20 We note the following key announcements made by PSC during the reviewed period:

Table 18 Significant announcements made by PSC before the Scheme announcement

Ref	Date	Commentary
1	24/08/2022	PSC released its annual report to its shareholders which reported that it posted a total after-tax profit of \$64 million, up 40% from PCP.
2	4/11/2022	PSC announced that the binding transaction documents for the purchase of 100% of the share capital of Ensurance UK Ltd had been executed. The PSC group also completed the acquisition of 100% of the share capital of Charter-Union Insurance Brokers Ltd (Hong Kong) ("CUIB") on 31 August 2022.
3	22/12/2022	PSC announced that the trading for the period to 31 December 2022 is ahead of budget with the underlying EBITDA results for the PSC group expected to be approximately 18-20% ahead of the PCP. The commencement of the JV by both AUB Group Limited ("AUB") and PSC is now targeted for the 1 April 2023.
4	22/02/2023	PSC released its Half Year Accounts to shareholders which reported that it recorded a total profit after tax of \$21.5 million for the half year ended 31 December 2022 (\$16.6 million in PCP).
5	10/03/2023	PSC announced completion of the acquisition of Ensurance UK Ltd. Separately, the PSC group entered into binding transaction documents for purchase of 100% of the share capital in Turner Rawlinson & Company Limited for GBP4.5 million., an independent retail insurance broker situated in North London.
6	31/03/2023	PSC announced that it will acquire a 50% stake in Tysers' UK Retail division as part of a 50/50 JV with AUB and is expected to proceed with effect from 1 May 2023.
7	28/04/2023	PSC announced that there has been a delay in finalisation of the JV with AUB regarding the Tysers Retail business and update will be provided in due course.
8	18/05/2023	AUB has decided not to proceed with the JV following considerable discussions and progress with PSC. Accordingly, AUB will continue to own 100% of the entire Tysers business, including Tysers UK Retail.
9	02/08/2023	PSC announced that the PSC group expects to deliver underlying EBITDA of approximately \$111 million in FY23, subject to audit and year-end signing processes. The preliminary guidance for FY24 is an EBITDA range of \$122-127 million, excluding the contribution of any future acquisitions.

Source: ASX announcements

7. Profile of the Combined Group

Overview

- 7.1 Upon implementation of the Scheme, ENA will add a high growth operation and new product suite to PSC's Australian specialty businesses.
- 7.2 PSC's operations will remain unchanged following implementation of the Scheme. The agency and specialty business, of which ENA will form part, will continue to be an important business within the Combined Group.

Intentions of the Combined Group

- 7.3 As outlined in the Scheme Booklet, PSC's intentions for the integration of ENA into the Combined Group, if the Scheme is implemented, are detailed below.
- 7.4 PSC will integrate the ENA business into its existing agency and specialty division. PSC's intention is to continue and grow the business of ENA. PSC intend to utilise the agency and specialty broker distribution network to help grow the ENA offering in a meaningful way. By increasing the distribution of the ENA product, PSC believes it can increase the amount of revenue and earnings generated through the Combined Group's professional indemnity product offering.
- 7.5 Given the ENA business would represent approximately 0.6% of the Combined Group's net profit before income tax expense (based on the FY23 Proforma Consolidated Statement of Financial Performance), there would be no change to the existing PSC strategy of providing insurance services across Australia, the United Kingdom and internationally and undertaking value enhancing acquisitions to accelerate growth.
- 7.6 Following implementation of the Scheme, the existing Board and senior management of PSC as described in section 7.5 of the Scheme Booklet will remain the same.
- 7.7 It is intended that following implementation of the Scheme, Tom Kent will continue in the role as CEO of ENA and the Non-Executive Directors of ENA will resign.
- 7.8 It is the present intention of PSC to continue with the employment of the majority, if not all, of ENA's existing employees.
- 7.9 Following implementation of the Scheme, it is intended that:
 - a. ENA be removed from the official list of ASX; and
 - b. as ENA will be a wholly owned subsidiary of PSC, the ENA Board will be reconstituted so that it comprises persons nominated by PSC.
- 7.10 The PSC Board will consider the payment of dividends at each financial reporting date. PSC's dividend policy will not change as a result of the Scheme. Further information is set out in section 7.8 of the Scheme Booklet.

Proforma Consolidated Statement of Financial Position

7.11 We have been provided with a copy of the Proforma Statement of Financial Position of the Combined Group as at 30 June 2023 as detailed below:

Table 19 Proforma Consolidated Statement of Financial Position of the Combined Group

Consolidated financial position (\$'000)	PSC	ENA	Adjustments	Proforma Combined
Current Assets				
Cash and cash equivalents	71,370	5,428	1,496	78,294
Financial assets - trust cash	274,791	7,502	-	282,293
Receivables	11,547	-	-	11,547
Contract assets - broking	71,300	1,213	-	72,513
Financial assets - derivatives	1,049	-	-	1,049
Other assets	9,987	106	-	10,093
Total current assets	440,044	14,249	1,496	455,789
Non-current assets				
Receivables	707	-	-	707
Financial assets - investments in shares and unit trusts	60,359	3,398	(2,196)	61,561
Equity accounted investments	24,025	-	-	24,025
Property, plant and equipment	16,861	19	-	16,880
Intangible assets	519,892	2,370	14,316	536,578
Right of use assets	18,525	10	-	18,535
Financial assets - derivatives	52	-	-	52
Total non-current assets	640,421	5,797	12,120	658,338
Total assets	1,080,465	20,046	13,616	1,114,127
Current liabilities				
Payables	299,362	8,160	-	307,522
Provisions	6,413	183	-	6,596
Current tax liabilities	6,510	-	-	6,510
Financial liabilities - derivatives	-	-	-	-
Lease liabilities	6,191	3	-	6,194
Contract liabilities - deferred revenue	12,291	-	-	12,291
Amounts payable to vendors	13,471	775	-	14,246
Total current liabilities	344,238	9,121	-	353,359
Non-current liabilities				
Payables	789	-	-	789
Borrowings	213,693	-	-	213,693
Provisions	691	41	-	732
Deferred tax liabilities	40,667	-	-	40,667
Financial liabilities - derivatives	-	-	-	-
Lease liabilities	15,850	-	-	15,850
Contract liabilities - deferred revenue	412	-	-	412
Amounts payable to vendors	8,396	-	-	8,396
Total non-current liabilities	280,498	41	-	280,539
Total liabilities	624,736	9,162	-	633,898
Net assets	455,729	10,884	13,616	480,229
Equity				
Share capital	425,981	26,688	(2,188)	450,481
Reserves	(25,392)	86	(86)	(25,392)
Retained earnings	53,074	(15,890)	15,890	53,074
Equity attributable to owners of PSC	453,663	10,884	13,616	478,163
Non-controlling interests	2,066	-	-	2,066
Total equity	455,729	10,884	13,616	480,229

Source: Scheme Booklet

7.12 We note the following in relation to the Proforma Consolidated Statement of Financial Position of the Combined Group as at 30 June 2023:

- a) The Combined Group proforma historical financial information has been derived from PSC's and ENA's audited financial statements as at 30 June 2023. The Scheme has been accounted for a business combination.
- b) The value of the consideration for the acquisition of the ENA Shares under the Scheme will be measured based upon the value of the PSC Shares at close of trading on the Implementation Date. For the purposes of the Combined Group proforma historical financial information, the value of the New PSC Shares (assuming no adjustment for ENA transaction costs) is assumed at \$24.5 million, based on 5 million New PSC Shares being issued at an assumed price of \$4.90 per PSC share, and a Top Up Cash Consideration of \$0.7 million. Consequently, the value of the purchase consideration and/or the value of the Top Up Cash Consideration for accounting purposes may differ from the amount assumed in the Combined Group pro forma historical financial information due to future changes in the market price of PSC Shares.
- c) The fair value of net assets acquired are assumed at \$10.9 million, being the value of the net asset value of ENA as at 30 June 2023. The difference between the fair value of the Scheme Consideration and the net assets (being \$14.3 million) is assumed to represent the value of intangible assets. The allocation between goodwill and identifiable intangible assets will be determined after implementation of the Scheme.

Proforma Consolidated Statement of Financial Performance

7.13 We have been provided with a copy of the Proforma Consolidated Statement of Financial Performance of the Combined Group for the period ended 30 June 2023 as detailed below:

Table 20 Proforma Consolidated Statement of Financial Performance for the Combined Group

Consolidated Statement of Financial Performance (\$'000)	PSC	ENA	Proforma Combined
Revenue			
Fee and commission income	289,574	3,496	293,070
Other revenue	926	204	1,130
Interest income	5,071	76	5,147
Share of equity accounted results	(251)	-	(251)
Gain / (loss) on financial instruments	16,987	247	17,234
Investment income	2,196	-	2,196
Total Revenue	314,503	4,022	318,525
Expenses			
Administration and other expenses	(49,172)	(454)	(49,626)
Depreciation expense - property, plant and equipment	(2,071)	(11)	(2,082)
Depreciation expense - right-of-use assets	(5,624)	(26)	(5,650)
Amortisation expense	(14,718)	(6)	(14,724)
Employee benefits expense	(138,659)	(2,891)	(141,550)
Finance costs	(8,983)	(4)	(8,987)
Finance costs	(1,163)	-	(1,163)
Expected credit losses	(48)	-	(48)
Employee contractors	(3,296)	-	(3,296)
Information technology costs	(6,183)	(21)	(6,204)
Professional fees	(4,877)	(163)	(5,040)
Total expenses	(234,794)	(3,576)	(238,370)
Profit before income tax expense	79,709	446	80,155
Income tax expense	(23,306)	-	(23,306)
Net profit from continuing operations	56,403	446	56,849

Source: Scheme Booklet

7.14 The Consolidated Statement of Financial Performance for the Combined Group is based on the consolidated FY23 statutory income statements of PSC and ENA.

8. Valuation Approach

Valuation methodologies

8.1 In assessing the Fair Value of an ordinary ENA Share on a control basis, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

8.2 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market Based Methods

8.3 Market based methods estimate Fair Value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include:

- the quoted price for listed securities; and
- industry specific methods.

8.4 The recent quoted price for listed securities method provides evidence of the Fair Value of a company’s securities where they are publicly traded in an informed and liquid market.

8.5 Industry specific methods usually involve the use of industry rules of thumb to estimate the Fair Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Fair Value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income Based Methods

8.6 Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow methods;
- capitalisation of future maintainable earnings.

8.7 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

-
- 8.8 The capitalisation of future maintainable earnings methodology estimates the Fair Value of a business as being the product of a company's Future Maintainable Earnings ("FME") multiplied by an appropriate earnings multiple. The methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax. The earnings from any non-trading surplus assets are excluded from the estimate of FME and the value of such assets is separately added to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).
- 8.9 Where a business is at an early stage of development with a history of volatile earnings performance consisting largely of losses, it is common for the capitalisation of future maintainable revenue ("CFMR") to be used, assuming the business has generated historical revenue or is expected to generate revenue in the near future. Where the CFMR is applied, the capitalisation multiples used are based on observed revenue multiples. Similar to the capitalisation of maintainable earnings methodology, non-trading surplus assets and net debt are adjusted for to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which may include a control premium).

Asset based methods

- 8.10 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
 - liquidation of assets method; and
 - net assets on a going concern basis.
- 8.11 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 8.12 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame, reflecting a distressed liquidation value. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method, and is appropriate for companies in financial distress or when a company is not valued on a going concern basis.
- 8.13 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

Valuation of an ENA Share prior to the Scheme

Capitalisation of future maintainable revenue

- 8.14 In valuing an ordinary share in ENA prior to the Scheme we have utilised the capitalisation of future maintainable revenue methodology, with specific regard to the future maintainable revenue of ENA and observed EV/Revenue multiples.

Quoted price of listed securities

- 8.15 Prices at which a company's shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.
- 8.16 As a secondary methodology, we have considered the quoted market price by considering the historical VWAP of ENA Shares and the volatility of the share price prior to the announcement of the Scheme. In accordance with RG 111, we have assessed the value of ENA Shares on the basis of a 100% controlling interest.

9. Valuation of ENA

9.1 As stated in paragraphs 8.14 to 8.16, we have assessed the Fair Value of an ENA Share prior to the Scheme utilising the following approaches:

- Capitalisation of future maintainable revenue; and
- Recent quoted price of its listed securities.

9.2 Our assessment of the Fair Value of an ENA Share prior to the Scheme is set out below.

Capitalisation of future maintainable revenue

9.3 Our assessment of the Fair Value of an ENA Share prior to the Scheme, applying the capitalisation of future maintainable revenue method, on a fully diluted basis, is shown in the table below.

Table 21 Valuation summary - CFMR

\$'000	Low	High
Maintainable revenue	3,400	3,600
Assessed multiple	3.90x	4.40x
Enterprise value (controlling basis)	13,260	15,840
Add: net cash	4,499	4,499
Add: surplus assets	3,158	3,158
Equity value (control)	20,917	23,497
No. of fully diluted shares ('000)	90,156	90,156
Equity Value per share - fully diluted and controlling basis	\$0.232	\$0.261

Source: RSM analysis

Key assumptions

9.4 The CFMR methodology estimates the value of the equity of a company by capitalising the FMR of the underlying business at an appropriate multiple, which reflects the underlying risk profile and growth prospects of the business, applying a premium for control where necessary, adding the value of any surplus or non-operating assets (or deducting any excess or non-operating liabilities) and deducting net debt (or adding net cash). Accordingly, valuing ENA using the capitalisation of maintainable earnings methodology requires the determination of the following variables:

- future maintainable revenue;
- an appropriate capitalisation multiple;
- an appropriate premium for control;
- the current level of net debt or net cash; and
- the value of surplus assets or excess liabilities.

9.5 Our considerations with regard to each of these factors is presented below.

Assessment of future maintainable revenue

9.6 In assessing the future maintainable revenue of ENA we have considered and reviewed the following:

- ENA's financial performance for the years ended 30 June 2021, 30 June 2022 and 30 June 2023;
- Changes in the nature of ENA's operations and financial performance as a result of the divestment of its UK operations. In this regard, we note that ENA's revenue of \$3.5 million as reported in the audited financial statements for the twelve months ended 30 June 2023 relates exclusively to its existing Australian operations, with the earnings of the divested UK businesses having been presented as a discontinued operation as set out in section 5.10.;
- Our review of abnormal or non-recurring revenue items. In this regard, we note that we have not identified any abnormal or non-recurring items requiring adjustment in ENA's reported revenue of \$3.5 million;
- The market conditions and outlook of the general insurance and insurance broking industries in Australia;
- Our discussions with management of ENA; and
- An appropriate range of future maintainable revenue based on our professional judgement. In this regard, we consider it appropriate to apply a \$100,000 adjustment (increase and decrease) to ENA's reported revenue of \$3.5 million as reported in the audited financial statements for the twelve months ended 30 June 2023.

9.7 On the basis of the above, we have adopted a future maintainable revenue in the range of \$3.4 million to \$3.6 million, based on ENA's FY23 revenue of \$3.5 million.

Assessment of capitalisation multiple

9.8 The assessment of the appropriate revenue multiple to be applied in the assessment of the Fair Value of ENA requires consideration of a number of factors including:

- stability and continuity of revenue;
- size and lifecycle of the business;
- capital structure and leverage of the Company;
- expected growth prospects of the Company;
- level of competition and expected growth prospects of the broader insurance industry;
- trading multiples attributed by the market to other industry participants; and
- multiples paid by the market in recent acquisitions of industry participants.

9.9 General insurance intermediaries predominantly comprise insurance brokers and underwriting agencies. In contrast to insurance underwriting companies, general insurance intermediaries do not take on underwriting risk. A key characteristic of insurance underwriters is high asset to equity value ratios by virtue of large investment assets (typically in debt securities) and reinsurance recoverable assets recognised on their balance sheets. Underwriters are also subject to distinct financial reporting requirements. ENA operates as an underwriting agency and does not take on underwriting risk.

9.10 Accordingly, in selecting the appropriate multiple to be applied, we have considered the listed trading multiples of companies operating in the general insurance intermediary sector in Australia, New Zealand and the United States ("US").

9.11 The table below summarises the historical revenue multiples of publicly listed comparable companies including ENA and PSC. A description of each of the companies is set out in Appendix E – Comparable Companies.

Table 22 Comparable trading multiples

Company	Location	Market Cap \$m	Enterprise Value(\$m)	Revenue LTM (\$m)	EV/Revenue multiple LTM
<i>Insurance intermediaries - Australia & New Zealand</i>					
Ensurance Limited	Australia	24	18	3	5.28x
PSC Insurance Group Limited	Australia	1,775	1,939	291	6.67x
Steadfast Group Limited	Australia	5,829	6,810	1,464	4.65x
AUB Group Limited	Australia	3,343	3,977	827	4.81x
<i>Insurance intermediaries - US</i>					
Brown & Brown, Inc.	United States	32,369	37,619	5,963	6.16x
Erie Indemnity Company	United States	22,598	22,280	4,559	4.77x
Min		1,775	1,939	291	4.65x
Max		32,369	37,619	5,963	6.67x
Average		13,183	14,525	2,621	5.41x
Median		5,829	6,810	1,464	4.81x

Source: S&P Capital IQ dated as at 30 August 2023

Note: Excluded nonmeaningful/irrelevant multiples highlighted in green; all dollar figures shown are displayed in Australian Dollar.

9.12 We make the following comments in relation to the comparable companies and trading multiples considered above:

- The median market capitalisation of the comparable companies, excluding outliers, is \$5.8 billion.
- The mean and median current revenue multiple was 5.41 times and 4.81 times, respectively.

9.13 We have considered the following in regard to the comparable companies and trading multiples considered above:

Table 23 Trading comparable analysis and commentary

Trading comparable	Commentary and analysis
ENA	<p>ENA's historical revenue and revenue multiple has been volatile over the last two years, largely as a result of the change to its core operations, specifically the acquisition of TKRS and the divestments of its UK operations. ENA's revenue multiple increased from circa 2.2 times before the announcement of the Scheme to 5.3 times as at 30 August 2023 as a result of the increase in ENA Share price following the Scheme announcement.</p> <p>Due to the observed volatility in ENA's historical revenue multiple, and the movement in the share price following the announcement of the Scheme, we have excluded ENA's observed revenue multiple from our analysis.</p>
PSC	<p>The share price of PSC increased by 24% from \$4.01 as at 31 August 2021 to \$4.99 as at 30 August 2023. PSC has experienced corresponding growth in revenue and earnings over this period of 42% and 49% respectively. As a result, PSC's revenue multiple has been relatively constant during the past two years.</p>
Steadfast Group Limited ("SDF")	<p>The share price of SDF increased by 13% from \$4.99 as at 31 August 2021 to \$5.63 as at 30 August 2023 as the revenue increased by 55% over the same periods. SDF's revenue multiple averaged 5.4 times over the past two years.</p>

Trading comparable	Commentary and analysis
AUB Group Limited ("AUB")	The share price of AUB increased by 29% from \$23.90 as at 31 August 2021 to \$30.84 as at 30 August 2023 as its revenue increased by 135% over the same period. SDF's revenue multiple increased from 5.9 times to 7.5 times over the last two years in line with its revenue growth.
Brown & Brown, Inc. ("BRO")	The share price of BRO increased by 28% from \$58.05 as at 31 August 2021 to \$74.12 as at 30 August 2023, largely attributable to 57% growth in revenue over the same period. BRO's revenue multiple averaged 6.1 times over this period and fluctuated within the range of 6.0 times and 7.0 times. We note BRO has a much larger market capitalisation of \$32.4 billion compared with ENA.
Erie Indemnity Company ("ERIE")	The share price of ERIE increased by 59% from \$177.09 as at 31 August 2021 to \$280.66 as at 30 August 2023, driven in part by a 33% growth in revenue over the same period. ERIE's revenue multiple averaged at 3.9x over the period August 2021 to July 2023, increasing to 4.8x in August 2023 following an increase share price and trading volume as a result of stronger second quarter 2023 results. We note ERIE has a much larger market capitalisation of \$22.6 billion compared with ENA.

Source: S&P Capital IQ

9.14 In relation to the above trading revenue multiples, we note that the share price of a listed company represents the market value of a non-controlling interest in that company and as such any earnings multiples derived from those share prices are consequently non-controlling multiples and they do not reflect a premium for control.

9.15 Based on our analysis, and having particular regard to the average and median observed revenue multiples of the comparable companies of 5.41 times and 4.81 times respectively, we have selected a comparable listed company revenue multiple in the range of 4.80 times to 5.40 times, which we have adjusted for control, size and other business specific risks of ENA as set out below.

Premium for control

9.16 Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies;
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

9.17 In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

9.18 RSM has conducted a study on 605 takeovers and schemes of arrangements involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("RSM Control Premium Study 2021"). In determining the control premium, RSM compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the offer.

9.19 Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the banks and diversified financials sector were in the range of 24.8% to 26.4%. Further, the average control premiums in takeovers and schemes of arrangements involving all Australian companies were in the range of 25% to 35%.

9.20 As the Scheme represents a control transaction, in assessing the value of 100% of ENA and a share in ENA (on a control basis) we have applied a premium for control of 25%.

Discount for size and business specific risk

9.21 In calculating an appropriate revenue multiple for ENA, we have considered the following factors:

- the strong growth in gross written premium reported in the latest quarterly activity report released on 31 July 2023 (\$22.5 million in quarter 4 2023, versus \$16.1 million in quarter 4 2022);
- ENA being listed on ASX;
- ENA’s strong financial position and lack of debt as at 30 June 2023;
- expected growth prospects and competition of the Company in the general insurance market in Australia; and
- ENA is smaller than all of the publicly listed comparable companies with respect to market capitalisation. Smaller businesses, like ENA, inherently carry greater risk as it has less diversified revenue streams, less geographic diversifications, lack economies of scale and relatively less efficient processes and systems.

9.22 On the basis above, we have assessed an appropriate discount for size and other risk factors applicable to ENA as a standalone business to be 35%, as set out in the table below

Table 24 Discount for size and business specific risk

Factor	Ref	Discount %
Discount for size	9.23	20.0%
Discount for business specific risks	9.24	15.0%
Total discount for size and business specific risks		35.0%

Source: RSM analysis

9.23 The discount for size represents the discount an investor will demand for investing in a small business relative to market peers. A number of studies have been undertaken attempting to establish the existence of and measure the size discount or size premium (applied in the calculation of the cost of capital), in particular in the US. The most notable US study is the Valuation Handbook published by Kroll (formerly known as Duff & Phelps), which contains calculations of the size premium for each decile of market capitalisation of US companies. The reasonability of applying size discounts to Australian equities based on US studies have been widely debated and criticised in the past, with the resulting market consensus being that this approach is not reasonable. Several Australian studies have been undertaken demonstrating the existence of the size premium, including the most recent study by Macquarie University as set out in their Business Valuation paper entitled *The Size Premium: Australian Evidence*, which found evidence supporting the existence of a size premium. However, there is no Australian study which quantifies or measures the size discounts/premiums. Accordingly, the application of size premiums in Australia are somewhat subjective and largely based on professional judgement. We have applied a size discount of 20% based on ENA’s size relative to the comparable public companies observed in estimating an appropriate valuation multiple.

9.24 We have applied a discount for business specific risks of 15% based on our professional judgement, having considered the following factors:

- **Limited revenue streams:** ENA’s revenue streams are less diverse relative to the revenue stream of the comparable peer companies.
- **Limited geographic exposure:** ENA’ operations are limited to Australia following the divestment of Ensurance UK. ENA has a limited geographic footprint relative to the listed comparable peer companies.

- **Lack of economies of scale:** Given niche product range and domestic market ENA operates in, it is likely that the business may lack economies of scale relative to the comparable peer companies.

9.25 The table below sets out our assessment of the appropriate revenue multiple range of between 3.60 to 4.00 times:

Table 25 Assessed revenue multiple

		Multiple range	
		Low	High
Historic multiple for comparable listed companies		4.80x	5.40x
Control premium	25%	1.20x	1.35x
Controlling multiple		6.00x	6.75x
Size and business specific discount	35%	(2.10x)	(2.36x)
Assessed Revenue multiple		3.90x	4.39x
Rounded multiple		3.60x	4.00x

Source: RSM analysis

Comparable transactions

9.26 As a cross-check of our assessed revenue multiple based on observed multiples of publicly listed comparable companies, we have also considered the revenue multiples implied by transactions involving companies operating in the general insurance brokerage intermediary sector in Australia and internationally.

9.27 Details of the comparable targets are set out in Appendix F – Comparable Target Descriptions.

9.28 The table below summaries the historical and forecast revenue multiples of the observed comparable transactions.

Table 26 Comparable transaction multiples

Date	Target Company	Buyer	Country	Implied Enterprise Value (\$m)	Revenue LTM	EV/Revenue multiple LTM
Australia						
4/11/2022	Business assets of Trade Credit Risk Pty Ltd	PSC	Australia	6.11	2.00	3.06x
23/08/2022	Insurance Brands Australia Pty Limited	SDF	Australia	301.00	77.52	3.88x
1/06/2022	AWIB Pty Ltd	PSC	Australia	17.50	4.41	3.97x
10/09/2021	Insurance broking portfolio and other business assets of Alliance Insurance Broking Services Pty	PSC	Australia	24.50	6.80	3.60x
20/08/2021	Coverforce Holdco Pty Ltd	SDF	Australia	436.65	65.85	6.63x
International						
25/07/2023	Park Farm Underwriting Limited	Helios Underwriting plc	UK	6.06	3.41	1.78x
10/03/2023	Ensurance UK Ltd	PSC	UK	8.55	4.40	1.94x
1/04/2021	Abaco Insurance Brokers Limited	PSC	UK	38.39	7.66	5.01x
1/04/2021	Trust Insurance Services Ltd	PSC	UK	28.43	5.86	4.85x
30/09/2019	Paragon International Holdings Limited	PSC	UK	75.26	38.51	1.98x
31/08/2022	Charter-Union Insurance Brokers Ltd.	PSC	Hong Kong	8.10	3.96	2.04x
Australia				2.3	2.0	3.06x
Min				436.7	77.5	6.63x
Max				131.3	31.3	4.23x
Average				21.0	6.8	3.88x
Median						
International						
Min				6.1	3.4	1.78x
Max				75.3	38.5	5.01x
Average				27.5	10.6	2.93x
Median				18.5	5.1	2.01x
Total						
Average				79.4	20.0	3.52x
Median				21.0	5.9	3.60x

Source: S&P Capital IQ, company announcements and RSM analysis

9.29 The observed transaction multiples all relate to acquisitions of controlling stakes in the targets, and hence includes a premium for control. The target companies are also of similar size and nature to ENA. Accordingly, we made no adjustments to the observed transaction multiples. Based on our analysis, we have assessed a revenue multiple of between 3.50 times and 4.25 times based on the observed transaction multiples, as set out in the table below.

Table 27 Transaction multiple crosscheck

	Multiple range	
	Low	High
Historic multiple for comparable transactions (controlling basis)	3.50x	4.25x
Assessed Revenue multiple	3.50x	4.25x

Source: RSM analysis

9.30 Based on the observed transaction multiples, we consider our assessed revenue multiple for ENA of 3.60 times to 4.00 times to be reasonable.

Calculation of Enterprise Value

9.31 We have assessed the Enterprise Value of ENA to be in the range of \$13.2 million to \$15.8 million as set out in the table below.

Table 28 ENA Enterprise Value

\$'000	Low	High
Future maintainable revenue	3,400	3,600
Assessed multiple	3.90x	4.40x
Enterprise value (controlling basis)	13,260	15,840

Source: RSM analysis

Assessment of net cash

9.32 We have calculated the net cash position for ENA as at 30 June 2023, as set out in the table below.

Table 29 Net cash calculation of ENA

\$'000	As at 30 Jun 23
Borrowings	-
Contracted payments	(930)
Surplus Cash	5,428
Net Cash	4,499

Source: RSM analysis

9.33 Contracted payments relate to an amount of \$775,216 payable for the investment in KOBA under the SAFE, with the balance relating to insurance premium funding and other payables.

Assessment of surplus assets

9.34 If a company or business has assets that do not contribute to the operating cash flows of the business, the value of these "surplus assets" (net of any realisation costs and tax payable on realisation) should be added to the value of the company or business determined using the earnings or cash flow methodology.

9.35 A review of the financial position of ENA as at 30 June 2023 has identified several investments held by ENA, comprising:

- An investment in unlisted companies carried at fair value of \$1,200;
- A \$1.5 million investment in KOBA through a SAFE, entered into during FY23. The investment will be made in up to five separate tranches over a two-year period. ENA has an unconditional obligation to pay the first three tranche amounts, totalling \$1.2 million. Payment of the fourth tranche of \$150,000 on 15 October 2024 is contingent on a valuation cap of \$15 million and the September 2024 quarter net profit of KOBA being great than \$0 and positive operating cash flow. Payment of the fifth tranche of \$150,000 on 15 January 2025 is contingent on a valuation cap of \$20 million and the December 2024 half-year results of KOBA showing a net operating profit and cashflow of over \$100,000. If the relevant milestones for the fourth and fifth tranches are not achieved by the relevant tranche payment dates, ENA has the option (but not the obligation) to proceed to make the relevant tranche payment. In exchange for payment of each tranche, ENA has the right to be issued shares in KOBA; and
- \$2.2 million worth of PSC Shares held by the Company, carried at fair value, which were issued as part of the sale of Ensurance UK and associated revaluation increments in FY23.

9.36 We have calculated the Fair Value of the surplus assets of ENA as at 30 June 2023, as set out in the table below.

Table 30 Surplus assets of ENA

\$'000	As at 30 Jun 23
Share in unlisted companies	1
Investment in KOBA (SAFE)	1,200
Investment in PSC shares	1,957
Net Cash	3,158

Source: RSM analysis

9.37 We make the following comments in relation to ENA's investments.

- \$1,200 share in unlisted companies – as the investments are carried at fair value in the FY23 audited financial statements of ENA, we have assumed the disclosed book value to approximate fair value of the investments for the purpose of our analysis.
- \$1.2 million investment in KOBA – ENA's investment in the KOBA SAFE has been recorded at fair value of \$1.2 million in the FY23 audited financial statements of ENA, with a corresponding liability of approximately \$775,216 recorded for contracted payments for two unconditional tranches to be paid on 30 September 2023 and 31 March 2024. Given the early stage of development of KOBA, we have assumed the disclosed book value to approximate fair value of the investments for the purpose of our analysis.
- PSC Shares issued as part of the sale of Ensurance UK: On 10 March 2023, ENA completed the sale of its UK operation to PSC, in which 399,401 ordinary shares of PSC were issued to ENA as part of the consideration. Based on the closing share price of PSC of \$4.90 on 7 August 2023, the fair market value of PSC Shares held by ENA is estimated to be \$1.96 million.

Share capital

9.38 As at 11 September 2023, ENA has a total of 90,155,925 ordinary shares on issue.

Assessed value of a share in ENA prior to the Scheme under CFMR

9.39 Our assessed Fair Value of an ENA Share prior to the Scheme is, therefore, in the range of \$0.232 to \$0.261, on a controlling basis, as set out in the table below.

Table 31 Assessment of an ENA Share prior to the Scheme under CFMR

\$'000	Low	High
Maintainable revenue	3,400	3,600
Assessed multiple	3.90x	4.40x
Enterprise value (controlling basis)	13,260	15,840
Add: net cash	4,499	4,499
Add: surplus assets	3,158	3,158
Equity value (control)	20,917	23,497
No. of fully diluted shares ('000)	90,156	90,156
Equity Value per share - fully diluted and controlling basis	\$0.232	\$0.261

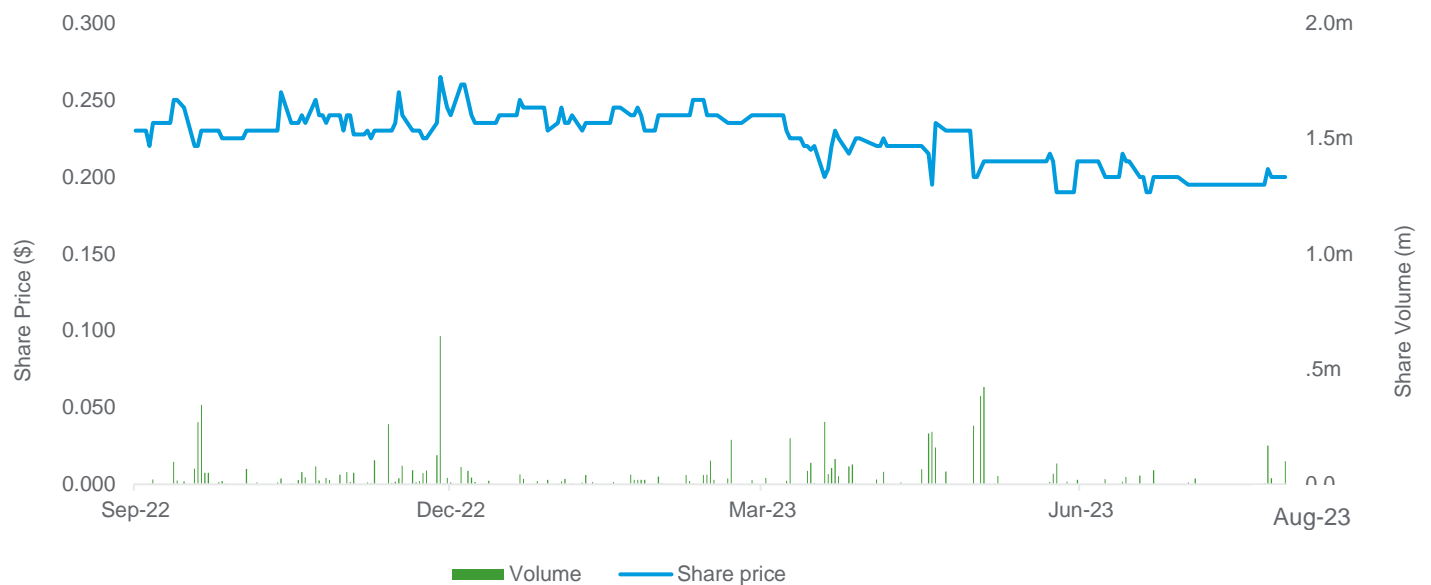
Source: RSM analysis

Quoted price of listed securities methodology

9.40 In order to provide a cross-check to the valuation of an ENA share under the capitalisation of future maintainable revenue methodology, we have also assessed the Fair Value based on the quoted market price.

9.41 The figure below sets out a summary of ENA's closing share prices and traded volumes in the year to 7 August 2023, being the last day ENA Shares traded prior to the announcement of the Scheme. The assessment reflects trading prior to the announcement in order to avoid the influence of any movement in price that may have occurred as a result of the announcement of the Scheme.

Figure 8 Closing share prices and recent trading of ENA Shares



Source: S&P Capital IQ

9.42 RG 111.69 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of the company's securities traded on a weekly basis;
- The bid/ask spread of a company's share must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in the share price.

9.43 To provide further analysis of the quoted market prices for ENA Shares, we have considered the VWAP for the 1, 5, 10, 30, 60, 90, 120, 180 and 365 calendar days up to and including 7 August 2023, as summarised in the table below.

Table 32 VWAP of ENA shares

Calendar days	VWAP \$	Share price Low \$	Share price High \$	Volume traded ('000)	Value traded (\$'000)	Percentage of issued capital %
1 day	0.2000	0.2000	0.2000	100	20	0.1%
5 days	0.2000	0.2000	0.2000	128	26	0.1%
10 days	0.2027	0.1950	0.2050	300	61	0.3%
30 days	0.2020	0.1950	0.2050	332	67	0.4%
60 days	0.2023	0.1900	0.2150	501	101	0.6%
90 days	0.2049	0.1900	0.2150	1,522	312	1.7%
120 days	0.2078	0.1900	0.2350	2,594	539	2.9%
180 days	0.2138	0.1900	0.2500	4,194	897	4.6%
365 days	0.2260	0.1900	0.2650	9,025	2,040	10.0%

Source: S&P Capital IQ

9.44 As set out in the table above, ENA's shares fluctuated between \$0.1900 and \$0.2650 over the 365 trading days to 7 August 2023 and had a VWAP of \$0.2260 with a total traded volume of 10.0% of the issued capital.

9.45 In the 30 trading days prior to the announcement, ENA Shares fluctuated slightly from \$0.1950 to \$0.2050 and had a VWAP of \$0.2020 with a traded volume of 0.4% of the issued capital, demonstrating relatively low levels of liquidity of ENA Shares during this period.

9.46 ENA's closing price on 7 August 2023, the last day of trade prior to the Scheme announcement, was \$0.2000. The daily trade price had the same low and high of \$0.2000 with 0.1% of the issued capital traded.

9.47 ENA is obligated to comply with the full disclosure regime required by the ASX. As a result, we have assumed that the market is fully informed about the performance and prospects of ENA.

Valuation of an ENA Share (Quoted price of listed securities methodology)

9.48 Based on the analysis of the recent trading in ENA Shares, we have assessed the value of an ENA Share on a minority interest basis, to be in the range of \$0.19 and \$0.215, based on the 60-day VWAP of an ENA Share prior to the announcement of the Scheme.

9.49 Based on our assessment of an appropriate control premium in paragraph 9.20, we believe that a premium for control of 25% is appropriate in assessing the value of a controlling interest in ENA.

9.50 The table below sets out our assessment of the value in an ENA Share on a controlling basis utilising the quoted price of listed securities methodology.

Table 33 Valuation of an ENA Share using quoted market price

	Low	High	Preferred
Quoted market price (non-controlling basis)	\$0.1900	\$0.2150	\$0.2025
Control premium	25.0%	25.0%	25.0%
Assessed value per share (controlling basis)	\$0.2375	\$0.2688	\$0.2531

Source: RSM analysis

Valuation summary and conclusion

9.51 A summary of our assessed values of an ENA Share on a controlling basis prior to implementation of the Scheme, derived under the two methodologies, is set out in the table below.

Table 34 Valuation summary

Fair value per ENA Share prior to the Scheme (controlling basis)	Low	High
CFMR	\$0.232	\$0.261
Quoted price of listed securities	\$0.253	\$0.283

Source: RSM analysis

9.52 We consider that the Fair Value of an ENA Share on a controlling basis is in the range of \$0.232 to \$0.261, derived using the capitalisation of future maintainable revenue basis.

9.53 Whilst the recent quoted market prices of ENA provide a useful cross check to our primary methodology, based on our analysis of the recent volume of trading in ENA Shares, we do not consider the market to be sufficiently liquid to provide a reliable assessment of their Fair Value on a standalone basis.

9.54 Therefore, in our opinion, the Fair Value of an ENA Share is between \$0.232 (23.2 cents) and \$0.261 (26.1 cents) on a controlling basis.

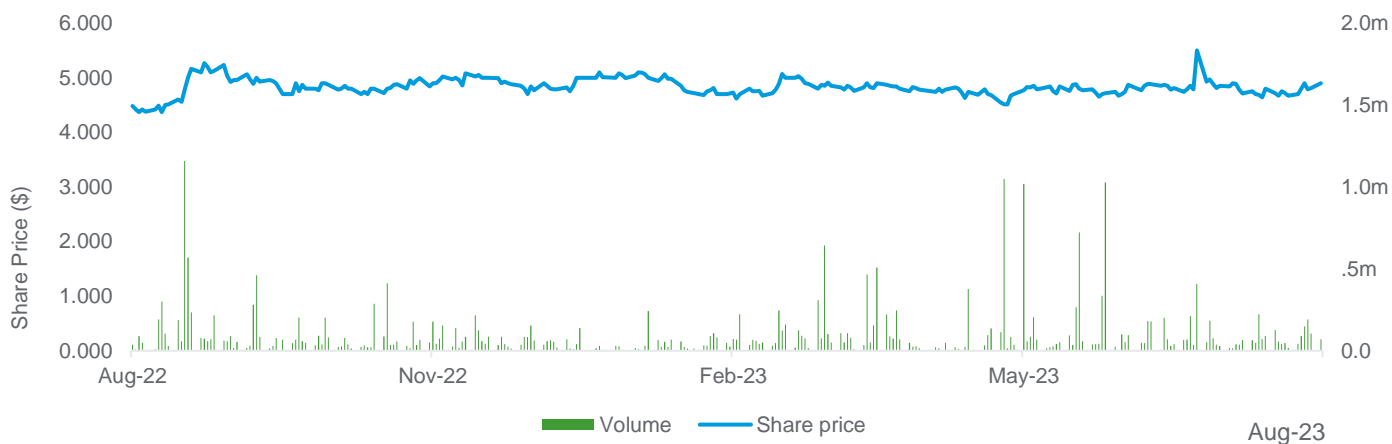
10. Valuation of Scheme Consideration

- 10.1 In effect, the Scheme represents a takeover offer for ENA via an offer of the greater of \$25.2 million (“Minimum Scheme Consideration”) or 5,000,000 fully paid ordinary shares in PSC shares⁸ (“Scheme Scrip Consideration”), to be satisfied by way of the issue of the Scheme Scrip Consideration, with any difference between the value of the Scheme Scrip Consideration and the Minimum Scheme Consideration to be paid in cash (“Top Up Cash Consideration”). Accordingly, ENA Scheme Shareholders will receive approximately 0.056 New PSC Shares per Scheme Share⁸ and additional Top Up Cash Consideration (if applicable) for each Scheme Share.
- 10.2 Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme to be “in the best interests” of the ENA Scheme Shareholders, we have considered whether the Scheme is “fair” to the ENA Scheme Shareholders by assessing and comparing the Fair Value of a share in ENA on a controlling basis prior to the Scheme with the Minimum Scheme Consideration per ENA Share, on the premise that, should this analysis result in the Scheme being “fair”, any additional value realised through the Scheme Scrip Consideration as a result of the value of the PSC Shares exceeding the Minimum Scheme Consideration per ENA Share will make the Scheme more “fair” to ENA Scheme Shareholders.
- 10.3 We have assessed the Fair Value of the Scheme Scrip Consideration utilising the following approaches:
- Recent quoted price of its listed securities; and
 - CFME, by comparing the earnings multiple implied by the Scheme Scrip Consideration against the current trading multiples of comparable companies.
- 10.4 This assessment has been made on a minority basis (excluding a control premium), given the ENA Scheme Shareholders will become minority shareholders in PSC should the Scheme be approved.
- 10.5 Our assessment of the Fair Value of the Scheme Scrip Consideration is set out below.

Recent quoted price of PSC Shares

- 10.6 If the Scheme is approved, ENA Scheme Shareholders will receive shares in PSC which will constitute the merged entity consisting of the operation of both PSC and ENA. The PSC share price post the announcement of the Scheme incorporates the market’s view on the value of the merged entity, as well as the risk of the Scheme not being approved. Given the relatively low volumes of trading in PSC shares post the announcement of the Scheme, we have had regard to the trading in PSC Shares in the twelve months leading up to the Scheme announcement.
- 10.7 The figure below sets out a summary of PSC’s closing share prices and traded volumes in the year to 7 August 2023, being the last day PSC Shares traded prior to the announcement of the Scheme.

Figure 9 Closing share prices and recent trading of PSC Shares



Source: S&P Capital IQ

⁸ Assuming that there is no PSC Share Adjustment.

10.8 RG 111.69 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of the company's securities traded on a weekly basis;
- The bid/ask spread of a company's share must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in the share price.

10.9 To provide further analysis of the quoted market prices for PSC's Shares, we have considered the VWAP for the 1, 5, 10, 30, 60, 90, 120, 180 and 365 calendar days up to and including 7 August 2023, as summarised in the table below.

Table 35 VWAP of PSC Shares

Calendar days	VWAP \$	Share price Low \$	Share price High \$	Volume traded ('000)	Value traded (\$'000)	Percentage of issued capital %	Percentage of free float %
1 day	4.9000	4.9000	4.9000	71	345	0.0%	0.0%
5 days	4.8169	4.7900	4.9000	365	1,760	0.1%	0.2%
10 days	4.8258	4.6700	4.9000	645	3,112	0.2%	0.4%
30 days	4.7665	4.6400	4.9000	1,601	7,632	0.5%	0.9%
60 days	4.8925	4.6400	5.5000	3,664	17,925	1.0%	2.1%
90 days	4.8322	4.6400	5.5000	7,017	33,909	2.0%	3.9%
120 days	4.7794	4.5100	5.5000	10,178	48,643	2.9%	5.7%
180 days	4.8048	4.5100	5.5000	15,220	73,128	4.3%	8.6%
365 days	4.8291	4.3700	5.5000	26,188	126,467	7.4%	14.9%

Source: S&P Capital IQ

10.10 As set out in the table above, PSC's Shares fluctuated between \$4.37 and \$5.50 over the 365 trading days to 7 August 2023 and had a VWAP of \$4.8291 with a total traded volume of 14.9% of the shares in free float.

10.11 In the 30 trading days prior to the announcement, PSC's shares fluctuated slightly from \$4.64 to \$4.90 and had a VWAP of \$4.7665 with a traded volume of 0.5% of the issued capital.

10.12 PSC's closing share price on 7 August 2023, the last day of trade prior to the Scheme announcement, was \$4.90. The daily trading price had the same low and high of \$4.90 with 0.02% of the issued capital traded.

10.13 As stated in paragraph 2.21, PSC demonstrates a moderate level of liquidity, with 4.3% of issued share capital and approximately 8.6% of free-float shares on issue traded in the 180 days prior to the Scheme announcement.

10.14 Based on the above, we consider that market trading in PSC Shares is well informed and moderately liquid, with a wide spread of shareholders and a moderate spread in share price over the past twelve months. Accordingly, we consider the analysis of PSC historical share market trading to be a reasonable basis for the assessment of the Fair Value of a PSC Share.

10.15 Based on the analysis of the recent trading in PSC's Shares, we have assessed the value of a PSC Share on a minority interest basis, to be in the range of \$4.7665 and \$4.8925, being the 30-day VWAP and 60-day VWAP of a PSC Share prior to the announcement of the Scheme, respectively.

Implied earnings multiple cross check

10.16 Based on the assessed value of a PSC Share based on the recent quoted price analysis set out above of \$4.7665 and \$4.8925, the enterprise value (on a non-controlling basis) and implied current EBITDA multiple of PSC are set out in the table below.

Table 36 Implied EBITDA multiples of PSC

\$'000	Low	High
Assessed value of a PSC Share	\$4.7665	\$4.8925
PSC Shares on issue (existing) ('000)	356,403	356,403
Equity value (minority basis) ('000)	1,698,795	1,743,687
Net debt	142,323	142,323
Surplus assets	(85,485)	(85,485)
Lease liabilities	22,041	22,041
Enterprise value (minority basis)	1,777,674	1,822,566
FY23 normalised EBITDA	99,000	99,500
Implied historical EBITDA multiple	17.96x	18.32x

Source: RSM analysis

10.17 We make the following comments in relation to the calculation of the enterprise value of PSC and the implied current EBITDA multiple set out in the table above.

- a. The PSC Share value is based on the recent quoted price analysis set out above of \$4.7665 and \$4.8925, on a non-controlling basis.
- b. The PSC Shares on issue represent the total outstanding shares of PSC of 356,403,421 as at 11 September 2023.
- c. The net debt position of PSC is based on the balances as at 30 June 2023 per the audited financial statements of PSC, and consists of borrowings of \$213.7 million and cash of \$71.4 million.
- d. Surplus assets consists of:
 - i. Financial assets – derivatives (current and non-current portion) of \$1.1 million;
 - ii. Financial assets – investment in shares and unit trusts of \$60.4 million; and
 - iii. Equity accounted investments of \$24.0 million.

- e. Our assessment of the FME of PSC has been based on the normalised EBITDA for FY21, FY22 and FY23, as set out in the table below.

Table 37 PSC normalised EBITDA adjustments

\$'000	FY21	FY22	FY23
Reported revenue	224,588	246,757	314,503
Profit / (loss) before income tax	58,187	44,371	79,709
Interest income	(352)	(296)	(5,071)
Depreciation expense - property, plant and equipment	2,021	2,090	2,071
Depreciation expense - right-of-use assets	4,000	5,723	5,624
Amortisation expense	8,968	12,564	14,718
Finance costs	8,947	8,038	8,983
Finance costs - lease liabilities	1,207	1,398	1,163
Reported EBITDA	82,978	73,888	107,197
RSM adjustments:			
(Loss) / gain on financial instruments	(17,943)	6,616	(16,987)
Investment income	(1,052)	(478)	(2,196)
Acquisition legal and professional fees	252	1,357	1,788
Other acquisition and transaction related costs	1,332	323	92
Non-recurring employment costs	570	940	243
Net loss on deferred consideration	241	16,971	8,921
Normalisation adjustments	(16,600)	25,729	(8,139)
Normalised EBITDA	66,378	99,617	99,058
Normalised revenue	205,241	252,599	290,249
Normalised EBITDA margin %	32%	39%	34%

Source: RSM analysis

- f. The implied current EBITDA multiple of PSC is based on the calculated ranges of enterprise value and FME of PSC.

10.18 We have compared the implied current EBITDA multiple of PSC against the trading current EBITDA multiples of companies operating in the general insurance intermediary sector in Australia, New Zealand and the US. The table below summarises the historical EBITDA multiples of the comparable listed companies including PSC and ENA. A description of each of the companies is set out in Appendix E – Comparable Companies.

Table 38 Comparable trading multiples

Company	Location	Market Cap \$m	Enterprise Value(\$m)	EBITDA LTM (\$m)	EV/EBITDA multiple LTM
Insurance intermediaries - Australia & New Zealand					
Ensurance Limited	Australia	24	18	0	61.41x
PSC Insurance Group Limited	Australia	1,775	1,939	99	19.57x
Steadfast Group Limited	Australia	5,829	6,810	464	14.69x
AUB Group Limited	Australia	3,343	3,977	219	18.12x
Insurance intermediaries - US					
Brown & Brown, Inc.	United States	32,369	37,619	2,021	18.16x
Erie Indemnity Company	United States	22,598	22,280	763	28.48x
Min		3,343	3,977	219	14.69x
Max		32,369	37,619	2,021	28.48x
Average		16,035	17,672	867	19.86x
Median		14,213	14,545	614	18.14x

Source: S&P Capital IQ dated as at 30 August 2023

Note: Excluded nonmeaningful/irrelevant multiples highlighted in green; all dollar figures shown are displayed in Australian Dollar.

10.19 We consider that the implied current EBITDA multiple as set out in Table 36 of 17.96 times to 18.32 times, derived using the CFME is reasonable based on our assessment of the average and median trading multiples of comparable companies set out in Table 38 of 19.86 times and 18.14 times respectively.

Valuation summary and conclusion

10.20 In our opinion, the Fair Value of a PSC Share is between \$4.767 and \$4.893, on a non-controlling basis.

10.21 Based on the above assessment, we consider the Fair Value of the Scheme Scrip Consideration to be in the range of \$23.8 million and \$24.5 million, noting that this is prior to the inclusion of Top Up Cash Consideration.

10.22 As the range of Fair Value of the Scheme Scrip Consideration of \$23.8 million and \$24.5 million based on the above assessment is less than the Minimum Scheme Consideration of \$25.2 million, we have used the Minimum Scheme Consideration in assessing whether the Scheme is “fair”. The Minimum Scheme Consideration per ENA Share of \$0.2795 has been calculated as \$25.2 million (Minimum Scheme Consideration) divided by the 90,155,925 total ordinary shares of ENA on issue as at 11 September 2023.

11. Is the Scheme Fair to the ENA Scheme Shareholders

11.1 ASIC RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover or in this case, the Scheme, is equal to or greater than the value of the securities being the subject of the offer.

11.2 In assessing whether we consider the Scheme to be fair to the ENA Scheme Shareholders, we have valued a share in ENA on a controlling basis prior to the implementation of the Scheme, and compared it to the Minimum Scheme Consideration per ENA Share, to determine whether an ENA Scheme Shareholder would be better or worse off should the Scheme be approved.

11.3 Our assessed values are summarised below.

Table 39 Comparison of assessed value of an ENA Share prior to the Scheme and the Minimum Scheme Consideration per ENA Share

	Low	High
Fair Value per ENA Share prior to the Scheme (controlling basis)	\$0.2320	\$0.2606
Minimum Scheme Consideration per ENA Share	\$0.2795	\$0.2795

Source: RSM analysis

11.4 The above comparison is depicted graphically in the figure below.

Figure 10 Comparison of assessed value of an ENA Share prior to the Scheme and the Minimum Scheme Consideration per ENA Share



Source: RSM analysis

11.5 As the high end of the assessed Fair Value of an ENA Share prior to the Scheme is lower than the Minimum Scheme Consideration per ENA Share, we consider that the consideration offered per ENA Share is greater than the preferred Fair Value of an ENA Share prior to the Scheme, and in the absence of any other relevant information, in our opinion, the Scheme is **fair** to the ENA Scheme Shareholders, and as such, in the best interests of the ENA Scheme Shareholders.

12. Consideration of other factors relating to the Scheme

12.1 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid. We consider and outline in this Section of the Report an analysis of other factors which are likely to be relevant to the ENA Shareholders in their assessment of the Scheme.

The extent to which a control premium is being paid

12.2 The Minimum Scheme Consideration offered per ENA Share is \$0.2795 which represents a 40% premium on the closing price of ENA Shares of \$0.20 on 7 August 2023 (being the last day ENA Shares were available for trading immediately prior to the announcement of the Scheme).

12.3 Based on the RSM Control Premium Study 2021, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the banks and diversified financials sector were in the range of 24.8% to 26.4%. In determining the control premium, the offer price was compared to the closing trading price of the target company 20, 5 and 2 trading days prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, the closing share price of the acquiring company on the day prior to the date of the offer was used. The 40% premium of the Minimum Scheme Consideration per ENA Share above the ENA closing share price of \$0.20 on 7 August 2023 is higher than the average control premium range observed in the study.

12.4 An analysis of the implied premium of the offer over the VWAP of ENA Shares in the 180 trading days prior to the announcement is set out in the table below:

Table 40 Comparison of assessed value of ENA VWAP prior to the Scheme and Minimum Scheme Consideration per ENA Share

Period up to and including 7 August 2023	ENA VWAP	Minimum Scheme Consideration per ENA Share	Premium
	\$	\$	%
1 Trading Day	0.2000	0.2795	39.8%
5 Trading Days	0.2000	0.2795	39.8%
10 Trading Days	0.2027	0.2795	37.9%
30 Trading Days	0.2020	0.2795	38.4%
60 Trading Days	0.2023	0.2795	38.1%
90 Trading Days	0.2049	0.2795	36.4%
120 Trading Days	0.2078	0.2795	34.5%
180 Trading Days	0.2138	0.2795	30.7%

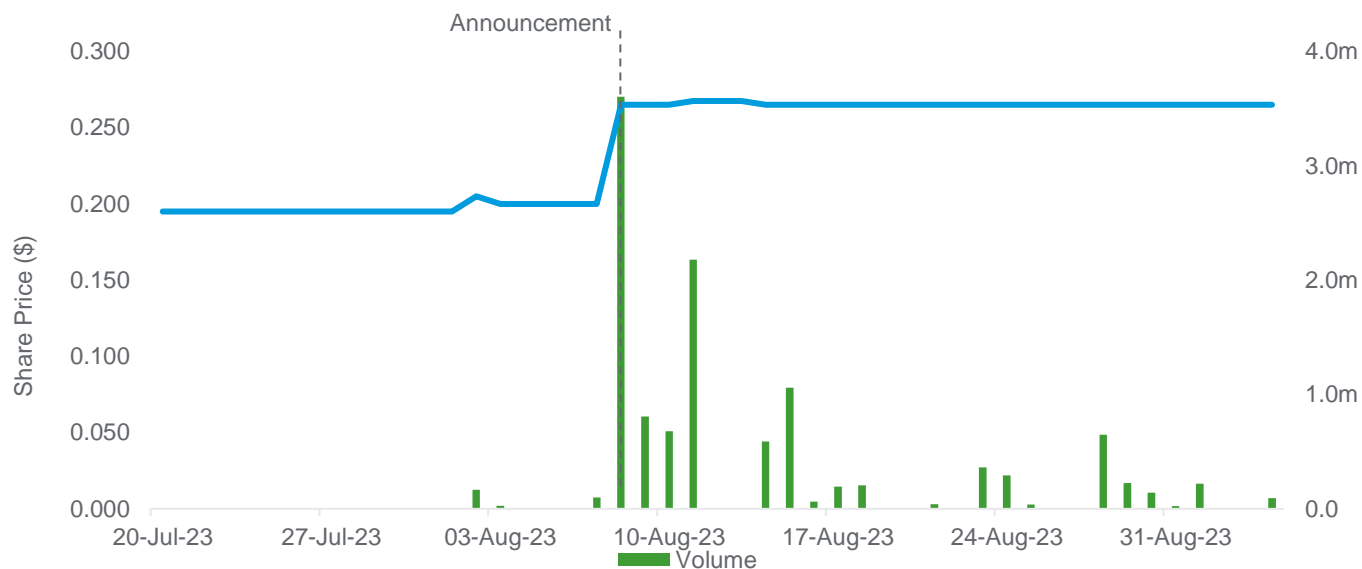
Source: RSM analysis

12.5 The implied control premium of the Minimum Scheme Consideration per ENA Share over the VWAP of ENA Shares ranges from 30.7% to 39.8% over the last eight months, which is higher than the average control premiums observed in the RSM 2021 Control Premium Study.

The price of ENA Shares after the announcement of the Scheme

12.6 The Scheme was announced to the ASX on 8 August 2023, which saw the closing share price of ENA Shares increase by 32.5% to \$0.265 over the previous closing price of \$0.20 on 7 August 2023. Shown below is a summary of the trading activity of ENA Shares in the subsequent period to 4 September 2023.

Figure 11 Post Announcement share price performance of ENA Shares



Source: S&P Capital IQ

12.7 Since the announcement of the Scheme on 8 August 2023, ENA's closing share price has traded at a high of \$0.2675 and a low of \$0.265, representing discounts of 4% and 5% respectively to the Minimum Scheme Consideration of \$0.2795 per share. The ENA Share price has remained relatively consistent since the announcement, indicating market expectations that the Scheme will be successfully implemented or an alternative Superior Proposal may emerge.

Liquidity of ENA Shares

12.8 Historically, the liquidity of ENA Shares has been low to moderate, with \$67,000 (or 0.8% of the total free float) worth of ENA Shares traded in the 30 trading days prior to the Scheme announcement, and \$897,000 (or 10.1% of the total free float) worth of ENA Shares traded in the 180 trading days prior. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis.

12.9 The Scheme provides ENA Scheme Shareholders with an ability to convert their investment in ENA to an investment in PSC Shares. PSC demonstrates a moderate level of liquidity, with approximately \$73,128,000 (or 8.6% of total free-float) worth of PSC Shares on issue traded in the 180 days prior to the Scheme announcement.

Advantages of approving the Scheme

12.10 ENA's Directors have unanimously recommended that the ENA Shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet).

12.11 The advantages of the Scheme are summarised below:

Table 41 Advantages of approving the Scheme

Advantage	Details
The Scheme is fair	The Scheme is fair to the ENA Scheme Shareholders
Premium on ENA traded share price	The Minimum Scheme Consideration per ENA Share represents a 40% premium to the pre-announcement ENA traded share, and a 36.4% premium to the 90 trading day VWAP.
Diversification	The Scheme will provide ENA Scheme Shareholders with exposure to a more diversified asset portfolio. PSC provides diversified insurance services, including commercial and life insurance broking, workers compensation consulting services and underwriting services in Australia, UK, Hong Kong, New Zealand, Bermuda and the EU.
Increased analysis of operations and expected share price performance	PSC's operations and share performance are covered by a range of analysts which will enhance the availability of information in relation to the operations and consensus expectation for PSC Share price performance.
Dividends	ENA has not paid any dividends over the period FY14 to FY23 as a result of its historical financial performance. PSC has paid dividends in each year ranging from \$0.07 to \$0.14 over the period FY18 to FY23, enhancing the probability of ENA Scheme Shareholders receiving dividends following the implementation of the Scheme.

Disadvantages of approving the Scheme

12.12 The key disadvantages of the Scheme are:

Table 42 Disadvantages of approving the Scheme

Disadvantage	Details
Dilutionary impact	ENA Scheme Shareholders will, collectively, have a diluted ownership of 1.37% ⁹ of PSC following the implementation of the Scheme. This will reduce the ENA Scheme Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets within the PSC group.
No ENA Board involvement	Following the implementation of the Scheme, no current ENA Board members will form part of the PSC Board.
Change in risk profile	Following the implementation of the Scheme, there will be a change in the risk profile of the shares held by ENA Scheme Shareholders, with new exposure to different insurance services and jurisdictions. This change in risk profile may not complement the investment strategy of some ENA Scheme Shareholders.
Value of the Scheme Consideration following implementation of the Scheme is not certain	The value of the Scheme Consideration that would be realised by individual ENA Scheme Shareholders following implementation of the Scheme is not certain, as it will depend on the price at which the New PSC Shares trade on the ASX in the future, which may expose ENA Scheme Shareholders to the risk that the effective value they receive for their ENA Scheme Shares may move adversely from the market value of the Scheme Consideration at the date of implementation of the Scheme.

⁹ Based on the issued capital of PSC as at the Last Practicable Date and assuming no PSC Share Adjustment

Future Prospects of ENA if the Scheme is not approved

- 12.13 If the Scheme is not approved by ENA Shareholders, ENA will remain listed on the ASX and will continue its operations in the same manner in which it is currently operating. ENA's Board of Directors will reassess ENA's options and strategies in such circumstances.
- 12.14 The ENA Share price increased by 32.5% to \$0.2650 over the previous closing price of \$0.20 following the announcement of the Scheme. If the Scheme is not approved, and in the absence of a Superior Proposal, we consider it possible that the price of ENA Shares may fall in the near-term, likely to the levels seen before the announcement of the Scheme.

Alternative proposals and likelihood of an alternative takeover offer

- 12.15 The Directors have advised us that no formal alternative offers or approaches by potential acquirers have been received since the announcement of the Scheme on 8 August 2023.
- 12.16 The alternative to the Scheme is for the ENA Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in ENA either through maintaining ENA as an independent company or through the emergence of a Superior Proposal to the Scheme. Whilst there is no evidence to suggest that the ENA Shareholders would be better off under such an alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting. However, since the announcement of the Scheme on 8 August 2023, we understand that no Superior Proposals have been put forward as the date of this Report.

Conclusion

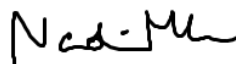
- 12.17 In the absence of any other relevant information and/or a Superior Proposal, RSM considers the Scheme to be **fair and reasonable** to the ENA Scheme Shareholders and as such, that the Scheme **to be in the best interests** of the ENA Scheme Shareholders.
- 12.18 An individual ENA Shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, ENA Shareholders should consult an independent advisor.

Yours faithfully

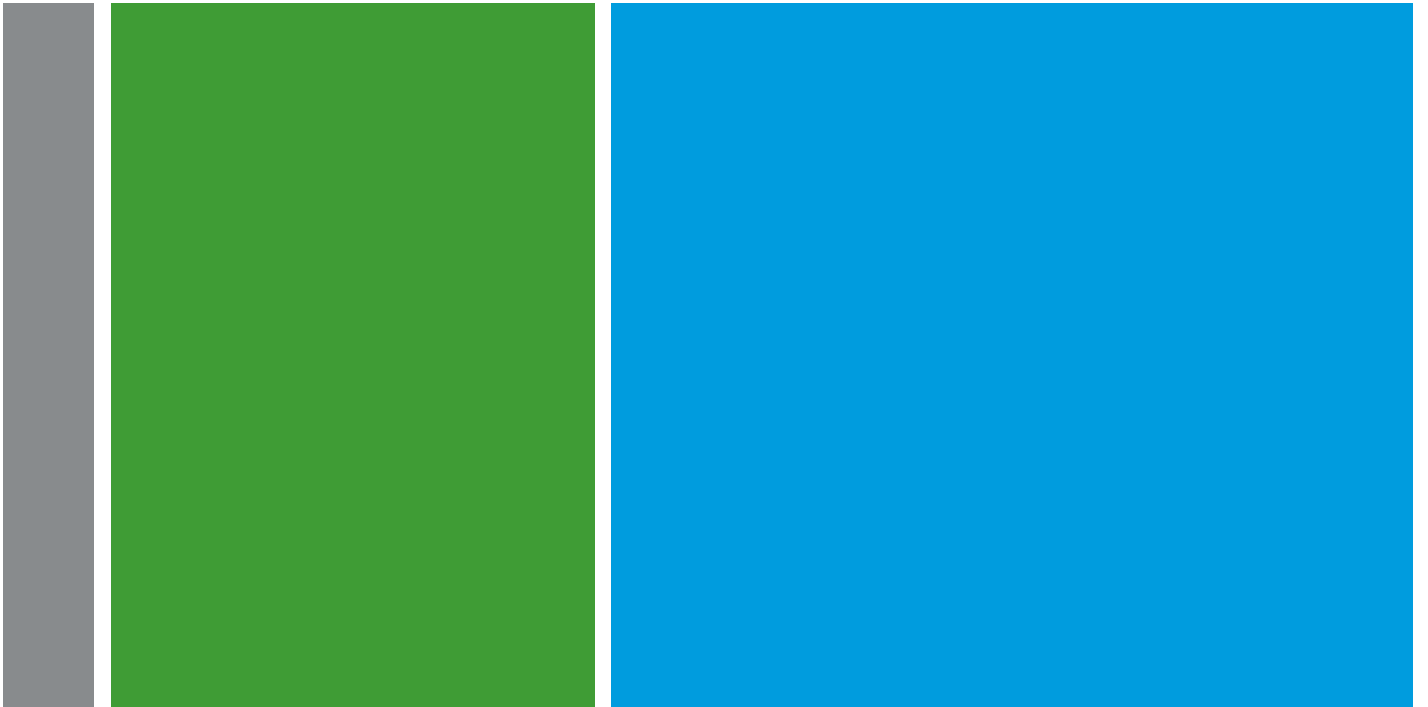
RSM CORPORATE AUSTRALIA PTY LTD



Andrew Clifford
Director



Nadine Marke
Director



APPENDICES

APPENDIX A – DECLARATIONS AND DISCLOSURES

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our Report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM Australia) a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew and Nadine are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert’s reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This Report has been prepared solely for the purpose of assisting the ENA Shareholders in considering the Scheme. We do not assume any responsibility or liability to any party as a result of reliance on this Report for any other purpose.

Reliance on Information

Statements and opinions contained in this Report are given in good faith. In the preparation of this Report, we have relied upon information provided by the Directors and management of Ensurance Ltd and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM Australia has any interest in the outcome of the Scheme, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of \$60,000 plus GST based on time occupied at normal professional rates for the preparation of this Report. The fees are payable regardless of whether Ensurance Ltd receives ENA Shareholder approval for the Scheme, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this Report in the form and context in which it is included with the Notice of Scheme Meeting and Scheme Booklet to be issued to ENA Shareholders. Other than this Report, none of RSM Corporate Australia Pty Ltd, RSM Australia and RSM Australia Partners has been involved in the preparation of the Notice of Scheme Meeting or Scheme Booklet. Accordingly, we take no responsibility for the content of the Notice of Scheme Meeting or the Scheme Booklet.

APPENDIX B – SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- The Scheme Booklet;
- ENA audited financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023;
- PSC audited financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023;
- Details of ENA Shareholders;
- ASX announcements of ENA and PSC;
- S&P Capital IQ database;
- Connect4 database;
- Information provided to us during correspondence with Directors and management of ENA; and
- ENA and PSC websites.

APPENDIX C – GLOSSARY OF TERMS AND ABBREVIATIONS

Term or Abbreviation	Definition
\$	Australian Dollar
Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AUB	AUB Group Limited
AXS	AXIS Capital Holdings Limited
BRO	Brown & Brown, Inc.
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CFME	Capitalisation of future maintainable earnings
CFMR	Capitalisation of future maintainable revenue
Combined Group	The corporate group comprising PSC and its subsidiaries, including ENA and its subsidiaries, if the Scheme is implemented.
control	The power to direct the management and policies of an entity or business enterprise
control basis or controlling basis	An assessment of the fair value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in an entity or business enterprise, to reflect the power of control
Court	The Supreme Court of Western Australia or another court having jurisdiction in relation to the Scheme.
DCF	The discounted cash flow method which is a method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
EBIT	Earnings, Before, Interest and Tax
EBITDA	Earnings, Before, Interest, Tax, Depreciation and Amortisation
ENA or the Company	Ensurance Ltd ACN 148 142 634
ENA Scheme Shareholders	Each person who is registered in the ENA share register as the holder of a Scheme Share as at 5:00pm (Perth time) on the Record Date
ENA Share	A fully paid ordinary share in the capital of ENA

Term or Abbreviation	Definition
ENA Shareholders	Each person who is registered in the ENA share register from time to time as the holder of an ENA Share
Ensurance UK	Ensurance UK Limited
Equity	The owner's interest in property after deduction of all liabilities
ERIE	Erie Indemnity Company
EV	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Fair Value, Fair Market Value or Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future maintainable earnings
FSG	Financial Services Guide
FY21	Financial year ended 30 June 2021
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
IAG	Insurance Australia Group Limited
IER or the Report	This Independent Expert's Report
Implementation Deed	The binding Scheme Implementation Deed dated 8 August 2023 between PSC and ENA
Ineligible Foreign Shareholder	An ENA Shareholder whose address as shown in the ENA share register at 7:00pm (Perth time) on the Record Date is a place outside Australia or its external territories, New Zealand, British Virgin Islands, Gibraltar, Jersey and the United Kingdom.
KOBA	KOBA Insurance Holding Pty Limited
Last Practicable Date	27 September 2023, being the last practicable date before the finalisation of this Report.
Minimum Scheme Consideration	\$25.2 million under the terms of the Scheme
New PSC Share Price	Has the meaning given to that term in section 4.6 of this Report
New PSC Shares	PSC Shares to be issued as consideration under the Scheme
Non controlling basis	An assessment of the fair value on an equity interest, which assumes the holder or holders do not have control of the entity in which the equity is held
PCP	Prior corresponding period
PSC	PCS Insurance Group Limited ACN 147 812 164
PSC Share Adjustment	The number of New PSC Shares calculated by using the below formula: The amount by which the actual transaction costs incurred by ENA in connection with the Scheme exceed \$500,000 (including GST) / New PSC Share Price

Term or Abbreviation	Definition
PSC Share	A fully paid ordinary share in the capital of PSC
PSC Shareholders	A holder of PSC Shares from time to time.
QBE	QBE Insurance Group Limited
Record Date	The second Business Day following the Effective Date or such other date after the Effective Date as the Bidder and the Target agree in writing.
Report	This Independent Expert's Report prepared by RSM
RG 111	ASIC Regulatory Guide 111 Contents of Expert's Reports
RSM	RSM Corporate Australia Pty Ltd
RSM Control Premium Study 2021	RSM study of 605 takeovers and schemes of arrangements involving companies listed on the ASX over the 15.5 years ended 31 December 2020
S&P	Standard and Poor's
SAFE	Simple Agreement for Future Equity
SAFT	Safety Insurance Group Inc.
Scheme, the Scheme	The proposed scheme of arrangement in relation to PSC's acquisition of all the issued share capital in ENA
Scheme Booklet	The booklet prepared by ENA for the Scheme to which this Report is attached
Scheme Consideration	The greater of \$25.2 million and 5,000,000 New PSC Shares, to be satisfied by way of the issue of 5,000,000 New PSC Shares (assuming no PSC Share Adjustment) with any difference between the value of those New PSC Shares and the purchase price of \$25.2 million to be satisfied by payment of any Top Up Cash Consideration (if applicable), resulting in approximately 0.056 New PSC Shares for each Scheme Share held by an ENA Scheme Shareholder. In relation to Ineligible Foreign Shareholders, the Scheme Consideration will be satisfied by the net sale proceeds of the New PSC Shares they would have been entitled to (see section 4.3) and any Top Up Consideration (if applicable).
Scheme Scrip Consideration	5,000,000 New PSC Shares to be issued under the terms of the Scheme (assuming no PSC Share Adjustment)
Scheme Shares	All ENA Shares held ENA Scheme Shareholders on the Record Date
SDF	Steadfast Group Limited
SPA	Sales & Purchase Agreement
Superior Proposal	Has the meaning given to that term in the Scheme Booklet.
The Industry	General insurance industry in Australia
TKSR	TK Speciality Risks Pty Ltd
Top Up Cash Consideration	The cash consideration payable to ENA Scheme Shareholders to satisfy any difference between the value of the Scheme Scrip Consideration and the Minimum Scheme Consideration to be paid in cash under the terms of the Scheme
TRV	The Travelers Companies. Inc.

Term or Abbreviation	Definition
TWR	Tower Limited
UK	United Kingdom
US	United States
VWAP	Has the meaning given in the ASX Listing Rules

APPENDIX D – INDUSTRY OVERVIEW

The Australian general insurance industry

The Australian general insurance market encompasses a range of companies that provide coverage for various asset classes. The risk is typically underwritten by Australian Prudential Regulation Authority (“APRA”) approved domestic insurance companies, large multinational insurance companies as well as specialised underwriting markets such as Lloyd’s of London.

In order to efficiently engage with underlying general insurance clients (which encompasses domestic households, small to medium enterprises and large corporations) there exists a diverse and fragmented general insurance intermediary sector. Intermediaries play a material role in the activities of the general insurance market and typically service the insurance needs of SMEs and large corporations. The general insurance intermediary sector predominantly comprises insurance brokers and underwriting agencies.

Insurance intermediaries do not take underwriting risk. They are remunerated by way of commission from the insurers and/or fees from the insured for the services they provide. The revenue pool for the general insurance intermediary sector in Australia is therefore a subset of the intermediated general insurance premiums.

Typically insurance brokers deal with generic insurance policies and risk advice whereas wholesale brokers and underwriting agencies generally provide risk products in specialist or niche risk categories for those insurance brokers. Wholesale brokers will generally specialise in certain insurance risk categories and work with specific insurers.

Within the Australian market there are multinational and listed Australian general insurance intermediaries. In addition, a large proportion of intermediaries are smaller, privately owned brokers.

Underwriting Agencies

Underwriting agencies work in conjunction with general insurers to design and develop specialist policies, determine risk coverage and, in certain cases, manage claims and underwriting processes and subject to authority, bind the insurer. Underwriting agencies do not underwrite or bear the underlying insurance risk for the insurance policies that they offer as these are borne by the general insurer.

Underwriting agencies provide general insurers, including international insurers and market participants such as Lloyd’s of London, with access to expertise and distribution in certain specialist market segments. The majority of the policies developed by underwriting agencies are for specific commercial risks, which are then offered either directly to the client or to the insurance broker market.

Underwriting agencies largely derive revenue from commissions from the insurer which underwrites the specific policies.

Underwriting agencies generally focus on specialised industries or risk classes. Underwriting agencies service brokers and other general insurance intermediaries. Occasionally an underwriting agency may deal directly with the end client (the insured).

There are several potential barriers to entry in regard to underwriting agencies additional to those of the insurance broker, including but not limited to specialised skills and expertise in regard to specific industries and risk classes and associated relationships with appropriate insurers.

Insurance broking industry¹⁰

ENA operates as an intermediary underwriting agency in Australia, which forms part of the broader general insurance intermediary sector predominantly comprises insurance brokers and underwriting agencies (the “Industry”). The industry includes individuals and businesses that act primarily as agents or brokers in selling insurance policies.

The insurance brokerage industry has flourished on the back of rising insurance premiums. Severe natural disaster events have compelled insurers to increase premiums and incentivised consumers to avoid risks and seek out insurance brokers. Industry revenue in relation to intermediated gross written premium pool is expected to grow at an annualised 5.4% over the five years through 2022-23 to \$17.2billion. This trend includes anticipated growth of 3.5% in the current year. The COVID-19 pandemic has led to more businesses relying on insurance brokers to purchase suitable insurance products amid a changing environment.

Industry revenue in relation to intermediated gross written premium is forecast to rise at an annualised 1.1% through the end of 2027-28 to \$18.1 billion. Higher premiums and demand for insurance-related services, coupled with an ageing population, will support revenue growth.

Key external drivers

Number of Australian businesses

An abundance of businesses propels demand for commercial insurance, which accounts for a large proportion of insurance brokerage revenue. Businesses seek insurance for public liability, indemnity, employees and other risks. As the number of businesses grows, the number of potential clients for brokers rises along with it, generating greater demand for brokerage services. The number of Australian businesses is expected to increase by 4.5% in 2022-23.

Disposable income

Non-life insurance premiums are considered disposable expenditure, with declining income levels lowering individuals' propensity to opt into extensive insurance coverage. Falling disposable income hinders people's willingness and ability to purchase insurance or extra cover, subduing demand for insurance brokerage. Real household disposable income is anticipated to decrease by 0.9% in 2022-23, threatening industry performance.

Number of households

The number of households is expected to rise by 1.6% in 2022-23, which in turn will increase the demand for home and contents insurance.

Number of motor vehicles

The number of motor vehicles is expected to increase by 1.9% in 2023, which in turn will increase the demand for motor vehicle insurance.

Natural disasters

Consumers' appetite for risk feeds into demand for natural disaster-related insurance. As natural disasters become more frequent and costly, consumers' risk appetites fall, incentivising greater demand for insurance policies. Insurers raise premiums following large-scale natural disasters, contributing to greater industry brokerage success. The total cost of natural disasters is expected to decrease 46.0% in 2023 following an increase in 2022.

¹⁰ IBISWorld Industry Report K6420 –Insurance Brokerage in Australia, August 2023.

APPENDIX E – COMPARABLE COMPANIES

Table 43 Comparable companies' descriptions

Company	Business Description
Ensurance Limited	Ensurance Limited provides customized insurance solutions in Australia and the United Kingdom. The company offers contractors-all risk, contractors-plant and equipment, home build, combined liability, engineering inspection, construction, cyber, and terrorism and sabotage insurance products. Ensurance Limited is based in Bondi Junction, Australia.
PSC Insurance Group Limited	PSC Insurance Group Limited provides diversified insurance services in Australia, the United Kingdom, Hong Kong, New Zealand, Bermuda and the EU. The company operates through three segments: Distribution, Agency/Specialty, International (United Kingdom, Hong Kong, New Zealand, Bermuda and the EU), and Group. The company provides commercial and life insurance broking, as well as workers compensation consulting services. It also offers underwriting services in the construction, and plant and equipment industries; hospitality, accommodation, equipment hire, and professional risks industries and classes; and medical and healthcare industries, as well as operates an online travel insurance business under the Travel Insuranz and Insure4Less brands. In addition, it underwrites property and liability insurance; and offers reinsurance. PSC Insurance Group Limited was incorporated in 2010 and is based in East Melbourne, Australia.
Steadfast Group Limited	Steadfast Group Limited provides general insurance brokerage services Australasia, Asia, and Europe. It also provides insurance underwriting services and related services. The company offers business insurance products, such as aviation, business pack, business interruption, contract works, corporate travel, cyber, events, farm, marine, management liability, product liability, professional indemnity, public liability, trade credit, and workers' compensation insurance. It also provides personal insurance products, including home and contents, landlord, life, motor, and strata insurance. The company operates a network of 427 general insurance brokers and 28 underwriting agencies. Steadfast Group Limited was incorporated in 1996 and is based in Sydney, Australia.
AUB Group Limited	AUB Group Limited engages in the insurance broking and underwriting businesses in Australia and New Zealand. The company provides insurance broking and advisory services primarily to SME clients; distributes ancillary products; and designs, distributes, and manages insurance products on behalf of licensed insurance companies. It also offers support services, such as loss adjustment, investigations, claims management, and claim legal support services; and automated quoting and binding, white-labelling, and technological support services, as well as ExpressCover; and BizCover, a digital SME insurance platform with multi-channel presence and insurance offerings. The company was formerly known as Austbrokers Holdings Limited and changed its name to AUB Group Limited in November 2015. AUB Group Limited was incorporated in 1885 and is headquartered in North Sydney, Australia.
Brown & Brown, Inc.	Brown & Brown, Inc. markets and sells insurance products and services in the United States, Canada, Ireland, the United Kingdom, and internationally. It operates through four segments: Retail, National Programs, Wholesale Brokerage, and Services. The Retail segment provides property and casualty, employee benefits insurance products, personal insurance products, specialties insurance products, risk management strategies, loss control survey and analysis, consultancy, and claims processing services. It serves commercial, public and quasi-public entities, professional, and individual customers. The National Programs segment offers professional liability and related package insurance products for dentistry, legal, eyecare, insurance, financial, physicians, real estate title professionals, as well as supplementary insurance products related to weddings, events, medical facilities, and cyber liabilities. This segment also provides public entity-related and specialty programs through a network of independent agents; and program management services for insurance carrier partners. The Wholesale Brokerage segment markets and sells excess and surplus commercial and personal lines insurance through independent agents and brokers. The Services segment offers third-party claims administration and medical utilization management services in the workers' compensation and all-lines liability arenas, Medicare Set-aside, Social Security disability, Medicare benefits advocacy, and claims adjusting services. Brown & Brown, Inc. was founded in 1939 and is headquartered in Daytona Beach, Florida.
Erie Indemnity Company	Erie Indemnity Company operates as a managing attorney-in-fact for the subscribers at the Erie Insurance Exchange in the United States. The company provides sales, underwriting, policy issuance, and renewal services for the policyholders on behalf of the Erie Insurance Exchange. It also offers sales related services, including agent compensation, and sales and advertising support services; and underwriting services comprise underwriting and policy processing; and other services consist of customer services and administrative support services, as well as information technology services. Erie Indemnity Company was incorporated in 1925 and is based in Erie, Pennsylvania.

Source: S&P Capital IQ

APPENDIX F – COMPARABLE TARGET DESCRIPTIONS

Table 44 Comparable transaction - target companies' descriptions

Target	Target business description
Business assets of Trade Credit Risk Pty Ltd	Business assets of Trade Credit Risk Pty Ltd is located in Australia.
Insurance Brands Australia Pty Limited	Insurance Brands Australia Pty Limited is an insurance brokerage company. It provides insurance broking, underwriting agency, authorized representative, and digital and life insurance services. The company was formerly known as INSURANCE HOUSE HOLDINGS PTY LTD. Insurance Brands Australia Pty Limited was founded in 1983 and is based in East Melbourne, Australia. As of August 23, 2022, Insurance Brands Australia Pty Limited operates as a subsidiary of Steadfast Group Limited.
AWIB Pty Ltd	AWIB Pty Ltd, trading as Alan Wilson Insurance Brokers Pty. Ltd., provides insurance brokerage services in Australia. AWIB Pty Ltd was formerly known as AWIB UNIT TRUST. The company was founded in 1984 and is based in Traralgon, Australia. As of June 1, 2022, AWIB Pty Ltd operates as a subsidiary of PSC Insurance Group Limited.
Insurance broking portfolio and other business assets of Alliance Insurance Broking Services Pty	As of September 10, 2021, Insurance broking portfolio and other business assets of Alliance Insurance Broking Services Pty was acquired by PSC Insurance Group Limited. Insurance broking portfolio and other business assets of Alliance Insurance Broking Services Pty comprises insurance broking services business and other business assets. The asset is located in Australia.
Coverforce Holdco Pty Ltd	Coverforce Holdco Pty Ltd operates as an insurance broker in Australia. The company was incorporated in 2020 and is based in Barangaroo, Australia.
Park Farm Underwriting Limited	Park Farm Underwriting Limited provides non-life insurance policies. The company was incorporated in 1999 and is based in London, United Kingdom. As of July 25, 2023, Park Farm Underwriting Ltd operates as a subsidiary of Helios Underwriting plc.
Ensurance UK Ltd	Ensurance UK Ltd offers insurance solutions for construction and engineering sector. The company was incorporated in 2016 and is headquartered in London, United Kingdom. Ensurance UK Ltd operated as a subsidiary of Ensurance Limited. As of March 10, 2023, Ensurance UK Ltd was acquired by and operates as a subsidiary of PSC Insurance Group Limited.
Abaco Insurance Brokers Limited	Abaco Insurance Brokers Limited operates as an insurance broker company. It was incorporated in 2011 and is based in Leicester, United Kingdom.
Trust Insurance Services Ltd	Trust Insurance Services Limited is an insurance broker company. It was incorporated in 2001 and is headquartered in Bedford, United Kingdom.
Paragon International Holdings Limited	Paragon International Holdings Limited, through its subsidiaries, provides insurance brokerage services. Paragon International Holdings Limited was founded in 1996 and is based in London, United Kingdom. As of October 1, 2019, Paragon International Holdings Limited was acquired by and operates as a subsidiary of PSC Insurance Group Limited.
Charter-Union Insurance Brokers Ltd.	Charter-Union Insurance Brokers Ltd. operates as a general insurance broking company. The company was incorporated in 1989 and is based in Wan Chai, Hong Kong. As of August 31, 2022, Charter-Union Insurance Brokers Ltd. was acquired by and operates as a subsidiary of PSC Insurance Group Limited.

Source: S&P Capital IQ

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Annexure B – Scheme of Arrangement



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DX 10284 Sydney Stock Exchange

Scheme of Arrangement

Ensurance Ltd ACN 148 142 634
and

**Each person registered as a holder of fully paid ordinary shares in Ensurance Ltd as
at the Record Date**

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Scheme of Arrangement

Parties

Name	Ensurance Ltd ACN 148 142 634
Address	'Westfield Tower 2', Level 21, 101 Grafton Street, Bondi Junction, NSW 2022
Email	tom.kent@au.ensurance.ltd
Contact	Tom Kent
Short name	Target
Name	The persons registered as holders of fully paid ordinary shares in the Target as at the Record Date
Short name	Scheme Participants

The parties agree

1. Definitions

1.1 Defined terms

In this Scheme:

Actual Transaction Costs means the total transaction costs (excluding GST) incurred by the Target in connection with the Scheme as at the date that is 2 Business Days prior to the Implementation Date, including legal and other adviser costs.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser, or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in connection, directly or indirectly, with the Scheme.

ASIC means the Australian Securities and Investments Commission.

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

Authority means any:

- (a) government, government department, government agency or government authority;
- (b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity or person carrying out any statutory authority or function, including the Takeovers Panel; or

- (c) other entity or person (whether autonomous or not) having powers or jurisdiction under:
- (i) any statute, regulation, ordinance, by-law, order or proclamation, or the common law; or
 - (ii) the rules of any recognised stock or securities exchange.

Bidder means PSC Insurance Group Limited ACN 147 812 164.

Bidder Share means a fully paid ordinary share in the Bidder.

Business Day means a day that is not a Saturday, Sunday, bank holiday or public holiday in Victoria, Australia.

CHES means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

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

Court means the Federal Court of Australia or another court having jurisdiction in relation to the Scheme as agreed between the Target and the Bidder.

Deed Poll means the deed poll to be executed by the Bidder in favour of the Scheme Participants prior to the First Court Date substantially in the form of Attachment 3 of the Scheme Implementation Deed (or in such other form as the Bidder and the Target may agree in writing, such agreement not to be unreasonably withheld or delayed).

Delivery Time means 8:00 am on the Second Court Date.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the later of:

- (a) the date 6 months after the date of the Scheme Implementation Deed; or
- (b) such later date as the Bidder and the Target may agree in writing, each acting reasonably.

Implementation Date means the date that is 5 Business Days after the Record Date, or such other date as the Target and the Bidder agree in writing.

Ineligible Foreign Scheme Shareholder means those Scheme Participants who have a Registered Address in a place other than Australia, New Zealand, United Kingdom, Jersey, Gibraltar and British Virgin Islands.

Listing Rules means the official listing rules of the ASX as amended, waived or modified from time to time.

Minimum Purchase Price means \$25.2 million.

New Bidder Share means a Bidder Share to be issued to Scheme Participants under the Scheme.

New Bidder Share Adjustment means that number of New Bidder Shares calculated by using the below formula:

Transaction Cost Adjustment (if any) / New Bidder Share Price.

New Bidder Share Price means the VWAP of the Bidder Shares over the period of 5 trading days prior to the Record Date.

Nominee means the person nominated by the Bidder to sell the New Bidder Shares that are attributable to Ineligible Foreign Scheme Shareholders under the terms of the Scheme (and / or a nominee of that person).

Record Date means 7:00 pm on the second Business Day after the Effective Date or such other date after the Effective Date as the Bidder and the Target agree in writing.

Register means the register of members of the Target kept on behalf of the Target by the Share Registry.

Registered Address means, in relation to a Scheme Participant, the address shown in the Register as at the Record Date.

Related Body Corporate has the meaning given in sections 9 and 50 of the Corporations Act.

Representatives means in respect of a party, any person acting for or on behalf of that party (including any Related Body Corporate of that party, and any director, officer, employee, agent, affiliate, contractor or Adviser of that party or its Related Bodies Corporate).

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by the Target and the Bidder.

Scheme Consideration means the consideration to be provided to Scheme Participants under the terms of this Scheme for the transfer of the Scheme Shares to the Bidder, comprised of the Scheme Scrip Consideration and any Top Up Cash Consideration as determined in accordance with clause 5.

Scheme Implementation Deed means the scheme implementation deed dated 7 August 2023 between the Bidder and the Target relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting or meetings of Shareholders ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act.

Scheme Participant means a Shareholder on the Record Date.

Scheme Scrip Consideration means such number of New Bidder Shares per Scheme Share to be issued to Scheme Participants under this Scheme, as determined by the following formula:

(5,000,000 New Bidder Shares less New Bidder Share Adjustment) / the number of Scheme Shares.

Scheme Shares means all Shares held by the Scheme Participants as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or may include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court by the Target for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Separate Account has the meaning given in clause 5.7.4(b).

Share means a fully paid ordinary share issued in the capital of the Target.

Share Registry means Computershare Investor Services Pty Limited of Level 11, 172 St Georges Terrace, Perth, Western Australia, Australia.

Shareholder means each person who is registered in the Register as the holder of Shares.

Subsidiary has the meaning given in the Corporations Act.

Top Up Cash Consideration means the cash payable by the Bidder to the Scheme Participants per Scheme Share (if any), calculated in accordance with clause 5.3.

Total Scrip Consideration Value is equal to the total number of New Bidder Shares to be issued by the Bidder under the Scheme multiplied by the New Bidder Share Price.

Transaction Cost Adjustment means the amount (if any) by which the Actual Transaction Costs exceed \$500,000.

Trust Account means an Australian dollar denominated trust account with an Australian bank which attracts interest at a commercial rate and is operated by the Target as trustee for the Scheme Participants (except that any interest on the amount deposited (less bank fees and other charges) will accrue for the benefit of the Bidder), details of which the Target must notify to Bidder no later than 5 Business Days before the Implementation Date.

Unclaimed Money Act means the *Unclaimed Money Act 1995* (NSW).

VWAP has the meaning given to “volume weighted average market price” as defined under Rule 19.12 of the Listing Rules.

2. Preliminary matters

- 2.1 The Target is a listed public company limited by shares that is admitted to the official list of the ASX (ASX: ENA), incorporated in Australia and registered in Western Australia, Australia with its registered office at ‘Westfield Tower 2’, Level 21, 101 Grafton Street, Bondi Junction, NSW, Australia.
- 2.2 As at the date of the Scheme Implementation Deed 90,155,925 Shares were on issue; and
- 2.3 The Bidder is an Australian public company limited by shares that is admitted to the official list of the ASX and its shares are quoted on the ASX. The Bidder is registered in Victoria, Australia with its registered office at 96 Wellington Parade, East Melbourne, Victoria, Australia.
- 2.4 The Bidder and the Target have entered into the Scheme Implementation Deed and the Bidder has executed the Deed Poll.
- 2.5 If this Scheme becomes Effective:
 - 2.5.1 the Bidder must provide the Scheme Consideration in accordance with the terms of this Scheme and the Deed Poll; and

- 2.5.2 all of the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to the Bidder and the Target will enter the name of the Bidder in the Register in respect of the Scheme Shares.

3. Conditions

3.1 Conditions precedent

The Scheme is conditional on:

- 3.1.1 as at the Delivery Time, all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1.5 of the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- 3.1.2 neither the Scheme Implementation Deed nor the Deed Poll being terminated in accordance with its terms by the Delivery Time;
- 3.1.3 this Scheme being approved by the Court on the Second Court Date under section 411(4)(b) of the Corporations Act, including with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by the Target and the Bidder (such agreement or consent not to be unreasonably withheld or delayed);
- 3.1.4 such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are agreed or consented to in writing by the Target and the Bidder (such agreement or consent not to be unreasonably withheld or delayed) having been satisfied; and
- 3.1.5 the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme having come into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.

3.2 Effect of conditions precedent

The satisfaction of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and clause 5 and the binding effect of this Scheme.

3.3 Certificate

- 3.3.1 At the hearing on the Second Court Date, the Target and the Bidder will provide to the Court a certificate confirming whether or not the conditions in clauses 3.1.1 and 3.1.2 have been satisfied or waived (but in the case of the condition in 3.1.1 only in respect of those conditions in clause 3.1 of the Implementation Deed (other than the condition in clause 3.1.5 relating to Court approval of the Scheme) included for that party's benefit.
- 3.3.2 The certificate given by the Target and the Bidder under clause 3.3.1 constitute conclusive evidence that the conditions in clauses 3.1.1 and 3.1.2 have been satisfied or waived as at the Delivery Time.

3.4 Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, if:

- 3.4.1 either the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or
- 3.4.2 the Effective Date or the Implementation Date has not occurred on or before the End Date,

then, unless the Target and the Bidder otherwise agree in writing, this Scheme will lapse and each of the Target and the Bidder are released from any further obligation to take steps to implement the Scheme.

4. Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

If the conditions set out in clauses 3.1.1 to 3.1.4 are satisfied, the Target must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible, and in any event by no later than 5:00 pm on the Business Day following the day on which the Court approves this Scheme or such later date as the Target and the Bidder agree in writing.

4.2 Transfer of Scheme Shares

4.2.1 On the Implementation Date:

- (a) the Scheme Consideration must be provided in the manner contemplated in clause 5;
- (b) subject to the provision of the Scheme Consideration in accordance with clause 5 by the Bidder, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to the Bidder, without the need for any further act by any Scheme Participant (other than acts performed by the Target or its officers as attorney and agent for Scheme Participants under clause 8.5), by:
 - (i) the Target delivering to the Bidder a duly completed and executed Scheme Transfer (as the attorney and agent of each Scheme Participant as transferor under clause 8.5) to transfer all Scheme Shares to the Bidder (and one or more Scheme Transfers can be a master transfer of all or part of all of the Scheme Shares) for registration; and
 - (ii) the Bidder duly executing the Scheme Transfer (as transferee) and delivering it to the Target for registration.

4.2.2 Immediately following receipt of the Scheme Transfer in accordance with clause 4.2.1(b), the Target must enter, or procure the entry of, the name of the Bidder in the Register in respect of all of the Scheme Shares.

5. Scheme Consideration

5.1 Scheme Consideration

Subject to the terms of this Scheme, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Participant.

5.2 **Determination of Scheme Consideration**

The Scheme Consideration applicable to each Scheme Share held by a Scheme Shareholder is:

- 5.2.1 the Scheme Scrip Consideration; plus
- 5.2.2 the Top Up Cash Consideration (if any).

5.3 **Determination of Top Up Cash Consideration**

5.3.1 The Top Up Cash Consideration is calculated using the formula below:

Top Up Cash Consideration = (Minimum Purchase Price – Total Scrip Consideration Value) / total number of Scheme Shares

5.3.2 For the avoidance of doubt, if the Total Scrip Consideration Value is equal to or greater than the Minimum Purchase Price, there will be no Top Up Cash Consideration.

5.4 **Provision of Scheme Scrip Consideration**

5.4.1 The Bidder must, before no later than 12:00 noon (or such later time as the Bidder and the Target may agree in writing) on the Implementation Date, procure that the name of each Scheme Participant entitled to be issued New Bidder Shares under this Scheme is entered in the Bidder's register of members as the holder of those New Bidder Shares (and in relation to New Bidder Shares issued to a Scheme Participant, having the same holding name and address and other details as the holding of the relevant Target Shares). A Scheme Participant entitled to be issued New Bidder Shares under this Scheme may, using a direction form issued by the Bidder, direct that the New Bidder Shares to which they are entitled be issued to a Related Body Corporate of the Scheme Participant (in which case such Related Body Corporate's name and details will be entered into Bidder's register of members).

5.4.2 On the Implementation Date, the Bidder must send or procure the sending of a holding statement to each Scheme Participant to whom New Bidder Shares are issued under this Scheme, reflecting the issue of such New Bidder Shares.

5.5 **Ineligible Foreign Scheme Shareholders**

5.5.1 The Bidder will be under no obligation under the Scheme to issue, and will not issue, any New Bidder Shares to any Ineligible Foreign Scheme Shareholder as Scheme Consideration, and instead, the Bidder will issue the New Bidder Shares to which the Ineligible Foreign Scheme Shareholders would otherwise have been entitled as Scheme Consideration to the Nominee.

5.5.2 The Bidder will procure that the Nominee:

- (a) as soon as reasonably practicable after the Implementation Date (and in any event within 15 days after the date on which the New Bidder Shares issued under the Scheme are quoted on the ASX) sells or procures the sale of all the New Bidder Shares issued to the Nominee pursuant to clause 5.5.1 in the ordinary course of trading on the ASX and in such manner, at such price and on such other terms as the Nominee reasonably determines; and
- (b) as soon as reasonably practicable after settlement (and in any event within 10 Business Days of settlement) remits to the Bidder the proceeds of sale

(after deducting any reasonable brokerage or other selling costs, taxes and charges).

- 5.5.3 Promptly after the last sale of New Bidder Shares in accordance with clause 5.5.2, the Bidder will pay to each Ineligible Foreign Scheme Shareholder an amount equal to the proportion of the net proceeds of sale received by the Bidder pursuant to clause 5.5.2(b) to which that Ineligible Foreign Scheme Shareholder is entitled in full satisfaction of the Ineligible Foreign Scheme Shareholder's entitlement to the New Bidder Shares.
- 5.5.4 The Bidder will pay the relevant fraction of the net proceeds of sale referred to in clause 5.5.3 to each Ineligible Foreign Scheme Shareholder in accordance with the payment procedures set out in 5.7.3 and 5.7.4 below.
- 5.5.5 Each Ineligible Foreign Scheme Shareholder acknowledges and agrees that:
- (a) none of the Target, the Bidder or the Nominee give any assurance as to the price that will be achieved for the sale of the New Bidder Shares described in clause 5.5.2(a); and
 - (b) the Target, the Bidder and the Nominee each expressly disclaims any fiduciary duty to any Ineligible Foreign Scheme Shareholder which may arise in connection with this clause 5.

5.6 Status of New Bidder Shares

- 5.6.1 The New Bidder Shares must, on their issue:
- (a) be duly and validly issued,
 - (b) be fully paid; and
 - (c) rank equally in all respects with all other Bidder Shares on issue.
- 5.6.2 The Bidder will apply to ASX for the official quotation of the New Bidder Shares under the Scheme and use all reasonable endeavours to ensure that the New Bidder Shares are approved for official quotation by the ASX on an ordinary settlement basis from the first Business Day after the Implementation Date (or such later date as ASX may require).

5.7 Provision of Top Up Cash Consideration

- 5.7.1 The Bidder must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds, an amount equal to the aggregate amount of the Top Up Cash Consideration payable to each Scheme Participant, into the Trust Account, such amount to be held by the Target as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account).
- 5.7.2 Subject to the Bidder complying with clause 5.7.1, on the Implementation Date, the Target must pay or procure the payment from the Trust Account to each Scheme Participant the Top Up Cash Consideration attributable to that Scheme Participant (if any) in respect of the relevant Scheme Participant's Scheme Shares.
- 5.7.3 The Target's obligation under clause 5.7.2 will be satisfied by the Target:
- (a) where a Scheme Participant has, before the Record Date, made an election in accordance with the requirements of the Share Registry to receive

dividend payments from the Target by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or

- (b) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Participant by prepaid post to their address shown in the Register as at the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.9), for the relevant amount.

5.7.4 In the event that:

- (a) either:
 - (i) a Scheme Participant does not have an address recorded in the Register; or
 - (ii) the Target as the trustee for the Scheme Participant believes that a Scheme Participant is not known at the Scheme Participant's address recorded in the Register,

and no account has been notified in accordance with clause 5.7.3 or a deposit into such an account is rejected or refunded; or

- (b) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.8,

the Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the Unclaimed Money Act) and the Target as the trustee for the Scheme Participant may credit the amount payable to the relevant Scheme Participant to a separate bank account of the Target (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. To avoid doubt, if the amount is not credited to the Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. The Target must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

5.7.5 To the extent that, following satisfaction of the Target's obligations under this clause 5, there is a surplus in the amount held by the Target as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by the Target to the Bidder.

5.8 Cancellation and reissue of cheques

5.8.1 The Target may cancel a cheque issued under this clause 5 if the cheque:

- (a) is returned to the Target; or
- (b) has not been presented for payment within six months after the date on which the cheque was sent.

5.8.2 During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to the Target (or the Share Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under this clause 5.8 must be reissued.

5.9 Joint holders

In the case of Scheme Shares held in joint names:

- 5.9.1 any Scheme Consideration to be paid as cash will be taken to be paid to the joint holders upon payment to the holder whose name appears first in the Register as at the Record Date;
- 5.9.2 any Scheme Consideration to be provided as New Bidder Shares must be issued to and registered in the names of the joint holders and entry in the Bidder's share register must take place in the same order as the holders' names appear in the Target's share register; and
- 5.9.3 any cheque or other document required to be sent under this Scheme will be sent to the holder whose name appears first in the Register as at the Record Date.

5.10 Orders of a Court or other Authority

If written notice is given to the Target (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Authority that:

- 5.10.1 requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with this Scheme, then the Target shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- 5.10.2 prevents the Target from providing consideration to any particular Scheme Participant in accordance with this Scheme, or the payment of such consideration is otherwise prohibited by applicable law, the Target shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as provision of the consideration in accordance with this Scheme is permitted by that order or direction or otherwise by law.

5.11 Fractional entitlements

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent or a Bidder Share, the fractional entitlement will be rounded down to the nearest whole cent or Bidder Share (as applicable).

6. Dealings in Scheme Shares

6.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Shares or other alterations to the Register will only be recognised if:

- 6.1.1 in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and
- 6.1.2 in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Record Date and occurs at the place where the Register is kept,

and the Target must not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

6.2 Register

- 6.2.1 The Target must register or procure the registration of registrable transmission applications or transfers of Shares in accordance with clause 6.1 by no later than the Record Date.
- 6.2.2 The Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of the Shares received after 5.00pm on the Record Date, other than to the Bidder in accordance with this Scheme.
- 6.2.3 If this Scheme becomes Effective, each entry which is current on the Register as at the Record Date is the sole evidence of entitlement to the Scheme Consideration on the terms of this Scheme in respect of the Shares relating to that entry.
- 6.2.4 If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and the Target will be entitled to disregard any such disposal, purported disposal or agreement or other dealing.
- 6.2.5 For the purpose of determining entitlements to the Scheme Consideration, the Target must procure the maintenance of the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.
- 6.2.6 All statements of holding for Shares (other than statements of holding in favour of the Bidder) will cease to have effect after the Record Date as documents of title in respect of those Shares and, as from that date, each entry current at that date on the Register (other than entries in respect of the Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- 6.2.7 As soon as possible after the Record Date, and in any event at least 3 Business Days before the Implementation Date, the Target will procure that details of the names, Registered Addresses and holdings of Shares for each Scheme Participant as shown in the Register as at the Record Date are made available to the Bidder in the form the Bidder reasonably requires.

7. Quotation of Shares

- 7.1 The Target must apply to ASX for suspension of trading in Shares on ASX with effect from the close of trading on the Effective Date.
- 7.2 On a date after the Implementation Date to be determined by the Bidder (acting reasonably and subject to the Listing Rules), the Target must apply to ASX for the termination of the official quotation of Shares on ASX and to have the Target removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- 8.1.1 the Target may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which the Bidder has consented in writing; and
- 8.1.2 each Scheme Participant agrees to any such alterations or conditions which counsel for the Target has consented in accordance with clause 8.1.1.

8.2 Scheme Participants' agreements and warranties

8.2.1 Each Scheme Participant:

- (a) agrees to the transfer of their Scheme Shares to Bidder together with all rights and entitlements attaching to those Shares in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees that after the transfer of their Scheme Shares to the Bidder, any statement of holdings for Shares relating to their Scheme Shares will not constitute evidence of title to those Scheme Shares; and
- (d) acknowledges and agrees that this Scheme binds the Target and all Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).

8.2.2 Each Scheme Participant is taken to have warranted to the Bidder, and appointed and authorised the Target as its attorney and agent to warrant to the Bidder, on the Implementation Date that, as at the Implementation Date:

- (a) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to the Bidder, be fully paid and free from all:
 - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind;
- (b) they have full power and capacity to transfer their Scheme Shares to the Bidder together with any rights attaching to those Scheme Shares; and
- (c) they have no existing right to be issued any Shares or any other Target securities.

8.2.3 The Target undertakes that it will provide the warranty in clause 8.2.2 to the Bidder as agent and attorney of each Scheme Participant.

8.3 Title to and rights in Scheme Shares

- 8.3.1 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to the Bidder, vest in the Bidder free from all:
- (a) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (b) restrictions on transfer of any kind.
- 8.3.2 Subject to the provision of the Scheme Consideration to each Scheme Participant in accordance with clauses 5.7.2 and 5.7.3, Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by the Target of the Bidder in the Register as the holder of the Scheme Shares. The Bidder's entitlement to be registered in the Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration by the Bidder in accordance with clause 5 and until the Target procures the registration of the Bidder as the holder of all Scheme Shares in the Register, each Scheme Participant:

- 8.4.1 is deemed to have irrevocably appointed the Bidder as attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any Shareholders' resolution whether in person, by proxy or by corporate representative;
- 8.4.2 undertakes not to attend or vote at any Shareholders' meetings or sign any Shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4.1);
- 8.4.3 must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- 8.4.4 acknowledges and agrees that in exercising the powers conferred by clause 8.4.1, the Bidder and any director, officer, secretary or agent nominated by the Bidder under that clause may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

8.5 Authority given to the Target

Each Scheme Participant, without the need for any further act:

- 8.5.1 on the Effective Date, irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:
- (a) enforcing the Deed Poll against the Bidder; and
 - (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to and to implement this Scheme and

the transactions contemplated by it, including executing, as agent and attorney of each Scheme Participant, the Scheme Transfer as contemplated by clause 4.2,

and the Target accepts such appointment; and

8.5.2 on the Implementation Date, irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and each of them severally) to do and execute all acts, matters, things and documents on the part of each Scheme Participant necessary to implement this Scheme, including (without limitation) executing, as agent and attorney of each Scheme Participant, the Scheme Transfer or transfers in relation to Scheme Shares as contemplated by clause 8.5.1,

and the Target accepts such appointment.

The Target, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally, or jointly and severally).

8.6 **Binding effect of this Scheme**

This Scheme binds the Target and all of the Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of the Target.

9. **Interpretation**

9.1 In this Scheme, unless expressed to the contrary:

9.1.1 words denoting the singular include the plural and vice versa;

9.1.2 the word 'includes' in any form is not a word of limitation;

9.1.3 where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;

9.1.4 headings and sub-headings are for ease of reference only and do not affect the interpretation of this Scheme; and

9.1.5 a reference to:

(a) a gender includes all other genders;

(b) any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;

(c) any instrument (such as a deed, agreement or document) is to that instrument (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time and from time to time;

(d) writing includes writing in digital form;

(e) 'this Scheme' is to this Scheme as amended from time to time;

- (f) 'A\$', '\$', 'AUD' or 'dollars' is a reference to Australian dollars;
- (g) a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Scheme;
- (h) a reference to time in this Scheme is a reference to Western Standard Time as observed in Perth, Western Australia;
- (i) any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;
- (j) a person includes a firm, partnership, joint venture, association, corporation or other body corporate;
- (k) a person includes the legal personal representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and
- (l) any body (**Original Body**) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

9.2 A clause in this Scheme must not be construed adversely to a party merely because that party prepared it or caused it to be prepared.

10. General

10.1 Stamp duty

Bidder will:

- 10.1.1 pay all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to the Bidder pursuant to this Scheme or the Deed Poll; and
- 10.1.2 indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 10.1.1.

10.2 Consent

Each Scheme Participant consents to the Target and the Bidder doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

10.3 Notices

- 10.3.1 If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to the Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the Target's registered office or at the office of the Share Registry.
- 10.3.2 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Participant will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4 **Governing law and jurisdiction**

10.4.1 This Scheme is governed by the laws in force in New South Wales, Australia.

10.4.2 Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.4.2(a).

10.5 **Further action**

The Target (on its own behalf and on behalf of each Scheme Participant) must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

10.6 **No liability when acting in good faith**

Each Scheme Participant agrees that none of the Target, the Bidder or any of their respective Representatives, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Annexure C – Deed Poll



Maddocks

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DX 10284 Sydney Stock Exchange

Deed Poll

**In favour of each person registered as a holder of fully paid ordinary shares in
Ensurance Ltd ACN 148 142 634 as at the Record Date**

PSC Insurance Group Limited
ACN 147 812 164

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Deed Poll

Parties

Name	PSC Insurance Group Limited ACN 147 812 164
Address	Level 4, 96 Wellington Parade, East Melbourne VIC 3002
Email	damian.rossi@pscinsurancegroup.com.au
Contact	Damian Rossi
Short name	Bidder

In favour of

Name	Each person registered as a holder of fully paid ordinary shares in Insurance Ltd ACN 148 142 634 as at the Record Date
Short name	Scheme Participant

Background

- A. On 8 August 2023, the Bidder and Insurance Ltd ACN 148 142 634 (**Target**) entered into a scheme implementation deed (**Scheme Implementation Deed**).
- B. Under the Scheme Implementation Deed, the Bidder has, among other things, agreed to provide the Scheme Consideration to the Scheme Participants in consideration for the acquisition by the Bidder of all of the Scheme Shares (being all of the fully paid ordinary shares issued in the capital of the Target at the Record Date).
- C. In accordance with the Scheme Implementation Deed, the Bidder enters into this deed poll for the purpose of covenanting in favour of the Scheme Participants to perform its obligations and actions under the Scheme.

The parties agree

1. Definitions and Interpretation

1.1 Defined Terms

Unless the context otherwise requires, terms defined in the Scheme Implementation Deed (other than words and expressions defined in this deed poll) have the same meaning when used in this deed poll.

1.2 Interpretation

The rules in clause 19 of the Scheme Implementation Deed apply in interpreting this deed poll (unless the context makes it clear that a rule is not intended to apply), save that references to 'Deed' in that clause will be taken to be references to 'deed poll'.

1.3 Nature of deed poll

The Bidder acknowledges and agrees that:

1.3.1 this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and

1.3.2 under the Scheme, each Scheme Participant irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent to enforce this deed poll against the Bidder on behalf of that Scheme Participant.

2. Conditions precedent and termination

2.1 Conditions

The obligations of the Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

This deed poll and the obligations of the Bidder under this deed poll will automatically terminate, and the terms of this deed poll will be of no further force or effect if:

2.2.1 the Scheme Implementation Deed is terminated in accordance with its terms; or

2.2.2 the Scheme does not become Effective by the End Date,

unless the Target and the Bidder otherwise agree in writing.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 in addition and without prejudice to any other available rights, powers or remedies:

2.3.1 the Bidder is released from their obligations to further perform this deed poll; and

- 2.3.2 each Scheme Participant retains any rights, powers or remedies they have against the Bidder in respect of any breach of this deed poll which occurred before it was terminated.

3. Scheme obligations and actions

3.1 Performance of the Scheme

Subject to clause 2, the Bidder undertakes in favour of each Scheme Participant that it will duly and punctually observe and perform all obligations and actions attributed to it under the Scheme as if named as a party to the Scheme, including all obligations and actions attributed to it relating to the provision, or procuring the provision, of the Scheme Consideration, in accordance with the terms of the Scheme.

3.2 Bidder Shares to rank equally

The Bidder covenants in favour of each Scheme Participant that the Bidder Shares which are issued to Scheme Participants in accordance with the Scheme will:

- 3.2.1 rank equally with all other Bidder Shares on issue; and
- 3.2.2 be issued fully paid and free from any Security Interest.

4. Warranties

The Bidder represents and warrants in favour of each Scheme Participant, in respect of itself, that it:

- 4.1.1 is a corporation validly existing under the laws of its place of incorporation;
- 4.1.2 has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- 4.1.3 has not suffered an Insolvency Event;
- 4.1.4 has taken all necessary corporate action to authorise the entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and
- 4.1.5 is legally bound by this deed poll, and this deed poll does not and will not result in a breach of, or default under any provision of, its constitution or any term of any order, judgment or law which it is a party to or is subject to or by which it is bound or any term or provision of any material agreement to which it is a party.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

- 5.1.1 the Bidder having fully performed its obligations under this deed poll; or
- 5.1.2 termination of this deed poll under clause 2.2.

6. General

6.1 Further assurances

The Bidder will, at its own expense, do all things reasonably required of it and execute all documents reasonably necessary to give full effect to this deed poll and the transactions contemplated by it.

6.2 Stamp duty

6.2.1 The Bidder must:

- (a) be responsible for its own costs arising out of the negotiation, preparation and execution of this deed poll;
- (b) pay or procure the payment of all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to the Bidder pursuant to the Scheme or this deed poll; and
- (c) indemnify each Scheme Participant against any liability arising from failure to comply with clause (b).

6.3 Notices

6.3.1 Any notice or other communication to the Bidder in connection with this deed poll must be:

- (a) in legible writing in English;
- (b) signed by the person making the communication or that person's duly authorised agent; and
- (c) given by hand delivery, pre-paid post or email in accordance with the details set out below:

Attention: Damian Rossi
Address: Level 4, 96 Wellington Parade, East Melbourne VIC 3002
Email: damian.rossi@pscinsurancegroup.com.au

with a copy (for information purposes only) to:

Attention: Catherine Merity and Rosamond Sayer
Address: Level 27, 123 Pitt Street, Sydney NSW 2000
Email: catherine.merity@maddocks.com.au and
rosamond.sayer@maddocks.com.au

6.3.2 Subject to clause 6.3.3, any notice or other communication given in accordance with clause 6.3.1 will be deemed to have been duly given as follows:

- (a) if delivered personally or left at the person's address, upon delivery;
- (b) if posted within Australia to an Australian address:
 - (i) using express post, 2 Business Days after posting; and
 - (ii) using any other prepaid post, 6 Business Days after posting;

- (c) if posted to an address in a different country, 10 Business Days after posting; and
- (d) if delivered by email, at the time the email left the sender's email system, unless the sender receives notification that the email was not received by the recipient.

6.3.3 Any notice or other communication that, pursuant to clause 6.3.2 would be deemed to be given:

- (a) other than on a Business Day or after 5:00 pm on a Business Day is regarded as given at 9:00am on the following Business Day; and
- (b) before 9:00 am on a Business Day is regarded as given at 9:00 am on that Business Day,

where references to time are to time in the place the recipient is located.

6.4 Cumulative rights

The rights, powers and remedies of the Bidder and of each Scheme Participant under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

6.5 Waiver and variation

6.5.1 A party waives a right under this deed poll only by written notice by it that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

6.5.2 Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

6.5.3 A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by the Target in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by the Target in writing and the Court indicates that the variation would not of itself preclude approval by the Court of the Scheme,

in which event the Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

6.6 Assignment

6.6.1 The rights of each Scheme Participant created by this deed poll must not be assigned, encumbered or otherwise dealt with at law or in equity without the prior written consent of the Bidder.

6.6.2 Any purported dealing in contravention of clause 6.6.1 is invalid.

6.7 Governing law and jurisdiction

6.7.1 This deed poll is governed by the laws in force in New South Wales, Australia.

6.7.2 Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.7.2(a).



Execution Page

Executed as a deed poll.

Signed, sealed and delivered by PSC)
Insurance Group Limited ACN 147 812 164)
in accordance with Section 127 of the
Corporations Act 2001 (Cth):

.....
Signature of Director

.....
Signature of Director/Company secretary

.....
Print full name

.....
Print full name

Annexure D – Notice of Scheme Meeting

Notice of Scheme Meeting of ENA Scheme Shareholders

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 28 September 2023 pursuant to section 411(1) of the Corporations Act, a meeting of ENA Scheme Shareholders will be held virtually, on 2 November 2023 commencing at 11:00am (Perth time).

The Scheme Meeting will be held virtually. You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform. To attend the Scheme Meeting online:

To participate in the meeting, you can log in by entering the following URL <https://meetnow.global/MKJJWWM> on your computer, tablet or smartphone.

Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

Click on 'Join Meeting Now'.

- (a) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.
- (b) Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
- (c) Accept the Terms and Conditions and 'Click Continue'.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress

For instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/virtualmeetingguide>.

The Court has also directed that Mr Jonathan Murray act as chair of the Scheme Meeting, or failing them, Mr Philip Greaney, and has directed the chair to report the result of the Scheme Meeting to the Court.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between ENA and the ENA Scheme Shareholders.

A copy of the Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme is contained in the Scheme Booklet of which this notice forms part. Terms and abbreviations used in this notice and in the Scheme Booklet are defined in the Scheme Booklet.

Resolution – Approval of Scheme

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

“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between ENA and ENA Scheme Shareholders, as contained in and

more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Western Australia) and, subject to approval of the scheme of arrangement by the Court, the Board is authorised to agree to, and implement, the scheme of arrangement with any such modifications as are thought fit by the Court.”

Majority Required

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- more than 50% in number of ENA Scheme Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by ENA Scheme Shareholders.

Voting at the Scheme Meeting will be by poll.

PSC is excluded from voting on the Scheme by reason of the fact that it is the proponent of the Scheme. As at the date of the Scheme Booklet, neither PSC nor any of its Associates hold any ENA Shares.

How to Vote

ENA Scheme Shareholders can vote in either of three ways:

- logging online at <https://meetnow.global/MKJJWWM>;
- appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- appointing a proxy to attend and vote on their behalf in their place, using the proxy form enclosed with the Scheme Booklet.

Voting Online

ENA Scheme Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting through an online platform at <https://meetnow.global/MKJJWWM>. This online platform will allow ENA Scheme Shareholders to attend the Scheme Meeting in real time and allow them to vote and ask questions in relation to the Resolution.

ENA Scheme Shareholders should try to log on to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting.

For instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/virtualmeetingguide>.

Online voting will be open between the commencement of the Scheme Meeting at 11:00am (Perth time) on 2 November 2023 and the time at which the chairman announces that voting has closed.

Voting by Attorney or Corporate Representative

If an ENA Scheme Shareholder wishes to appoint an attorney, that ENA Scheme Shareholder will need to provide ENA with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the Scheme Meeting at least 48 hours prior to the commencement of the Scheme Meeting.

In order to vote in person at the virtual meeting, an ENA Scheme Shareholder which is a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. ENA Scheme Shareholders must follow the relevant prompts when logging into the online meeting provider to appoint a corporate representative.

Jointly Held ENA Shares

If the ENA Shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held ENA Shares, only the vote of the shareholder whose name appears first on the ENA Share Register will be counted.

Proxy Instructions

- An ENA Scheme Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Scheme Meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, unless the appointment specifies the proportion or number of the ENA Scheme Shareholder's votes, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy may, but need not be, an ENA Scheme Shareholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the ENA Scheme Shareholder's behalf on a poll and the ENA Shares the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- ENA Scheme Shareholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chairman of the Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Scheme Meeting, the chairman of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Scheme.
- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by ENA or Computershare before commencement of the Scheme Meeting.
- Appointing a proxy will not preclude you from attending the virtual Scheme Meeting in person and voting at the virtual Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
 - using the reply paid envelopes enclosed with the Scheme Booklet;
 - online: www.investorvote.com.au; or
 - by posting, delivery or facsimile to the ENA share registry as follows:

By Mail: Computershare Investor Services Pty Limited
GPO Box 242

Melbourne Victoria 3001
AUSTRALIA.

Fax: 1800 783 447 (within Australia)
+61 (03) 9473 2555 (outside Australia).

- To be valid for the Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than **11:00am (Perth time) on 31 October 2023**.
- The proxy form must be signed by the ENA Scheme Shareholder or the ENA Scheme Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney, or the power itself, must be received by Computershare at the above addresses or by facsimile transmission by **11:00am (Perth time) on 31 October 2023**. If facsimile transmission is used, the power of attorney must be certified.

ENA Scheme Shareholders who are Entitled to Vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Scheme Meeting is **4:00pm (Perth time) on 31 October 2023**. Only those ENA Scheme Shareholders entered on the ENA Share Register as at that time will be entitled to attend and vote at the Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Court Approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Scheme Meeting is passed by the majority required, ENA intends to apply to the Court for the necessary orders to give effect to the Scheme.

Need assistance?**Phone:**1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**www.investorcentre.com/contact**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00am (Perth time)** on **Tuesday, 31 October 2023**.

Scheme Meeting Proxy Form

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in Ensurance Ltd's Scheme Booklet which can be accessed on the company announcement platform at www.asx.com.au (unless the context requires otherwise).

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 183160**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Ensurance Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of Ensurance Ltd to be held as a virtual meeting on Thursday, 2 November 2023 at 11:00am (Perth time) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution Approval of Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the Scheme Resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the Scheme Resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details *(Optional)*

Mobile Number Email Address
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

