PSC INSURANCE GROUP

PSC Insurance Group Limited
ACN 147 812 164

PROSPECTUS

INITIAL PUBLIC OFFERING

Wilson HTM INVESTMENT GROUP

LEAD MANAGER AND UNDERWRITER

IMPORTANT NOTICES

OFFERS

The Offers contained in this Prospectus are invitations to acquire new fully paid ordinary shares in PSC Insurance Group Limited ACN 147 812 164 (the "**Company**").

LODGEMENT AND LISTING

This Prospectus is dated 5 November 2015 and a copy of this Prospectus was lodged with ASIC on that date. The Company will apply to ASX for admission of the Company to the official list of ASX and for quotation of its Shares on ASX within seven days after the date of this Prospectus. Neither ASIC, ASX or their officers take any responsibility for the contents of this Prospectus or for the merits of the investment in which this Prospectus relates.

EXPIRY DATE

No Shares or performance rights will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

NOTE TO APPLICANTS

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities.

No person is authorised to give any information or to make any representation in connection with the Offers or the Shares described in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offers.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Company's Shares which must be regarded as a speculative investment. Some of the risks that should be considered are set out in Section 5. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Shares.

No person named in this Prospectus warrants or guarantees the Company's performance or any return on investment made pursuant to this Prospectus.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Shares in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

NOTICE TO UNITED STATES RESIDENTS

The Shares being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act. In addition, any hedging transactions involving the Shares may not be conducted unless in compliance with the US Securities Act.

FINANCIAL INFORMATION AND AMOUNTS

The Historical Financial information for FY2013, FY2014 and FY2015 included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, except where otherwise stated.

The Forecast Financial Information for FY2016 included in this Prospectus is unaudited and is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is, to the extent applicable, consistent with the basis of presentation and presentation of the Historical Financial Information. The Historical Financial Information and the Forecast Financial Information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Section 4. Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information. The basis of preparation of that information is set out in Section 4.1. All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated and rounded to the nearest $0.1 million unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Investors should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC.

The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

Unless otherwise stated or implied, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Section 4.5.

DISCLAIMER

No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with the Offers that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offers. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends. In addition, consistent with customary market practice for offerings in Australia, Forecast Financial Information has been prepared and included in section 4 of this Prospectus.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements and the Forecast Financial Information in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 5, the general and specific assumptions in

Sections 4.8 and 4.9 and the sensitivity analysis in Section 4.10.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and Forecast Financial Information and are cautioned not to place undue reliance on the forward-looking statements or Forecast Financial Information.

These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise and does not intend to publish prospective financial information in the future. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of this Prospectus.

This Prospectus, including the Industry Overview in Section 2 uses market data, industry forecasts and projections. The Company has obtained some of this information from market research prepared by third parties. There is no assurance that any of the forecasts contained in reports, surveys and research of third parties which are referred to in this Prospectus will be achieved. The Company has not independently verified this information.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications under the Offers in the seven-day period after the date of lodgement of the Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offers. This Prospectus will be made generally available to Australian residents during the Exposure Period, without the Application Form, by being posted on the following website: www.pscinsurancegroup.com.au. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

ELECTRONIC PROSPECTUS

This Prospectus will be made available in electronic form on the following website: www.pscinsurancegroup.com.au.

The information on www.pscinsurancegroup.com.au does not form part of this Prospectus.

The Offers constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of this Prospectus will be available for Australian residents free of charge by contacting PSC's Offer Information Line on 1800 095 654 (toll free within Australia) between 8.30am and 5.30pm AEDT. If you are eligible to participate in the Offers and are calling from outside Australia, please call +61 1800 095 654.

Applications for the Shares under this Prospectus may only be made on either a printed copy of the Application Form attached to or accompanying this Prospectus or via the electronic Application Form attached to the electronic version of this Prospectus, available at www.pscinsurancegroup.com.au. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

PRIVACY

The Company will collect, hold, use and disclose personal information provided by investors to allow it to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that the Company will need to collect your personal information (for example, your name, address and details of the securities that you hold). Under the Corporations Act some of this information must be included in the Company's Share register, which will be accessible by the public.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Company and its Share Registry may not be able to process your Application.

The Company may also share your personal information with service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside of Australia.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located at www.pscinsurancegroup.com.au. Alternatively, you can contact the Company by telephone on +61 3 9862 6502 or by email at rthomson@pscinsurance.com.au and the Company will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy (located at www.pscinsurancegroup.com.au).

The Company's Privacy Policy (located at www.pscinsurance.com.au) also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint.

DEFINITIONS AND ABBREVIATIONS

Defined terms and abbreviations used in this Prospectus are explained in Section 11.

TIME

All references to time in this Prospectus refer to Australian Eastern Daylight Time unless stated otherwise.

DATA

All data contained in charts, graphs and tables is based on information available as at 5 November 2015 unless otherwise stated.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in the Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables are based on information available as at 5 November 2015.

OFFER MANAGEMENT

The Public Offer is managed and underwritten by Wilson HTM Corporate Finance Ltd (ABN 65 057 547 323, AFSL 238 383).

INVESTIGATING ACCOUNTANT'S REPORT ON THE FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

CONTENTS

KEY OFFER INFORMATION

Important Dates

Prospectus Lodgement Date	5 November 2015
Opening Date of Offers	20 November 2015
Closing Date of Public Offer	5.00pm on 4 December 2015
Issue of Shares under Roll-up Acquisitions	7 December 2015
Closing Date of Employee Offer	5.00pm on 8 December 2015
Settlement of the Offers	9 December 2015
Allotment and issue of Shares under the Offers	10 December 2015
Expected despatch of holding statements	10 December 2015
Shares expected to begin trading on ASX (on a normal T + 3 settlement basis)	15 December 2015

Dates may change

The above timetable is indicative only. All times are Australian Eastern Daylight Time. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Company reserves the right to close the Offers early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offers open.

Key Offer Statistics

Public Offer Price	$1.00
Total number of Shares available under the Public Offer	43,000,000
Employee Offer Price	Nil
Total number of Shares available under the Employee Offer	1,600,000
Total number of Shares to be issued under the Roll-up Acquisitions[1]	39,276,063
Total number of Shares on issue on completion of the Offers[2]	224,012,911
Total Options on issue on completion of Offers[3]	1,744,479
Indicative market capitalisation[4]	$224.0 million
Enterprise Value[5]	$221.4 million
Enterprise value/pro forma FY2016 EBITDA[6]	12.4x
Offer Price/pro forma FY2016 earnings per Share[7]	17.9
Indicative annual dividend yield (based on a dividend payout ratio of 60% to 70% and Pro Forma forecast FY2016 NPATA)[8]	3.3% to 3.9%

How to invest

Applications for Shares can only be made by completing and lodging an Application Form contained in or accompanying this Prospectus. Instructions on how to apply are set out in Section 7.7 and on the back of the Application Forms. Applications must be for at least 2,000 Shares and in multiples of 1,000 Shares thereafter.

1 This assumes that all Roll-up Acquisitions complete prior to completion of the Offers.
2 Assumes full take-up under the Employee Offer.
3 This is comprised of 600,000 Options to be issued to Antony Robinson as described in Section 6.7 and 1,144,479 Options to be issued to certain Optionholders pursuant to the roll-up arrangements described in Section 9.3.
4 Calculated as the total number of Shares on issue following the Offers multiplied by the Offer Price.
5 Calculated using the market capitalisation less the Company's pro-forma net cash as at 30 June 2015 of $2.6 million.
6 Calculated as the expected Enterprise Value of the Company divided by the Pro-Forma Forecast EBITDA. This valuation multiple represents a valuation metric that may enable investors to assess the valuation of comparable businesses before the impact of amortisation, depreciation and different capital and taxation structures.
7 This ratio is commonly referred to as a forward price to earnings ratio, or forward PE ratio. A forward PE ratio is a company's share price divided by its forecast annual earnings per share (adjusted for amortisation).
8 Indicative annual dividend yield is calculated as the implied dividend per Share based on the Company's target dividend payout ratio of 60% to 70% of the pro forma forecast FY2016 NPATA, divided by the Offer Price. It is the Board's current intention to declare a final dividend in respect of FY2016. However, the payment of dividends by the Company, if any, subject to law, is at the complete discretion of the Directors. In determining whether to declare future dividends, the Directors will have regard to the Company's earnings, overall financial condition and requirements and future capital requirements. It is expected that all future dividends will be franked to the maximum extent possible. For more information on the Company's dividend policy, see Section 4.11.

LETTER FROM THE CHAIRMAN

5 November 2015

Dear Investor

On behalf of the Directors of PSC Insurance Group Limited (**PSC** or the **Company**), I am delighted to invite you to consider becoming a shareholder of PSC, a diversified insurance intermediary business.

PSC has a proven track record in business acquisition, establishment and turnaround in the insurance services industry. The PSC Group comprises a portfolio of businesses ranging from start-ups to mature businesses. PSC has an experienced team of insurance practitioners, with broad skill sets, at both Board and executive level. These are utilised across the different businesses to leverage efficiencies and opportunities. Our businesses are located across Australia, New Zealand and the United Kingdom, providing diversification and opportunities for growth.

PSC has a number of business units all contributing to the overall financial performance of the PSC Group. These principal business units are General Insurance Broking, Authorised Representative Network, Reinsurance Broking, Underwriting Agencies and Wholesale Insurance Broking in the United Kingdom. More recently established business units include Life Insurance Broking, Third Party Claims Management and On-line Direct General Insurance.

The PSC Group was founded in November 2006 and initially owned a single general insurance broking business with revenue of approximately $810,000 in FY2006. The PSC Group has since grown substantially both organically and by acquisition to be a diversified insurance intermediary group operating 21 separate businesses and with pro forma forecast operating revenue of $60 million in FY2016. The Directors and staff of the PSC Group are proud of our achievements to date, having made 18 acquisitions to date and funded 9 business start-ups. The acquisitions have concentrated on attracting highly experienced competent and incentivised business operators to drive revenue growth.

The Company is seeking to raise up to $43 million under the Public Offer through the issue of up to 43 million Shares at a price of $1.00 per Share. The Offers are an important next step in the evolution of our Company and provides an opportunity for you to share in our exciting future.

Employees are an important component to driving our future growth and we are delighted to be able to also offer Shares to our Employees under a specific Employee Offer so that these stakeholders can share in the future value creation of the Company.

This Prospectus contains detailed information about the Offers and the financial and operating performance of PSC. It also includes a description of the key risks associated with an investment in PSC. I encourage you to read the Prospectus carefully and in its entirety before making your investment decision. You should seek professional advice if required.

On behalf of the Board, I look forward to welcoming you as a Shareholder.

Yours sincerely,

Brian Austin

Non-executive Chairman

1.
INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Shares under the Offers, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

1.1 Business and Offer Overview

TOPIC	SUMMARY	FOR MORE INFORMATION
What is PSC's business?	PSC has a proven track record in business acquisition, establishment and turnaround in the insurance services industry. The PSC Group comprises a portfolio of businesses ranging from start-ups to mature businesses. PSC has an experienced team of insurance practitioners, with broad skill sets, at both Board and Executive level. These are utilised across the different businesses to leverage efficiencies and opportunities. PSC operates a diversified insurance intermediary business with operations and revenue in Australia, New Zealand and the United Kingdom. Using FY2015 revenue as a guide, the allocation of revenue across jurisdictions is Australia approximately 66.0%, United Kingdom approximately 33.3% and the balance from New Zealand. The PSC Group's principal businesses within the general insurance market comprise: • insurance broking; • an Authorised Representative network (PSC Connect); • reinsurance broking; • underwriting agencies; and • wholesale insurance broking in the United Kingdom Using FY2015 revenue as a guide, the allocation of revenue across business units is insurance broking 48.2%, Authorised Representative network 6.5%; reinsurance broking 14.2%, underwriting agencies 15.6% and wholesale insurance broking in the United Kingdom 13.2%. The PSC Group also operates complementary businesses including life insurance broking, on-line direct general insurance and third party claims management. Using FY2015 revenue as a guide, the allocation of revenue across these businesses is 2.3%. The Company does not take underwriting risk but maintains relationships with many insurers in Australia, New Zealand and the United Kingdom. The PSC Group conducts its business through a number of separate licensed subsidiaries and also operates, through PSC Connect, an Authorised Representative network in Australia and New Zealand which are independent businesses operating under particular PSC Group licenses. The PSC Group has a diverse client base. It predominantly services the insurance needs of SMEs. These clients have access to the full range of business services offered by the PSC Group. The PSC Group also services other insurance brokers through its United Kingdom wholesale broking and underwriting agency operations and services insurance carriers by way of their reinsurance operations.	Section 3

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the Offers?	The Company is seeking to: • raise up to $43 million through the issue of Shares at a price of $1.00 per Share under the Public Offer; and • issue Shares to Eligible Employees under the Employee Offer.	Section 7
Why are the Offers and Listing being conducted?	The Offers and Listing are being conducted to provide PSC with: • the ability to accelerate the execution of its growth strategy by: – the use of the proceeds of the Offers to fund any cash component of the purchase price for future acquisitions and organic growth opportunities; – the ability to use scrip consideration as a component of the purchase price for future acquisitions; and – providing access to capital markets in future, • a liquid market for its Shares and an opportunity for others to invest in those Shares, • a means to align important stakeholders of the business, its employees, and Roll-up Shareholders, with the PSC Group as a whole.	Section 7
What are the Pre-IPO Acquisitions?	Prior to the date of this Prospectus, the Company has agreed to acquire the business and assets of T. A. Management Pty Limited, which operates a life insurance broking business, based in Melbourne. It is anticipated that Completion of this acquisition will occur by 15 November 2015. A summary of the Business Sale Agreement for this Pre-IPO Acquisition is included in Section 9. Two other Pre-IPO Acquisitions were completed shortly before the date of the Prospectus, being the acquisition of the business and assets of David Denson Pty Ltd and Hamilton Brokers Pty Ltd. A summary of the ongoing obligations of PSC under these Business Sale Agreements is set out in Section 9.4.	Section 9
What is the Roll-up?	The Company and certain of its subsidiaries are majority shareholders in a number of companies that conduct the PSC Group's businesses. In connection with the IPO, the Company has agreed to acquire the minority shareholdings in 17 of these companies such that at the time of listing of the Company on the ASX, these companies will be wholly owned by the Company. The Directors believe that the benefits of the Roll-up include: • simplification of the ownership of the PSC Group; • alignment of internal stakeholders with common objectives of the broader PSC Group; • providing greater leverage for consistent execution of business priorities across the business and greater mobility of talent; and • providing an improved platform for product development and distribution on a consistent basis.	Section 3 and Section 9

1.2 Key Features of PSC Business Model

TOPIC	SUMMARY	FOR MORE INFORMATION
What is PSC's strategy?	PSC's business strategy focuses on acquiring, establishing, enhancing and turning around insurance intermediary businesses in Australia, New Zealand and the United Kingdom. Key elements of the strategy include: • Targeting acquisitions which have the potential for growth and strong existing management; • Alignment of key personnel; • Expansion into other jurisdictions; • Identifying market and niche product opportunities and converting those opportunities; • Optimising business operations through efficiencies, access to PSC Group relationships and organising resources to maximise performance; and • Restructuring and investing in underperforming businesses. The PSC Group has been successful in identifying opportunities and working over time to improve PSC Group performance and to provide exceptional client service. This success is demonstrated by the substantial growth both organically and by acquisition from a single general insurance broking business with revenue of approximately $810,000 in FY2006 to a diversified insurance intermediary group operating 21 separate businesses and with forecast revenue in excess of $60 million in FY2016. Through this period 18 acquisitions were made and 9 business start up businesses have been commenced.	Section 3
How does PSC generate revenue?	The PSC owned general and life insurance broking businesses generate revenue either through a commission paid by an insurer or premium funder, fees for advice or placement of policies charged by the insurance broker direct to the client, or a combination of both. PSC Connect receives revenue from its network of authorised representatives from a share of their commission and fee income. The PSC wholesale insurance broking, underwriting agency service and reinsurance broking generate revenue from fees and commissions on the services provided to other brokers and insurance companies. PSC receives professional fees for the provision of third party claims management services.	Section 3
What geographical markets does PSC operate in?	The PSC Group operates principally in all mainland states and territories of Australia and the United Kingdom. PSC Connect operates in New Zealand as well as Australia.	Section 3

1.3 Summary of Financial Information

TOPIC	SUMMARY	FOR MORE INFORMATION
What is PSC's Pro Forma historical and forecast financial performance?	See table below	Section 4

	Pro forma Historical Results			Pro Forma Forecast Results
Year Ending 30 June ($'000)	FY2013	FY2014	FY2015	FY2016
Operating Revenue	**32,394**	**38,817**	**50,317**	**59,962**
Employee Costs	17,250	19,224	25,974	29,839
Other Costs	6,956	8,551	10,264	12,321
Total Costs	24,206	27,775	36,238	42,160
EBITDA (after corporate costs)	**8,188**	**11,042**	**14,079**	**17,802**
Depreciation & Amortisation	578	725	633	707
EBIT	**7,610**	**10,317**	**13,446**	**17,095**
Net interest expense	1,742	2,140	2,333	1,063
Profit before tax	**5,868**	**8,177**	**11,113**	**16,032**
Non Recurring Items	(3,088)	1,326	666	(2,000)
Income tax expense	923	2,775	3,120	4,013
NPAT, including minority interests	**1,858**	**6,727**	**8,659**	**10,019**
Pro forma NPATA, including minority interests	**4,807**	**5,981**	**8,418**	**12,508**

The Financial Information presented in this table is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information disclosed in Section 4 as well as the Key Risks set out in Section 5.

1.4 Key Strengths

TOPIC	SUMMARY	FOR MORE INFORMATION
Growing a diversified business	PSC started out as a single insurance broking business with five employees in 2006. It is now a highly diversified business evidenced by a portfolio of over 50,000 clients, serviced by over 250 employees, across three countries, through a number of business units.	Section 3
Experienced Board and management	PSC has an experienced team of insurance practitioners with broad skill sets at Board and Executive level which is utilised across the different business units to leverage efficiencies and opportunities.	Section 3

TOPIC	SUMMARY	FOR MORE INFORMATION
Growth by acquisitions	PSC has had an established history of acquiring, enhancing, integrating and turning around businesses across Australia and the United Kingdom to create a growing earnings base. PSC continues to actively identify acquisition opportunities and assess whether they meet PSC's acquisition criteria and are consistent with the PSC Group's strategy.	Section 3
Organic growth of existing businesses	Businesses under PSC's ownership experience organic growth in revenue and earnings. All businesses in the PSC Group have experienced revenue or profit growth within three years of acquisition.	Section 3
Culture of client focus	The management of PSC prides itself on its culture of client focus. This culture ensures that clients are the focus of everything they do, from exceptional client service to providing innovative and value added advice and products.	Section 3
Attractive industry and growth opportunities	The global general insurance market is large and remains highly fragmented, which provide significant opportunities for consolidation. PSC is constantly assessing organic and acquisitive opportunities to grow the Company's profitability in Australia, New Zealand, the United Kingdom and other foreign jurisdictions.	Section 3
Establishing new businesses	PSC has a history of investing in start-up businesses based on an assessment of market opportunities and trends and client needs. PSC intends to continue investment in business opportunities where the opportunity meets its strategic criteria.	Section 3
Alignment of ownership	The Company has a strong culture which has an embedded equity ownership philosophy. This ownership by the founders of the Company (who will retain 61.8%% after the listing), key executives and staff, creates strong alignment of stakeholders. The Company believes the Roll-up will further strengthen this alignment.	Section 3
Ability to realise synergies through business combination	A particular benefit from the PSC Group's large number of businesses is the opportunity to realise synergies through business combinations. The types of synergies that are available to PSC Group include enhancing the scale and negotiating position of individual businesses within the PSC Group as well as the centralisation of certain activities consistent across many of the underlying PSC Group businesses	Section 3

1.5 Key Risks

The business, assets and operations of PSC are subject to certain risk factors that have the potential to influence operating and financial performance in the future. These risks can impact on the value of an investment in the securities of PSC.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. However, some risks are unpredictable and the extent to which they can effectively manage them is limited.

Set out below are specific risks to which the Company is exposed. Further risks associated with an investment in PSC are outlined in Section 5.

TOPIC	SUMMARY	FOR MORE INFORMATION
Reduction in commission rates and advice fees	PSC derives material income from commissions and fees. PSC's Financial Forecast Information is based on the assumption that the percentage commission rates are able to be maintained at current levels. A significant reduction in the percentage commission and fee rates would lead to a material reduction in the revenue and earnings of PSC. Please see sensitivity analysis at Section 4.10 regarding the potential impact of a reduction in fees or commissions on the Financial Forecast Information. 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 PSC.	Section 5.2 Section 4.10
Licensing, regulatory and litigation risks	**Australia and New Zealand** The Company 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 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 PSC Group hold an AFSL or operate under the AFSL of another entity. The Authorised Representatives of PSC Connect operate under the licences held by PSC Connect 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. The financial services industry has been the subject of significant legislative and regulatory change. Recent changes have concentrated on improving the quality of advice provided to retail clients and banning conflicted remuneration and similar benefits being given in relation to financial products. Any future legislative and regulatory changes may affect obligations, increasing compliance costs and adversely affecting the Company's profitability. In addition, like all entities operating in the insurance or financial services sectors, the PSC 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 a PSC Group Company has acquired the assets of another AFS licensee, the scope of the duties owed to the clients of that licensee by the PSC 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 PSC Group Company.	Section 5.2

TOPIC	SUMMARY	FOR MORE INFORMATION
Licensing, regulatory and litigation risks continued	**United Kingdom** Insurance intermediary services are also highly regulated in the United Kingdom. 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 two 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.	Section 5.2
Dependence on Key Personnel	The Company has individuals that are key to the success of its business. These individuals typically possess an intimate understanding of the insurance industry and well-established relationships with their clients. The departure of key employees could not only result in the loss of valuable experience and skills, but also the loss of key client and insurer relationships, which could adversely impact the Company's ability to retain and attract clients.	Section 5.2
Reduction in GWP in the Australian general insurance market	PSC's material revenue source, being commissions and fees, are linked to the size and growth of GWP in the Australian and UK general insurance market, which is influenced by factors such as pricing decisions by insurers and the level of demand for general insurance products. A significant reduction in GWP placed by PSC through its brokers and Authorised Representatives, relative to that currently assumed in the Financial Forecast Information and on an ongoing basis, would have a negative impact on the revenue and earnings of PSC.	Section 5.2
Underwriting Risks	The arrangements under which insurers provide underwriting capacity to the PSC Group's underwriting agencies are on rolling 12 month terms or no fixed terms. However, a number of these underwriting agreements may be terminated with notice by the respective underwriters for convenience, including the agreements between Chase Underwriting and Liberty and PSC Insurance and QBE and the proposed agreement between Chase Underwriting and ACE. Accordingly, there is a risk that such underwriters may reduce or remove the underwritten capacity of PSC at their election and that PSC may not be able to replace that capacity, in whole or in part, in a short timeframe which would impact on revenue and earnings of PSC.	Section 5.2
Damage to Brand	The success of the Company is highly reliant on its reputation and branding. Adverse publicity about the Company arising, for example, from a failure by the Company or a subsidiary to comply with its statutory obligations (as discussed in section 5.2.7), could have a material adverse effect on their ability to retain and attract clients, thereby adversely affecting the Company's revenue and financial performance.	Section 5.2

TOPIC	SUMMARY	FOR MORE INFORMATION
Lloyd's appointments and approvals	The UK subsidiaries are 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 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.	Section 5.2
Increased competition or market change	Consolidation in the industry could result in competitors improving their scale, allowing them to create synergies and efficiencies, which allow participants to provide more competitive pricing. This would place increased pressure on the Company's ability to maintain its insurance margins. In response, the Company could lose market share or be required to reduce its prices in order to compete effectively, both of which could affect the Company's profitability.	Section 5.2

1.6 Key Investment Metrics and capital structure

TOPIC	SUMMARY		FOR MORE INFORMATION
What are the key investment metrics?	Enterprise Value[1] ($ million)	221.5	Key Offer Information Section 4.11
	Enterprise value/pro forma FY2016 EBITDA[2]	12.3x	
	Offer Price/pro forma FY2016 earnings per Share[3]	17.9	
	Indicative annual dividend yield (based on a dividend payout ratio of 60% – 70% and Pro Forma forecast FY2016 NPATA)[4]	3.3% – 3.9%	

1 Calculated using the market capitalisation less PSC's pro-forma net cash as at 30 June 2015 of $2.6 million.

2 Calculated as the expected Enterprise Value of PSC divided by the Pro-Forma Forecast EBITDA. This valuation multiple represents a valuation metric that may enable investors to assess the valuation of comparable businesses before the impact of amortisation, depreciation and different capital and taxation structures.

3 This ratio is commonly referred to as a forward price to earnings ratio, or forward PE ratio. A forward PE ratio is a company's share price divided by its forecast annual earnings per share (adjusted for amortisation).

4 Indicative annual dividend yield is calculated as the implied dividend per Share based on the Company's target dividend payout ratio of 60-70% and the pro forma forecast FY2016 NPATA, divided by the Offer Price. It is the Board's current intention to declare a final dividend in respect of FY2016. However, the payment of dividends by the Company, if any, subject to law, is at the complete discretion of the Directors. In determining whether to declare future dividends, the Directors will have regard to PSC's earnings, overall financial condition and requirements and future capital requirements. It is expected that all future dividends will be franked to the maximum extent possible. For more information on the Company's dividend policy, see Section 4.11.

TOPIC	SUMMARY	FOR MORE INFORMATION
What will the capital structure be on listing?	See table below	Section 7.4

Shareholders	Number of Shares as at date of Prospectus	Number of Shares on Listing[1,2]	Percentage holding on Listing[1]
Existing Shareholders	139,136,848	139,136,848	62.1%
Roll-up Shareholders	0	39,276,063	17.5%
Directors and Employees (other than Existing Shareholders)	0	2,600,000	1.2%
Public Offer Shareholders	0	43,000,000	19.8%
Total	**139,136,848**	**224,012,911**	**100%**

1 Assumes full take-up under the Employee Offer and includes 1,000,000 Loan Funded Shares to be issued to Joshua Reid.

2 In addition there will be 1,744,479 Options on issue on Listing

1.7 PSC Directors and Key Management

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Directors and key executives of PSC?	**Board of Directors** • Brian Mark Austin – Non-executive Chairman • Paul Robert Dwyer – Managing Director • John Robert Dwyer – Executive Director • Antony Robinson – Independent Non-executive Director **Key management** • Paul Robert Dwyer – Managing Director • John Robert Dwyer – Executive Director • Joshua Reid – Chief Financial Officer • Rohan Stewart – Chief Operating Officer Section 6 contains details of the qualifications and experience of the Directors and Key management.	Section 6

1.8 Interests, benefits and related party transactions

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What are the interests of the Directors in Shares of PSC at the date of this Prospectus and what will be their interest in PSC at completion of the Offers?</td><td>

Director	Securities at Prospectus Date	Securities following completion of the Offers	Percentage holding following completion of the Offers
Brian Austin[1]	34,930,032 Shares	34,930,032 Shares	15.6%
John Dwyer[2]	34,800,522 Shares	34,800,522 Shares	15.5%
Paul Dwyer[3]	69,406,294 Shares	69,406,294 Shares	31.0%
Antony Robinson	Nil	600,000 Options	Nil

1 Brian Austin's shares in the Company are held by Austin Superannuation Pty Ltd as trustee for the Brian Austin Superannuation Fund.
2 John Dwyer's shares in the Company are held by Glendale Dwyer Pty Ltd as trustee of the Dwyer Family Trust.
3 Paul Dwyer's shares in the Company are held by Melissa Dwyer as trustee of the Paul Dwyer Family Trust.
The above table does not take into account any Shares relevant parties may acquire under the Offers.
Directors are entitled to remuneration and fees on commercial terms.
Directors and key Management interests and remuneration are disclosed in Section 6.</td><td>Section 6</td></tr>
<tr><td>Related Party Transactions</td><td>Fuse Recruitment
A number of entities (being the 'Fuse Recruitment' entities) are providing recruitment services to the PSC Group at standard market rates. These entities are related to directors of, and/or shareholders in, members of the PSC Group.
Lead Agency
Lead Agency provides marketing services to the PSC Group in return for fees at standard market rates. Lead Agency is currently 70% indirectly owned by the Existing Shareholders which are entities associated with certain directors of PSC.</td><td>Section 6.10</td></tr>
<tr><td>What escrow arrangements are in place?</td><td>Subject to the Company being admitted to the Official List, Shares, representing 50% of Shares held by each of the Escrowed Shareholders will be subject to voluntary escrow arrangements under which the Escrowed Shares will be escrowed for a period of two years from the date of Listing. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.
In addition, there are three Optionholders who on Listing will hold Options in PSC. Any Shares issued to the Optionholders on exercise of those Options, will be subject to voluntary escrow arrangements on substantially similar terms to the Escrowed Shareholders.</td><td>Section 7.10</td></tr>
</table>

1.9 Summary of the Offers

<table>
<tr><th>ITEM</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>Who is the issuer of the Prospectus?</td><td>PSC Insurance Group Limited is the issuer of this Prospectus and is making the Offers of Shares.</td><td>Important Notice</td></tr>
<tr><td>What are the Offers?</td><td>The Offers comprise the:
• Public Offer; and
• Employee Offer.</td><td>Section 7.2</td></tr>
<tr><td>What is the Public Offer?</td><td>The Public Offer consists of the:
• Broker Firm Offer;
• Institutional Offer; and
• Chairman's List Offer,
to raise up to $43.0 million by issuing 43.0 million Shares at $1.00 per share.</td><td>Section 7.2</td></tr>
<tr><td>What is the Employee Offer?</td><td>The Employee Offer is an invitation for Eligible Employees to apply for Shares under this Prospectus. Only Eligible Employees may apply.
All Shares issued under the Employee Offer will be fully paid ordinary Shares in the capital of PSC.</td><td>Section 7.9</td></tr>
<tr><td>Who is the Lead Manager to the Public Offer?</td><td>Wilson HTM Corporate Finance Ltd is the Lead Manager and Underwriter of the Public Offer.</td><td>Section 9.1</td></tr>
<tr><td>How will the proceeds of the Public Offer be used?</td><td>The Company intends to use the proceeds of the Offers to fund future acquisitions. However, initially the proceeds of the Offers will be used to pay down the existing debt facility with a new $32 million debt facility being available to the Company post IPO to fund future acquisitions.
Upon completion of the Offers, the proceeds of the Offers will be used as follows:
<table>
<tr><th>Uses of Funds</th><th>$m</th><th>%</th></tr>
<tr><td>Repayment of existing debt facilities</td><td>37.3</td><td>86.7%</td></tr>
<tr><td>Costs of the Offers</td><td>2.51</td><td>5.8%</td></tr>
<tr><td>Funds available for potential future acquisitions</td><td>3.19</td><td>7.5%</td></tr>
<tr><td>Total funds raised under the Offers</td><td>43.0</td><td>100%</td></tr>
</table></td><td>Section 7.3</td></tr>
<tr><td>Why is the Company conducting the Employee Offer?</td><td>The Employee Offer provides PSC with a means to align the interests of Employees across the Group with the Company.</td><td>Section 3.7.2</td></tr>
<tr><td>Will the Shares be listed?</td><td>PSC will apply to the ASX for admission to the Official List and official quotation of Shares under the code PSI.
Completion of the Offers is conditional on the ASX approving the application for listing. If approval is not given within three months after the application is made, the Offers will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</td><td>Section 7.13</td></tr>
<tr><td>Is the Public Offer underwritten?</td><td>Yes the Public Offer is fully underwritten by Wilson HTM Corporate Finance Ltd.</td><td>Section 9.1</td></tr>
</table>

ITEM	SUMMARY	FOR MORE INFORMATION
What is the allocation policy for the Public Offer?	The allocation of Shares of the Public Offer will be determined by the Lead Manager and PSC having regard to the allocation policy outlined in Section 7.7 for the Broker Firm Offer, Section 7.6 for the Institutional Offer and Section 7.8 for the Chairman's List. With respect to the Broker Firm Offer, it will be a matter for the Broker as to how they allocate Shares among their retail clients.	Section 7
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offers.	Section 7
What are the tax implications of investing in the Shares?	Shareholders will be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in the Shares will depend upon any investors particular circumstances, particularly for non-resident Shareholders. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 10.9
When will I receive confirmation whether my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on or around 10 December 2015.	Section 7.13
Is there a minimum amount of Shares which I must apply for under the Public Offer?	Applications must be for at least 2,000 Shares and in multiples of 1,000 thereafter.	Section 7
How do I apply for Shares under the Public Offer?	Applications for Shares under the Public Offer can only be made by completing and lodging an Application Form contained in this Prospectus. Instructions on how to apply for Shares under the Public Offer are set out in Sections 7.6, 7.7 and 7.8 and on the back of the Application Forms. To the extent permissible by law, an Application by an Applicant under the Public Offer is irrevocable.	Section 7
How do I apply for Shares under the Employee Offer?	Applications for Employee Shares can only be made by completing and lodging your personalised Employee Share Application Form. Instructions on how to apply are set out in Section 7.9 and on the back of the Application Form.	Section 7.9
Can the Offers be withdrawn?	PSC reserves the right not to proceed with the Offers or any part of them at any time before the issue of Shares to successful Applicants. If the Offers do not proceed, the Share Registry, your Broker or PSC (as applicable) will refund Application Monies. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offers.	Section 7.11
Where can I find more information?	Call the PSC Information Line on 1800 095 654 (from within Australia) between 8:30am and 5:30pm AEDT if you require assistance to complete the Application Form, require additional copies of this Prospectus or have any questions in relation to the Offers. If you are unclear in relation to any matter or are uncertain as to whether obtaining Shares in PSC is a suitable investment for you, you should seek professional advice from your solicitor, stock broker, accountant or other independent and qualified professional adviser before deciding whether to invest	Section 7

2.
INDUSTRY OVERVIEW

2.1 The General Insurance Industry

The Australian General Insurance Market

The Australian general insurance market is estimated to have a premium pool of $31.9 billion[9]. The risk is typically underwritten by 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 encompass 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 in FY2015 handled approximately $18.1 billion[10] of the annual premium pool in Australia. Intermediaries typically service the insurance needs of SMEs and large corporations. The balance of the premium pool is whereby consumers deal direct with the insurers, usually for personal insurance needs, such as home and car insurance.

The general insurance intermediary sector predominantly comprises insurance brokers and underwriting agencies. The insurance intermediary industry is fragmented, with approximately 1607 intermediaries[11] operating in Australia.

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 and PSC estimates this at approximately $4 billion per annum.

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 major companies that have a material market presence in the Australian insurance broking segment of the general insurance intermediary sector. In general each provide insurance, reinsurance and employee benefits related advice, brokerage and associated services.

- Marsh Mercer Australia Pty Ltd which is a subsidiary of Marsh McLennan, a multinational insurance services company. It is considered the largest player in the Australian insurance broking industry[12].
- Aon Corporation, which is a subsidiary of Aon plc.
- Arthur J Gallagher & Co which is the world's fourth largest insurance broking and risk management company and has expanded its presence in Australia through the acquisition of OAMPS Insurance Brokers in 2014.
- Steadfast Group Limited, which is an ASX listed company which owns equity interests in insurance brokers and underwriting agencies.
- Jardine Lloyd Thompson Group which is part of the global company (and an associate of the large Jardine Matheson trading group).
- Willis Australia Holdings, a subsidiary of the UK based Willis Group.
- Austbrokers Holdings Limited which is an ASX listed company with ownership of 70+ businesses in over 250 locations.

These companies service clients ranging from multinational companies, large domestic companies, SMEs and individuals. In addition to these companies, in the Australian market there are several networks of insurance brokers which cooperate to deliver group buying arrangements and benefits for their network members. These networks include those operated by Steadfast and IBNA (which is a large network of independently owned insurance brokers with over 80 members). These networks generally operate under an entity (or manager) which provides the necessary frameworks to its members or Authorised Representatives.

There are other smaller domestic groups which are not aligned with the aforementioned companies and according to APRA statistics the Australian insurance broker market remains highly fragmented. This fragmentation offers the opportunity for consolidation by more acquisitive groups. Market surveys support the likelihood of ownership change and further consolidation in the market.

9 Net earned premium, APRA Quarterly General Insurance Performance Statistics (June 2015).
10 APRA Intermediated General Insurance Statistics (June 2015).
11 APRA Intermediated General Insurance Statistics (June 2015).
12 IBISWorld Industry Report K6420 Insurance Brokerage in Australia.

The United Kingdom General Insurance Market

General insurance is an important industry within the United Kingdom which is the third largest insurance centre globally. The general insurance market in the United Kingdom is estimated to be approximately twice the size of the Australian market and has a similar market structure in terms of general insurance intermediaries.

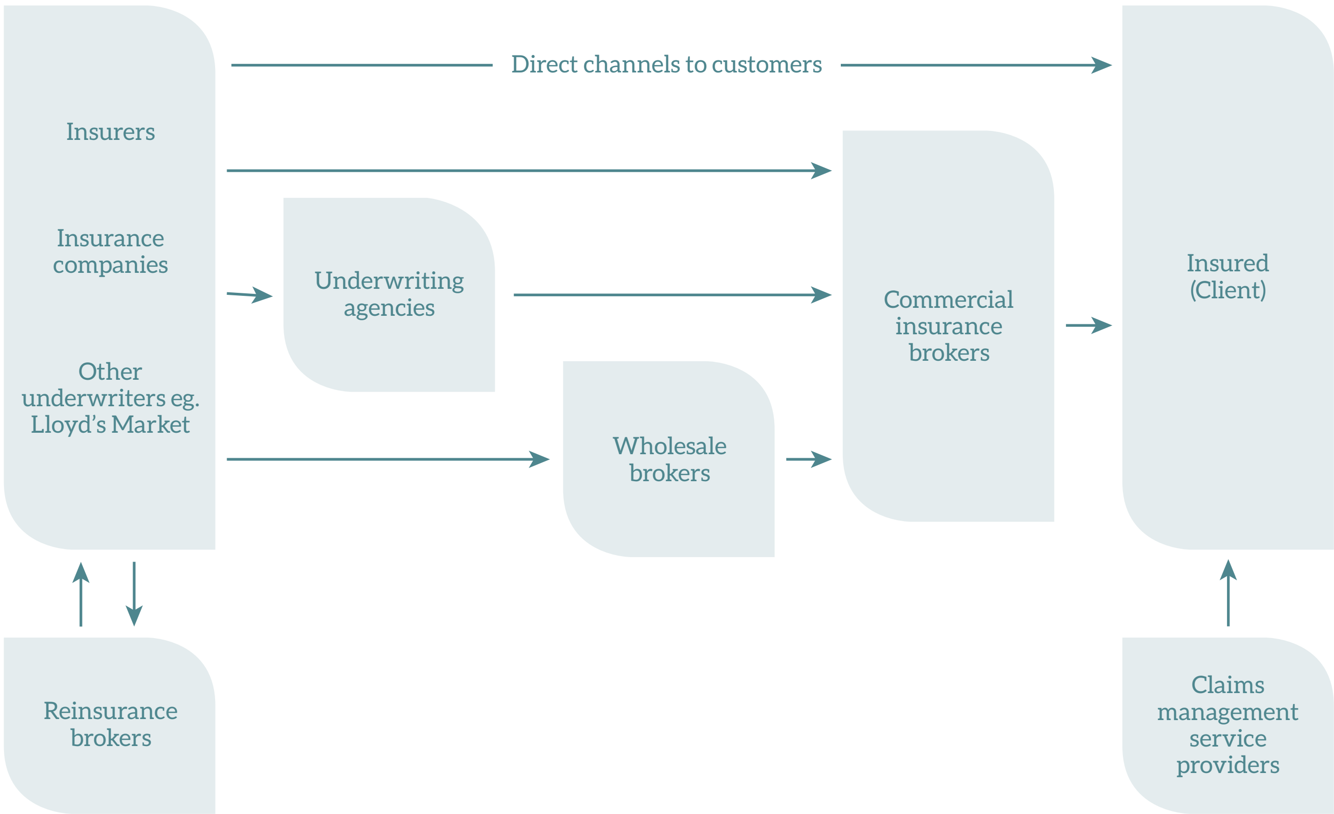
Notwithstanding the similarities, a key differentiation from the Australian market is the presence of sophisticated underwriting markets in the United Kingdom which specialise in insuring specialist risks and international insurances. The most significant of these markets is Lloyds of London, which comprises of individuals and syndicates who accept risk, and is one of the world's largest commercial insurers and re-insurers.

The presence of Lloyds and other markets in the United Kingdom puts this market at the forefront of global insurance product development and has sponsored the development of an active intermediary sector particularly for wholesale brokers which deal with Lloyds, re-insurance brokers and underwriting agencies.

In terms of broader general insurance intermediaries, the United Kingdom's intermediary market is shaped by:

- the major multinational intermediary companies: Marsh McLennan; Aon Corporation; Arthur J Gallagher & Co; Willis Group; and Jardine Lloyd Thompson. These have a meaningful market presence estimated to be in aggregate approximately 22%;
- large independent intermediaries including Towergate, Cooper Gay and Swett, Lockton; and
- a highly fragmented balance of the market similar to Australia.

Overview of the structure of the General Insurance Market



2.2 General Insurance Broking

2.2.1. Overview of Industry and Participants (Australia and United Kingdom)

General insurance policies may be sold to clients either directly or by way of an intermediary, such as an insurance broker, underwriting agency or reinsurance broker. The insurer or underwriter carries the underwriting risk associated with these policies and incurs the cost of claims.

Insurance brokers typically cater to those clients that have more complex insurance needs, such as SMEs, high net worth individuals and corporate clients. Clients in the SME and corporate market segments typically purchase commercial insurance services and products such as business insurance packages, workers compensation and liability insurance, commercial motor cover and premium funding services.

2.2.2. Revenue model

Insurance brokers are remunerated for their services either through a commission paid by an insurer, fees for advice or placement of insurance policies charged by the insurance broker direct to the client, or a combination of both. They also generate income from other services such as commission on premium funding products and earning interest on their insurance broking accounts.

Similarly, wholesale brokers are remunerated under commission and fee arrangements. Where an insurance broker is part of a collective buying group or of a sufficient scale (for example, a broker network), insurers may also remunerate the manager of the buyer group and or its members through the payment of fee or volume based discounts.

2.2.3. Clients

General insurance intermediaries are primarily utilised by SMEs, high net worth individuals and corporate clients. Clients choose to purchase general insurance through an insurance broker or underwriting agency for a variety of reasons, including:

- the ease of having a professional adviser with insurance expertise compare policies, prices and coverage across a selection of insurance policies offered by different insurers and underwriting agencies;
- the provision of advice in relation to insurable risks and the ability of the broker to tailor insurance on behalf of the client and identify the most suitable policy available in the market at the time the advice is given;
- the time efficiency gained by dealing with a single broker for multiple insurance policies rather than potentially dealing with several insurers and underwriting agencies;
- the ease of having claims managed by a broker who deals directly with the insurer and acts as an advocate on behalf of the client; and
- the ease of having access to premium funding, which allows the client to finance the cost of the insurance.

Wholesale brokers focus on sourcing insurance products. Wholesale brokers provide services to general insurance brokers and occasionally the end client.

2.2.4. Barriers to Entry

There are a number of potential barriers to entry, which may both limit the ability of new market participants to enter the general insurance broking market, and also limit the ability of existing market participants to service different segments of the general insurance broking market. These potential barriers to entry include:

- relationships with, and access to product from insurers and underwriting agencies that distribute policies through insurance brokers;
- access to SME relationships (for those insurance brokers and broker networks catering to this segment), which can favour individual insurance brokers who are located geographically close to their clients;
- access to corporate relationships (for those insurance brokers and broker networks catering to this segment), which requires insurance brokers with established corporate relationships and the necessary product and sector expertise;
- regulatory and licensing requirements, including qualification of representatives and Responsible Managers and ongoing compliance costs; and
- attraction and retention of appropriately trained staff.

2.3 Authorised Representative Networks

2.3.1. Overview of Industry

Authorised representative network businesses operate to provide compliance, business and administrative services to independent AR insurance broking businesses. These AR businesses are typically smaller in size and it is more economic from a licencing and administrative point of view to leverage the scale and expertise of a dedicated AR network. As part of this, AR networks operate under an umbrella entity (or manager) which provides the necessary compliance frameworks and licensing (such as an Australian Financial Services Licence).

2.3.2. Revenue Model

The manager of the AR networks will derive revenue from a percentage of the commission and fee income of the independent AR businesses.

2.3.3. Clients

The manager of the AR network provides services to the individual Authorised Representatives which service their clients.

2.3.4. Barriers to Entry

There are several potential barriers to entry in regard to AR network businesses, additional to those of the insurance broker. These include:

- the requirement for scale and number of members to establish a network which will deliver benefits such as volume buying;
- the establishment of frameworks and capabilities to provide the compliance, business and administrative services to the network; and
- the necessary relationships with insurers and underwriters to provide access to insurance products.

2.4 Reinsurance Broking (in the United Kingdom)

2.4.1. Overview of Industry

Reinsurance brokers facilitate the purchase of insurance from one insurer or underwriter to another. Reinsurance allows insurers to manage their exposure to certain forms of underwriting risk. Reinsurance brokers do not underwrite or bear the underlying insurance risk.

2.4.2. Revenue Model

Reinsurance brokers are remunerated for their services either through a commission paid by a reinsurer, fees for advice on, or placement of insurance policies charged by the reinsurance broker direct to the insured client, or a combination of both.

2.4.3. Clients

Reinsurance brokers provide broking services to insurers as well other underwriters of insurance risk.

2.4.4. Barriers to Entry

There are several potential barriers to entry in regard to reinsurance broking. These include:

- significant levels of expertise and experience, and higher level of working capital, are required to operate in these markets;
- access to key insurance broker and insurance company relationships to access distribution channels; and
- attraction and retention of appropriately trained staff.

2.5 Underwriting Agencies (Australia and United Kingdom)

2.5.1. 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.

2.5.2. Revenue model

Underwriting agencies derive revenue from a combination of arrangements, including commissions from the insurer which underwrites the specific policies and a profit share with the insurer on policies.

2.5.3. Clients

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).

2.5.4. Barriers to Entry

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.

2.6 Wholesale insurance broking in the United Kingdom

2.6.1. Overview of Industry

Wholesale insurance broking in the United Kingdom generally focuses on the specialist insurance market. It comprises brokers (as intermediaries) and numerous underwriters and insurance syndicates, which specialise in the underwriting of various classes of insurance and heterogeneous risks. Importantly this includes Lloyd's Market which has 96 syndicates and underwrites risks in hundreds of countries. To access this market, intermediaries need to deal by way of a Lloyd's broker which must be accredited.

2.6.2. Revenue model

Lloyd's accredited insurance brokers are remunerated for their services either through a commission paid by the insurer, fees for advice or placement of insurance policies charged by the broker direct to the insured client, or a combination of both.

2.6.3. Clients

The clients of Lloyd's accredited insurance brokers are generally brokers and other general insurance intermediaries who require access to specific classes of insurance and heterogeneous risk.

2.6.4. Barriers to Entry

There are several potential barriers to entry in regard to Lloyd's wholesale broking, including:

- significant levels of expertise and experience are required to operate in these markets;
- access to key insurance broker relationships to access distribution channels;
- appropriate accreditation with Lloyd's, regulatory and licensing requirements, including upfront qualifications and ongoing compliance costs; and
- attraction and retention of appropriately trained staff.

2.7 Life insurance broking

2.7.1. Overview of Industry

The life insurance market is very large and competitive. The current annual life insurance premiums in Australia are approximately $60.95 billion[13]. Life insurance encompasses a variety of different products which provide protection in the event of death and disability and are focussed on personal insurance and commercial insurance segments.

Similar to general insurance, clients can access life insurance either directly (for example online) or through insurance intermediaries.

2.7.2. Revenue model

Life insurance brokers are remunerated for their services in relation to life insurance policies either through a commission paid by an insurer, fees for advice or placement of policies charged by the broker direct to the client, or a combination of both.

2.7.3. Clients

Clients can include:

- individuals seeking life insurances;
- companies arranging group life insurances on behalf of staff; and
- directors and shareholders of SMEs.

Barriers to Entry

There are a number of potential barriers to entry, which may limit the ability of new market participants to enter the life broking market. These potential barriers to entry include:

- relationships with, and access to product from insurers;
- access to referral networks – many individual life insurance policies are either direct with the insurer or intermediated by way of financial advisers as part of a wider financial plan; and
- regulatory and licensing requirements, including upfront qualifications and ongoing compliance costs.

13 APRA Quarterly Life Insurance Performance March 2015.

3.
BUSINESS OVERVIEW

3.1 Introduction

PSC has a proven track record in business acquisition, establishment and turnaround in the insurance services industry. The PSC Group comprises a portfolio of businesses ranging from start-ups to mature businesses. PSC has an experienced team of insurance practitioners, with broad skill sets, at both Board and Executive level. These are utilised across the different businesses to leverage efficiencies and opportunities.

PSC operates a diversified insurance intermediary business with operations and revenue in Australia, New Zealand and the United Kingdom.

The PSC Group's principal businesses within the general insurance market comprise:

- insurance broking;
- an authorised representative network (PSC Connect);
- reinsurance broking;
- underwriting agencies; and
- wholesale insurance broking in the United Kingdom.

The PSC Group also operates complementary businesses including life insurance broking, on-line direct general insurance and third party claims management.

The Company does not take underwriting risk but maintains relationships with many insurers in Australia, New Zealand and the United Kingdom.

The PSC Group conducts its business through a number of separate licensed subsidiaries and also operates, through PSC Connect, an authorised representative network in Australia and New Zealand which are independent businesses operating under particular PSC Group licenses.

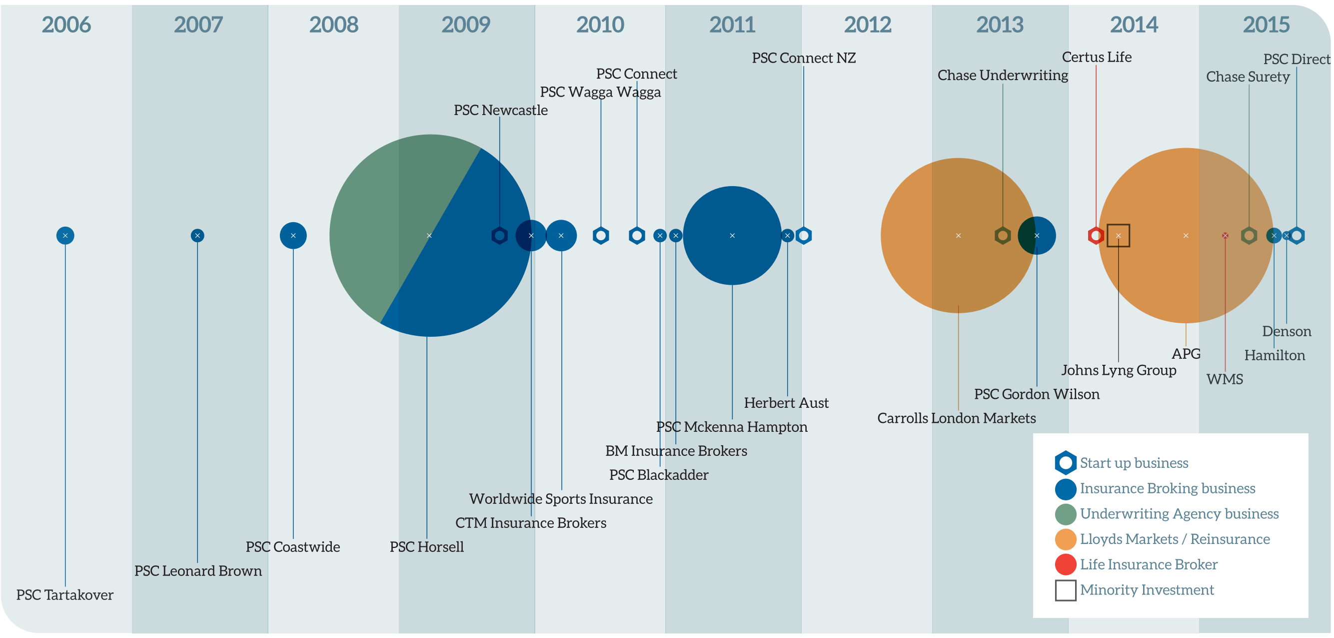
The PSC Group has a diverse client base. It predominantly services the insurance needs of SMEs. These clients have access to the full range of business services offered by the PSC Group. The PSC Group also services other insurance brokers through its Lloyd's broking and underwriting agency operations and services insurance carriers in its reinsurance operations.

3.2 History

The PSC Group was founded in November 2006 and initially owned a single insurance broking business with revenue of approximately $810,000 in FY2006.

The PSC Group has since grown substantially both organically and by acquisition to be a diversified insurance intermediary group operating 21 businesses and with forecast revenue of approximately $60 million in FY2016.

PSC Group Timeline[14]



14 Size of the circles reflects approximately the relative revenue of the relevant business based on when acquired.

The PSC Group has undertaken 18 acquisitions since inception. These have been targeted and selective, and focussed on businesses where business enhancement opportunities were identified and where the PSC Group could attract talented and incentivised business operators.

The PSC Group has improved the performance of these businesses, including ensuring strong client focus to improve revenue over time and a focus on cost management discipline.

The PSC Group has also commenced 9 start-up businesses since inception. These have been driven by the combination of identification of market niches, assessing the future long term trends of the industry and finding the best personnel to manage and run the business.

Over time, some of these acquisition and start-up businesses have been combined into the same business.

3.3 PSC business operations

The PSC Group operates through different businesses across the diversified intermediary general insurance business sectors and within specific jurisdictions. The PSC Group can be positioned and understood based on:

- Business lines by operations and jurisdiction;
- Business lines by GWP, clients and distribution;
- Business lines by revenue; and
- Revenue by jurisdiction.

3.3.1. Business Operations

The PSC Group operates under a number of different business names across the various business lines and in different jurisdictions. Broadly, a summary of the PSC Group's business operations by business line and jurisdiction is set out below:

	Australia	United Kingdom	New Zealand
Insurance Broking	PSC Insurance Brokers		
Authorised Representative Network	PSC Connect		PSC Connect
Reinsurance Broking		Alsford Page & Gems	
Underwriting Agencies	Breeze Underwriting Chase Underwriting	Breeze Underwriting	
Wholesale Insurance Broking		Carroll & Partners	

3.3.2. Business diversity

The PSC Group operates a diverse business within the general insurance intermediary business. This is demonstrated by the spread of GWP and clients across business lines. In addition the PSC Group has an extensive penetration to its client base across each business line through authorised representatives and brokers. A summary of details that demonstrate the diversity of the PSC Group is set out below:

PSC business unit	GWP[1]	Estimated Clients[1]	Approximate number of staff	Authorised representatives or producing brokers
Insurance Broking	c$161 million	16,184	~120	84 producing brokers
Authorised Representative network	Aust. c$76 million NZ. cA$8 million	Aust. 14,868 NZ. 2,795	~8	Aust. 80 AR's NZ. 23 AR's
Reinsurance Broking	UK. £100 million	176	~50	20 producing brokers
Underwriting Agencies – Aust	$33 million	5,071	~15	> 300 referring brokers
Lloyd's Broking and Underwriting Agencies – UK	£46 million	9,383	~50	c 625 referring brokers

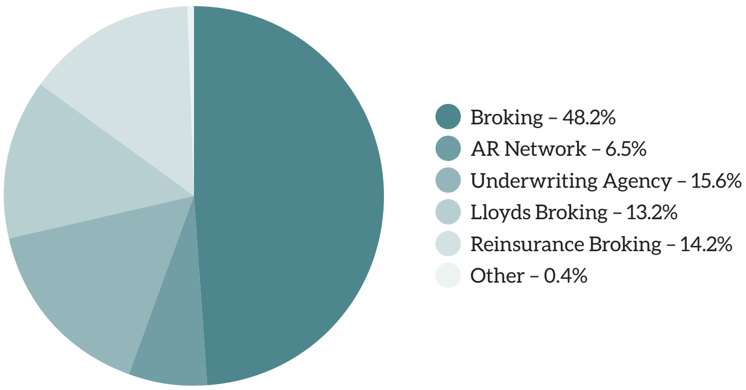
Notes:

1 GWP refers to an estimate of the GWP per business line for FY2015 (total AUD$582 million)

2 Estimated clients refers to the number of clients per business line for FY2015

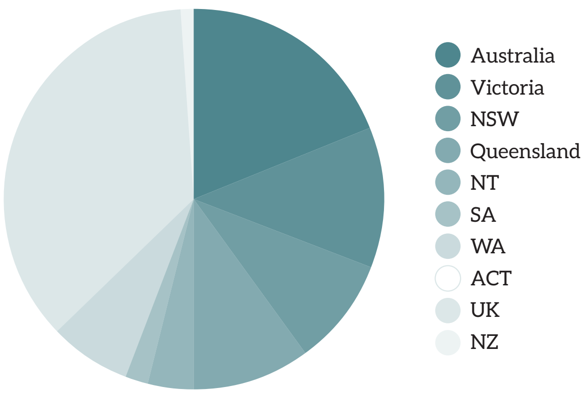
3.3.3. Revenue by business Line

The Group's FY2015 revenue is segmented between key business lines as set out below. Insurance Broking is the principle line of business however significant revenue is recorded from the other key business lines being Authorised Representative network, Reinsurance Broking, Underwriting Agencies and Wholesale Insurance Broking.



3.3.4. Revenue by jurisdiction

The PSC Group's FY2015 revenue segmented by jurisdiction and within Australia is set out below. Approximately 66% of this revenue is derived from Australia, approximately 33% from the United Kingdom and the balance from New Zealand. Within 'Australia' revenue is earned from national businesses principally PSC Connect and the Australian underwriting agency businesses.



3.4 General Insurance Broking

Insurance broking is the largest component of the PSC business – both within its general insurance broking businesses, the wholesale market broking businesses and via PSC Connect which operates a significant network of authorised representatives in Australia and New Zealand.

3.4.1. Australian insurance broking – PSC Insurance Brokers

The PSC owned insurance broker operations span all Australian mainland states and territories, across 12 offices.

These operations have grown considerably since the founding of PSC and include 13 acquisitions and 2 start up businesses. These brokers provide general insurance services in commercial lines primarily to the SME sector across Australia. SME clients generally do not have the scale or purchasing power to deal direct and are more appropriately serviced by sourcing their general insurance requirements through an insurance broker. This operation is highly diversified with low client concentration risk and high levels of client retention.

To illustrate the different types of insurance policies the PSC Group offers to its clients, set out below is a brief description of some of the policies offered:

TYPE OF POLICY	DESCRIPTION
Business pack	A range of policies that are designed to meet the needs of different businesses that are combined into a single package. The types of covers include fire and perils, business interruption, accidental damage, glass, burglary, money, liability (public and products), machinery breakdown, and general property
Liability Insurance	Insurance cover for loss or damage caused to a person or property
Industrial Special Risks	Risk specific policy specific for the client
Commercial Motor	Provides protection against accidental damage to the motor vehicles used in a clients business
Professional Indemnity	An insurance covering legal liability to others due to professional negligence
Workers Compensation	Insurance providing wage replacement and medical benefits to employees injured in the course of employment
Premium Funding Services	An arrangement following an agreement between an insured person and a finance provider, whereby the insurance premiums owed by the insured person to the insurer are paid directly to the insurer

3.4.2. Authorised Representative Network – PSC Connect and PSC Connect New Zealand

PSC Connect commenced as a start-up business in Australia in 2010 and in New Zealand in 2012, to service the growing demand of independent insurance professionals wishing to commence their own insurance broking operations.

PSC Connect provides business, compliance and administrative services to a growing network of independent Authorised Representatives who operate under the PSC Connect Australian and New Zealand licences. Much like PSC Insurance Brokers, these Authorised Representatives predominantly service the SME market in Australia and New Zealand respectively.

The PSC Connect business has grown very strongly since inception, with Australian Authorised Representative numbers growing from 30 at the end of FY2012 to 80 currently. New Zealand Authorised Representative numbers have grown to 23 currently since inception of the business. In addition, PSC Connect works very closely with the Authorised Representative network to grow and improve their businesses.

PSC Connect receives a percentage of the commission and fee revenue generated by the Authorised Representative for the services it provides.

3.4.3. Reinsurance broking

During January 2015, PSC acquired Alsford Page & Gems ("**APG**") in the United Kingdom, which is a specialist international insurance and reinsurance broker which was founded in 1976 and commenced trading as APG in 1985. It has a diverse client base of sophisticated clients across Europe, United Kingdom, Africa, the Middle East, USA and Australia.

APG arranges various reinsurance products for its insurance company clients, including proportional treaties and excess of loss treaties, facultative and bespoke reinsurances and arranging binder covers for various underwriting agencies.

The business is complimentary to PSC's Carroll & Partners and Breeze Underwriting United Kingdom operations described below.

3.4.4. Underwriting Agencies (Australia and United Kingdom)

PSC operates three underwriting agency businesses: Breeze Underwriting Australia and Chase Underwriting in Australia and Breeze Underwriting UK in the United Kingdom

Breeze Underwriting Australia was acquired by PSC in 2009 and operates as an underwriting agency, specialising in insurance products for restaurants and accommodation providers, hire and rental businesses and professional indemnity insurance products. The business has relationships with QBE, Allianz and Vero, and also places some business into the London wholesale markets.

Chase Underwriting Australia was founded by PSC in 2012 and operates as an underwriting agency specialising in construction related insurance risk. Chase works closely with two global insurers, and provides products that cover both construction liability and property risks.

The Breeze Underwriting United Kingdom business was acquired as part of the Carroll & Partners acquisition in 2012. Breeze Underwriting Limited was set up as an entity separate to Carroll & Partners in 2014. Breeze Underwriting Limited acts as an underwriting agency for a variety of London wholesale market insurers and Lloyd's syndicates, across a variety of classes of business, including property and liability and financial lines.

3.4.5. Wholesale insurance broking (United Kingdom)

In 2012, PSC acquired Carroll & Partners which was established over 25 years ago and is an accredited Lloyd's wholesale broking business with offices in London, Manchester and Bolton.

Carroll & Partners has deep referral networks across insurance brokers and broker networks, predominantly in the United Kingdom and growing in Australia, underwriting agencies, Lloyd's syndicates and international insurers.

Carroll & Partners has a strong track record and expertise in placing a wide array of insurance covers into the London wholesale insurance markets, including property and liability, motor fleet, asset protection, financial lines and construction.

3.5 Other PSC Group Businesses

3.5.1. Life Insurance Broking

PSC currently has a presence in the Australian life insurance market, with the life insurance broking being conducted by the PSC Coastwide Insurance Services business. PSC has also recently formed a life insurance broking subsidiary, Certus Life, in recognition of this being an area PSC wishes to grow.

In particular, PSC sees immediate opportunities to offer life insurance products to its existing clients which can enable clients to manage key stakeholder risks including group life cover for employees of clients.

It is intended that the Certus Life subsidiary will work with PSC Insurance Brokers and PSC Connect to expand this area of the business.

Most recently, the PSC Group has contracted to purchase the life broking business of T A Management Pty Ltd (trading as Greg Thomson & Associates). This business has been operating for over 20 years and will provide immediate scale in the Melbourne market and provide a strong leverage point to expand the PSC Group's services in the life insurance market.

3.5.2. Claims Management

PSC Claims Solutions was acquired as part of the Horsell acquisition in 2009 and works as a separate business unit of the PSC Sydney insurance broking company.

Clients include:

- Captive insurance companies associated with large corporate companies; and
- Management of claims that sit below the deductible threshold of larger companies.

3.5.3. On-line insurance direct

PSC Direct provides an online broking market offering targeting micro and small business.

The business uses web technology and digital marketing techniques to acquire clients.

3.6 Generation of revenue

The PSC owned general and life insurance broking businesses generate revenue either through a commission paid by an insurer or premium funder, fees for advice or placement of policies charged by the insurance broker direct to the client, or a combination of both.

PSC Connect receives revenue from its network of authorised representatives from a share of their commission and fee income.

The PSC wholesale insurance broking, underwriting agency service and reinsurance broking generate revenue from fees and commissions on the services provided to other brokers and insurance companies.

PSC receives professional fees for the provision of third party claims management services.

3.7 Business Strategy

PSC's business strategy focuses on acquiring, establishing, enhancing and turning around insurance intermediary businesses in Australia, New Zealand and the United Kingdom.

Key elements of the strategy include:

- Targeting acquisitions which have the potential for growth and strong existing management;
- Alignment with key personnel;
- Expansion into other jurisdictions;
- Identifying market and niche product opportunities and converting those opportunities;
- Optimising business operations through efficiencies, access to PSC Group relationships and organising resources to maximise performance; and
- Restructuring and investing in underperforming businesses.

PSC's success to date has been the result of focussing on the general insurance intermediation sector, where the Board and Executives have extensive experience.

The PSC Group has been very successful in identifying these opportunities and working over time to improve PSC Group performance and to provide exceptional client service.

Management's philosophy is that you cannot have a successful and growing business that delivers long term value without continually looking to improve the client experience.

PSC has a skill set across its team of insurance practitioners at Board and Executive levels which is utilised across the different businesses to leverage efficiencies and opportunities. The assets span Australia, New Zealand and United Kingdom, providing enhanced diversification and opportunities.

3.7.1. Acquisition strategy

The PSC Group's acquisition strategy will continue to focus on opportunities where PSC can identify attractive business improvements including:

- Additional revenue opportunities given the PSC Group's access to relationships with insurance markets in Australia and the United Kingdom;
- Enhancement of a target's productivity and business efficiencies via the introduction of PSC management capabilities and scale; and
- The provision of PSC's broad suite of products and services to the target's client base.

Key criteria for acquisitions include:

- Cultural and business alignment;
- Strong existing management;
- Assessment on how the acquisition can improve or develop existing businesses, through sharing of knowledge and contacts, or sharing of costs;
- Assessment of earnings potential over a 5-10 year horizon; and
- Assessment of earnings per share, return on equity and return on capital invested. PSC will be focussing on improving EPS metrics over time and ensuring a strong ongoing return on equity.

These considerations will be equally important when considering start up and organic business growth opportunities.

3.7.2. Alignment with key personnel

A very important element of PSC's growth strategy is its focus on partnering with its key people. This is the case throughout its operations.

As a result, PSC has generally sought to promote the economic alignment of the key management of the businesses it acquires or develops with the business. Historically this has required key management in acquired businesses and start-up operations to maintain minority shareholdings in subsidiary companies of PSC to create an alignment of interest between management and PSC.

Upon completion of the IPO the Company intends to retain this philosophy but is seeking to simplify the structure of the PSC Group and align interests of its key personnel with the broader PSC Group. Accordingly, the Company has agreed to acquire the minority shareholdings in most of its subsidiaries such that at the time of Listing, these companies will be wholly owned by the Company. In exchange for their shares in the relevant subsidiaries, the owners of the minority holdings in the subsidiaries ("**Roll-up Shareholders**") will receive shares in the Company at the Offer Price.

The Company is also offering Employees the opportunity to acquire Shares in the Company in conjunction with the IPO under the Employee Offer to further align the interests of Employees across the PSC Group with the Company. Further, following Listing, the Company will actively manage an incentive programme to provide incentives and align the interests of employees within the PSC Group (see Section 6.11 for further details).

3.7.3. International growth strategy

In addition to Australia, PSC currently operates in the United Kingdom and New Zealand.

PSC has strategically expanded into these international markets to enhance the PSC Group's business by accessing new clients and products. This expansion has been driven by utilising the Company's expertise in the insurance intermediary industry and relationships which have been developed by PSC since inception.

Its growing presence in the large UK market has delivered access to a broader suite of products and closer ties to insurance companies, wholesale markets such as Lloyd's and London markets and other intermediaries. PSC has built a beachhead in the UK market via acquisition and continues to review complementary growth opportunities in this market.

PSC has a presence in the New Zealand market via the PSC Connect business. The New Zealand market is similar to the Australian market and PSC is applying its existing capabilities to build its presence in this market.

The Company remains alert to opportunities to expand in these markets and other foreign jurisdictions, however any acquisition or growth initiatives will be carefully considered in line with its acquisition criteria.

3.7.4. Organic Growth

The Board intends to deliver long term growth in earnings in much the same way that PSC has grown the business since inception, namely:

- Development of new businesses and products which provide improved service and or risk management outcomes for clients;
- Continued growth and development of the PSC Connect network of independent insurance brokers; and
- Continued improvement and optimisation of operations through efficiencies, access to Group relationships and organising resources to maximise performance.

3.7.5. Optimising business operations

A particular benefit from the PSC Group's large number of businesses is the opportunity to realise synergies through business combinations. The types of synergies that are available to the PSC Group include enhancing the scale and negotiating position of individual businesses within the PSC Group as well as the centralisation of certain activities consistent across many of the underlying PSC Group businesses

3.7.6. Restructuring and investing in underperforming businesses

PSC has a history of investing in start-up businesses based on an assessment of market opportunities, trends and clients' needs. PSC intends to continue investment in business opportunities where the opportunity meets the PSC Group's strategic criteria.

3.8 Pre-IPO Acquisitions

Consistent with this growth strategy prior to the date of this Prospectus, the Company has recently acquired the business and assets of:

- David Denson Pty. Ltd. (**Denson**) which operates a general insurance broking business in Victoria; and
- Hamilton Brokers Pty. Limited (**Hamilton**) which operates a general insurance broking business in the ACT.

A summary of the key ongoing obligations under the Business Sale Agreements for these acquisitions is included in section 9.

The Company has also agreed to acquire the business and assets of T. A. Management Pty Limited which operates a life broking business.

A summary of the Business Sale Agreement for this acquisition is included in section 9. Completion of the TA Management Pty Ltd acquisition is not conditional upon the IPO occurring but is conditional on a number of other conditions precedent which are described in detail in section 9. This was/is being financed with both a stand alone debt facility and equity funds from the shareholders.

The Company is also in early stage discussions with respect to the potential acquisition of two general insurance businesses in Australia, however discussions in one case are reasonably advanced, and a Lloyds broking business in the UK. There is currently no formal agreement of the terms of sale of either of these businesses and therefore there is no guarantee that these will proceed.

3.9 Business funding

PSC has funded its growth strategy to date in the following manner:

- equity from the three founding shareholders;
- cashflows generated by the PSC Group; and
- debt funding facilities from external institutions including PSC's primary debt provider Macquarie Bank.

The IPO will provide PSC with additional financial flexibility to fund growth by way of:

- the proceeds of the Offers being available to fund the cash element of future acquisitions, growth initiatives or start-up operations;
- the ability to offer scrip consideration to vendors of businesses in the future; and
- access to the equity capital markets.

PSC has negotiated a new $32 million debt funding facility, which is conditional on the completion of the IPO. It is expected that, initially, the proceeds of the Offers will be used to pay down the current debt facilities and accordingly this new facility will be undrawn and will be used to fund future acquisition activity.

3.10 PSC Key Strengths

3.10.1. Growing a diversified and profitable business

PSC started out as a single insurance broking house with five employees. Over the past nine years PSC has grown organically and acquisitively to become recognised as a leading insurance intermediary group in the Australian market. The growing United Kingdom businesses provide considerable access into the important London wholesale insurance markets and reinsurance broking expertise more globally.

PSC's diversified business model is evidenced by a portfolio of over 50,000 clients, serviced by a network of over 250 employees, approximately 1,000 referring and producing brokers and over 100 Authorised Representatives. The business operates across three countries and through five key business units:

- Insurance Broking,
- Authorised Representative Network,
- Reinsurance Broking;
- Underwriting Agencies; and
- Wholesale insurance broking

and across 21 offices across:

- all mainland Australian states and territories;
- four United Kingdom offices; and
- two New Zealand offices.

3.10.2. Experienced Board and Management

PSC has an experienced team of insurance practitioners with broad skill sets at Board and Executive level which is utilised across the different businesses to leverage efficiencies and opportunities. Details on the Board and management experience are set out in Section 6.

3.10.3. Growth by Acquisition

PSC has an established history of acquiring, enhancing, integrating and turning around businesses across Australia and the United Kingdom in order to create a growing earnings base.

PSC intends to actively identify acquisition opportunities and assess whether they meet PSC's acquisition criteria and are consistent with the PSC Group's strategy.

3.10.4. Organic growth of existing businesses

Businesses under PSC's ownership experience organic growth in revenue and earnings. All businesses in the PSC Group have experienced revenue or profit growth within three years of acquisition.

3.10.5. Culture of client focus

The management of PSC pride themselves on the PSC Group's culture of client focus. This culture ensures that clients are the focus of everything they do, from exceptional client service to providing innovative and value added advice and products.

3.10.6. Attractive industry and growth opportunities

The global general insurance market is large and remains highly fragmented which provide significant opportunities for consolidation. PSC is constantly assessing organic and acquisitive opportunities to grow the Company's profitability in Australia, New Zealand, the United Kingdom and other foreign jurisdictions.

3.10.7. Establishing new businesses

PSC has a history of investing in start-up businesses based on an assessment of market opportunities, trends and clients needs.

PSC intends to continue investment in business opportunities where the opportunity meets its strategic criteria.

3.10.8. Alignment of ownership

The Company has a strong culture which has an embedded equity ownership philosophy. This ownership by the founders of the Company (who will retain approximately 62% after the listing), key executives and staff creates strong alignment of stakeholders. The Company believes the Roll-up Acquisitions will further strengthen this alignment.

3.10.9. Ability to realise synergies

A particular benefit from the PSC Group's large number of businesses is the opportunity to realise synergies through business combinations. The types of synergies that are available to PSC Group include enhancing the scale and negotiating position of individual businesses within the PSC Group as well as the centralisation of certain activities consistent across many of the underlying PSC Group businesses.

3.11 Competition

PSC operates within a highly fragmented and competitive market place. It competes with other intermediaries in its key markets in Australia, New Zealand and the United Kingdom. These are generally other independent intermediaries and, from time to time, larger companies and major multinational intermediaries.

The high level of marketplace fragmentation continues to be an attractive market characteristic for PSC and is expected to provide further opportunities for the Company to grow via acquisition. However, there are also competitors in the market who are looking to consolidate and therefore may compete for certain acquisition opportunities.

3.12 Strategic Alliances

PSC has a number of strategic alliances with other organisations and with insurers including:

- Brokerslink – an international network of independent insurance brokers which provides cross border business development opportunities for PSC; and
- Steadfast – PSC is a member of the Steadfast network and maintains a close relationship with the company. The PSC arrangements with the Steadfast group provide PSC with access to Steadfast management and administration services.

In addition PSC is a member of the National Insurance Brokers Association. "NIBA" is the peak body of the insurance broking profession in Australia and represents around 360 member firms and more than 2000 individual Qualified Practising Insurance Brokers (QPIBs) throughout Australia. In total NIBA represents an estimated 90% of all insurance brokers in Australia

PSC may receive at the end of a financial/calendar year, based upon the overall performance of the portfolio of business placed with these strategic alliances, profit share/volume payments. PSC keep the details of these arrangements confidential to certain PSC senior executives only who have no involvement with placement of insurance business, in order to prevent any prejudicial treatment in our dealings between clients and the insurers with which we place insurance policies. Any remuneration received is used to help relieve corporate expenses and is not directly passed on to employees as a bonus/ profit share.

3.13 Other businesses and investment

The PSC Group, through its wholly owned subsidiary PSC JLG, also holds an economic interest in the Johns Lyng Group Unit Trust and its trustee, being Johns Lyng Group Pty Ltd. PSC JLG currently holds a 5% interest in the Johns Lyng Group Unit Trust and has agreed to acquire additional units up to a total 10% of all the issued units in the Johns Lyng Group Unit Trust.

The Johns Lyng Group is a privately owned, diversified building and property services group of businesses. A part of its business includes insurance building, dealing with insurance companies who are funding rebuilds and maintenance after weather related damages which is owned and conducted by the Johns Lyng Group Unit Trust. An ownership interest in the Johns Lyng Group Unit Trust was considered a strategic fit for the PSC Group given its expertise and depth of relationships in the insurance industry. The Johns Lyng Group also holds an equity interest in Retail Prodigy Group.

PSC JLG Investment Pty Ltd's ownership interest in the Johns Lyng Group Unit Trust is subject to certain transfer restrictions including pre-emptive rights on transfer, limitations on the price at which units may be sold if they are sold within 5 years after the date of the Unitholders Deed (ie. up to 14 November 2019) and unitholders may not transfer any units until 18 months after the previous sale of units.

3.14 Roll-up Acquisitions

The Company and certain of its subsidiaries are majority shareholders in a number of companies that conduct the PSC Group's insurance broking and underwriting agency businesses. As outlined above in connection with the IPO, the Company has agreed to acquire the minority shareholdings in 17 of these companies such that at the time of listing of the Company on the ASX, these companies will be wholly owned by the Company. Please refer to Section 10.5 for details of these companies.

The Directors believe that the benefits of the Roll-up include:

- simplification of the ownership of the PSC Group;
- alignment of all internal stakeholders with common objectives of the broader PSC Group;
- provides greater leverage for consistent execution of business priorities across the business and greater mobility of talent;
- an improved platform for product development and distribution on a consistent basis; and

This is complemented by the introduction of the new Long Term Incentive Plan (described in section 6.11) which will enable the Company to provide incentives for key management to enhance performance of their own areas of responsibility.

As at the date of this Prospectus, each of the Roll-up Shareholders has entered into a share sale and purchase agreement under which the Company has agreed to buy, and the Roll-up Shareholders have agreed to sell, all of their shares in the relevant companies to PSC or a subsidiary of PSC. In consideration for the sale of their shares in the relevant companies, the Roll-up Shareholders will receive shares in PSC at the Offer Price. Section 9 sets out a summary of the share purchase agreements for the Roll-up Acquisitions.

As with any acquisition, there are risks associated with the Roll-up Acquisitions including the risk that some or all of the Roll-up Acquisitions may not complete. Please refer to Section 5 for further details on the risks associated with the Roll-up Acquisitions. As at the date of this Prospectus, the Company expects all the Roll-up Acquisitions to complete. However, the Company will not proceed with the Offers unless it is able to achieve prior to Listing, completion of Roll-up Acquisitions representing at least 75% of the aggregate purchase price of all Roll-up Acquisitions. In the unlikely event that this threshold is not reached, the Company intends to reconsider proceeding with the initial public offering and listing on ASX at a later time.

3.15 Compliance

3.15.1. Licensing requirements

The PSC Group operates in a highly regulated environment. Each subsidiary in the PSC Group that conducts an insurance or reinsurance broking business, is a member of the Authorised Representative network or acts as an underwriting agency in Australia, the United Kingdom or New Zealand must be appropriately licensed for the business it conducts. Details of the licences and authorisations held by subsidiaries are set out below. Further, the businesses operated by the PSC Group must comply with other general laws that apply in the jurisdiction they operate.

Compliance with the obligations of an AFSL is the responsibility of the licensee.

3.15.2. Licences and authorisations held by the PSC Group

The table below sets out the licences and authorisations held by the members of the PSC Group to conduct their businesses.

PSC BUSINESS	LICENSES
Insurance Broking (General and Life)	AFSLs are held by: • Professional Services Corporation Pty Limited; • Deskhaven Pty Limited; • PSC Insurance Brokers (Australia) Pty Limited; and • Certus Life Pty Limited • PSC Nominees Pty Ltd (dormat licence)
Authorised Representative network	PSC Connect and holds an AFSL. All Authorised Representatives operating in Australia have been appointed under this licence. PSC Connect New Zealand is a registered Financial Services Provider in New Zealand. All Authorised Representatives operating in New Zealand have been appointed under this licence.
Reinsurance Broking	Alsford Page & Gems is a licenced entity and the regulator is the Financial Conduct Authority in the United Kingdom.
Underwriting Agencies	Chase Underwriting holds an AFSL. Breeze Australia operates as an Authorised Representative under the AFSL held by PSC Insurance Pty Ltd, the immediate parent of Breeze Australia. Breeze UK operates as an Authorised Representative under the FCA licence of Carroll & Partners.
Wholesale insurance broking (United Kingdom)	Carroll & Partners is a licenced entity and the regulator is the Financial Conduct Authority in the United Kingdom.

3.15.3. Compliance functions

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

For the Australian and New Zealand businesses, these compliance arrangements are the responsibility of the Australian compliance team, supported by Compliance Managers based in Australia. For the United Kingdom businesses, compliance arrangements are the responsibility of a separate United Kingdom compliance team, headed by a Compliance Manager based in London.

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

The PSC Group provides access to a range of support services to assist subsidiaries holding AFSLs in managing their licensing requirements and other legal and compliance risks, including the provision of in-house training and access to a dedicated help line for compliance.

The Authorised Representatives of PSC Connect Australia and PSC Connect New Zealand respectively operate under these licencing arrangements.

PSC Connect has created a suite of compliance tools to assist PSC Connect Authorised Representatives in Australia and New Zealand to manage their legal and compliance obligations. These tools include detailed compliance manuals and protocols that assists brokers to schedule and track compliance activities. These compliance manuals are continually updated by PSC Connect and the Compliance Manager to reflect the latest regulatory developments.

3.15.4. Risk management framework

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

4.
FINANCIAL INFORMATION

This Section contains a summary of the historical and forecast financial information prepared by the Directors of PSC (together the **Financial Information**).

The purpose for including the Financial Information is to provide potential investors sufficient information to make an informed investment decision.

The **Historical Financial Information** comprises the:

- Pro forma consolidated historical income statements for FY2013, FY2014 and FY2015, (the **Pro Forma Historical Results**);
- Pro forma consolidated historical cash flow statements for FY2013, FY2014 and FY2015; (the **Pro Forma Historical Cash Flow Statements**);
- Pro forma consolidated historical balance sheet as at 30 June 2015 (the **Pro Forma Balance Sheet**);

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

The **Forecast Financial Information** comprises the:

- consolidated forecast income statement for FY2016 (the **Forecast Results**);
- the pro forma consolidated forecast income statements for FY2016 (the **Pro Forma Forecast Results**);

(together the **Forecast Financial Information**).

The Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

Also summarised in this Section 4 are:

- the basis of preparation and presentation of the Financial Information (Section 4.1);
- the Directors' best estimate general and specific assumptions underlying the Forecast Financial Information (Sections 4.7, 4.8 and 4.9) and key sensitivities in respect of the Forecast Financial information (Section 4.10 and 4.11); and
- PSC's proposed dividend policy (Section 4.11).

All amounts disclosed in the tables are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest $'000.

4.1 Basis of preparation and presentation of the Financial Information

The Directors of PSC are responsible for the preparation of the Financial Information.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent possible, is consistent with the basis of preparation and presentation for the Historical Financial Information unless otherwise noted.

The Financial Information is presented in an abbreviated format and does not contain all of the disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The information in this Section 4 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

PSC's key accounting policies are set out in Section 11.

4.2 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the audited statutory consolidated financial statements for FY2013, FY2014 and FY2015 with pro forma adjustments being made to eliminate non-recurring items.

The Historical Financial Information included in this Prospectus has been reviewed, but not audited, by Pitcher Partners Corporate Pty Ltd. Investors should note the scope and limitations of the Independent Accountants Report (refer Section 8).

Refer to Section 4.5 for a reconciliation between the Statutory Historical Results and Pro Forma Historical Results, for a reconciliation between the Statutory Historical Cash Flows and Pro Forma Historical Cash Flows and for a reconciliation between the Statutory Historical Balance Sheet and the Pro Forma Historical Balance Sheet.

Investors should note that past results are not a guarantee of future performance.

4.3 Preparation of Forecast Financial Information

The Forecast Financial Information is presented on both a statutory and pro forma basis and has been prepared solely for inclusion in this Prospectus.

The Pro Forma Forecast Results have been derived from the Forecast Results after adjusting for pro forma transactions and other adjustments to reflect PSC operations following completion of the Offers and to eliminate non-recurring items . The Forecast Results for FY2016 have been prepared based on the Directors' best estimate forecasts for the 12 months to 30 June 2016.

The Forecast Financial Information has been prepared by the Director's based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Section 4.7, 4.8 and 4.9. The Forecast Financial Information is subject to the risks set out in Section 5. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this Prospectus has been reviewed by Pitcher Partners Corporate Pty Ltd but has not been audited. Investors should note the scope and limitations of the Independent Accountants report (refer Section 8).

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or material negative effect on PSC' actual financial performance or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of PSC, the Directors and management, and are not reliably predictable. Accordingly, neither PSC, the Directors, nor any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

The Forecast Financial Information in Sections 4.7 should be read in conjunction with the specific assumptions as set out in Section 4.9, the general assumptions as set out in Section 4.8, the sensitivities as set out in Section 4.10, the risk factors as set out in Section 5 and other information in this Prospectus.

PSC has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

4.4 Explanation of certain non-IFRS financial measures

PSC uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These are known as "non-IFRS financial measures" and the principal ones used in this Prospectus are as follows:

- EBITDA is earnings before interest, taxation, depreciation and amortisation;
- EBIT is earnings before interest and taxation; and
- NPATA is net profit after tax, plus amortisation.

These measures are reconciled to NPAT in Section 4.5.

Although the Directors believe that these measures provide useful information about the financial performance of PSC, they should be considered as supplements to the income statement and cash flow measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way PSC calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

4.5 Consolidated historical and forecast income statements

Pro Forma Historical Results and Pro Forma Forecast Results

The table below sets out the Pro Forma Historical results for FY2013, FY2014 and FY2015, together with the Pro Forma Forecast Results for FY2016.

	Pro forma Historical Results[1]			Pro Forma Forecast Results[2]
Year Ending 30 June ($'000)	FY2013	FY2014	FY2015	FY2016
Operating Revenue	**32,394**	**38,817**	**50,317**	**59,962**
Employee Costs	17,250	19,224	25,974	29,839
Other Costs	6,956	8,551	10,264	12,321
Total Costs	24,206	27,775	36,238	42,160
EBITDA (after corporate costs)	**8,188**	**11,042**	**14,079**	**17,802**
Depreciation & Amortisation	578	725	633	707
EBIT	**7,610**	**10,317**	**13,446**	**17,095**
Net interest expense	1,742	2,140	2,333	1,063
Profit before tax	**5,868**	**8,177**	**11,113**	**16,032**
Non Recurring Items	(3,088)	1,326	666	(2,000)
Income tax expense	923	2,775	3,120	4,013
NPAT, including minority interests[3]	**1,858**	**6,727**	**8,659**	**10,019**
Pro Forma NPATA, including minority interests	**4,807**	**5,981**	**8,418**	**12,508**

Notes:

1 The Pro Forma Historical Results are reconciled to the Statutory Historical Results in Section 4.5.

2 The Pro Forma Forecast Results are reconciled to the Forecast Results in Section 4.5.

3 For comparison purposes minority interests have not been removed from historical results.

Key operating metrics

Set out below is a summary of PSC key historical operating metrics for FY2013, FY2014 and FY2015 derived from the Pro Forma Historical Results, and the forecast key operating metrics for FY2016 derived from the Pro Forma Forecast Results.

	Pro forma Historical Results[1]			Pro Forma Forecast Results[2]
Year Ending 30 June ($'000)	FY2013	FY2014	FY2015	FY2016
Revenue Growth	45.3%	19.8%	29.6%	19.2%
EBITDA Growth	44.5%	34.9%	27.5%	26.4%
Pro Forma NPATA Growth	53.6%	24.4%	40.7%	48.6%
EBITDA Margin	25.3%	28.4%	28.0%	29.7%
Pro Forma NPATA Margin	14.8%	15.4%	16.7%	20.9%

Notes:

1 The Pro Forma Historical Results are reconciled to the Statutory Historical Results in Section 4.5

2 The Pro Forma Forecast Results are reconciled to the Forecast Results in Section 4.5

Pro Forma adjustments to the Statutory Historical Results and the Forecast Results

The table below sets out the pro forma adjustments to historical and forecast statutory NPAT. Certain other adjustments to eliminate non-recurring items have been made in the period in which they occurred and estimated stand alone public company costs have been reflected across the historical and forecast periods. These adjustments are summarised below:

	Historical Adjustments			Forecast Adjustments
Year Ending 30 June ($'000)	FY2013	FY2014	FY2015[6]	FY2016
Statutory NPAT	**1,858**	**6,727**	**8,659**	**10,019**
Amortisation[1]	160	182	226	300
Net non recurring costs (tax adjusted)[2]	2,790	–	–	2,189
Net non recurring revenue (tax adjusted)[3]	–	(928)	(467)	–
Total pro forma adjustments	**2,950**	**(746)**	**(241)**	**2,189**
Pro forma NPATA	**4,807**	**5,981**	**8,418**	**12,508**

Notes:

1 **Amortisation** – accounting amortisation charge.

2 **Net non recurring costs (tax adjusted)** – In FY2013, the tax adjusted impact of the amount of $1.25 million of non-recurring legal costs and a $1.84 million loss on the restructure of a subsidiary. In FY2016, the tax adjusted impact of $1.6 million of expensed staff shares, $0.07 million option expense, $0.3 million of non-capitalised, non-recurring IPO costs. Included is an additional adjustment of $0.97 million in non-recurring interest costs after IPO proceeds and the balance to reflect the annualised impact of the T A Management acquisition.

3 **Net non recurring revenue (tax adjusted)** – In FY2014, the tax adjusted impact of the amount of $1.74 million in fair value increase on financial assets offset by a $418,000 of employee termination costs. In FY2015, the tax adjusted impact of the amount of $1.15 million profit on sale of shares, $0.54 million gain on purchase of a subsidiary, offset by non-recurring professional fees of $1.15 million relating variously to the IPO and business acquisition and litigation legal costs.

Pro Forma Historical Balance Sheet

The table below sets out the adjustments that have been made to the Statutory Historical Balance Sheet as at 30 June 2015 to prepare the Pro Forma Balance Sheet for PSC. These adjustments reflect certain pro forma adjustments including the impact of the operating and capital structure that will be in place following completion of the Offers as if it had occurred or were in place as at 30 June 2015.

	Statutory Historical Balance Sheet[1]	Pro Forma Adjustments[2]	Pre Offers	Impact of the Offers[3]	Pro Forma Balance Sheet
BALANCE SHEET					
Current Assets					
Cash and cash equivalents	57,900	(2,107)	55,793	3,194	58,987
Receivables	301,128	(1,600)	299,528	–	299,528
Other assets	1,781	(1,601)	180	–	180
	360,810	**(5,308)**	**355,501**	**3,194**	**358,695**
Non Current Assets					
Receivables	475	–	475	–	475
Other financial assets	638	3,750	4,388	1,000	5,388
Intangible assets	38,508	5,425	43,933	–	43,933
Property, plant and equipment	1,091	–	1,091	–	1,091
Deferred tax assets	229	–	229	683	913
	40,941	**9,175**	**50,117**	**1,683**	**51,800**
Total Assets	**401,751**	**3,867**	**405,618**	**4,878**	**410,496**
Current Liabilities					
Payables	336,108	–	336,108	(129)	335,979
Borrowings	5,581	2,000	7,581	(7,581)	–
Provisions	1,431	–	1,431	–	1,431
Current tax liabilities	3,424	–	3,424	–	3,424
Other liabilities	1,044	923	1,967	–	1,967
	347,588	**2,923**	**350,511**	**(7,710)**	**342,801**
Non Current Liabilities					
Borrowings	29,564	5,140	34,704	(29,719)	4,985
Provisions	154	–	154	–	154
Other	–	1,005	1,005	–	1,005
	29,718	**6,145**	**35,863**	**(29,719)**	**6,144**
Total Liabilities	**377,305**	**9,068**	**386,373**	**(37,063)**	**348,945**
Net Assets	**24,446**	**(5,201)**	**19,245**	**42,307**	**61,551**
Equity					
Share capital	3,599	(1,601)	1,998	48,333	50,331
Other reserves	1,172	–	1,172	70	1,242
Retained earnings	15,249	(3,600)	11,649	(1,670)	9,979
Minority interest	4,427	–	4,427	(4,427)	–
Total Equity	**24,446**	**(5,201)**	**19,245**	**42,307**	**61,551**

Notes:

1 Reflects the reported balance sheet of PSC as at 30 June 2015 per audited financial statements.

2 Reflects the impact of the following pro forma adjustments related to the IPO:
   a. $3.6 million in pre IPO dividend.
   b. $1.6 million relating to the in specie capital reduction and demerger of certain subsidiaries from the PSC Group.
   c. Business acquisitions with total purchase prices of $5.4 million, funded with cash and debt.
   d. Payment of $0.86 million in vendor liabilities and assumption that all Johns Lyng tranche payments are made.

3 Contributed equity increases by $50 million as a result of the proceeds of the Offers which is received by PSC through the issue of Shares offset by the IPO transaction costs ($1.69 million) applied against equity, Shares issued to employees ($2.6 million) and the impact of the acquisition of minority interests ($4.4 million). A deferred tax asset of $0.68 million arises as a result of the costs of the Offers. Options issued are applied against other reserves and retained earnings.

Pro Forma Historical Cash Flow Statements

The table below set out the Pro Forma Historical Cash Flow Statements

	Pro forma Historical Cash Flow Statements[1]		
Year Ending 30 June ($'000)	FY2013	FY2014	FY2015[3]
Operating cash flows			
Receipts from clients	33,054	41,376	53,218
Payments to creditors and employees	(27,945)	(32,977)	(43,493)
Net interest paid	(1,742)	(2,140)	(2,333)
Income tax paid	(1,322)	(1,630)	(2,059)
Other operating cash flows	662	747	1,086
Operating Cashflows	**2,708**	**5,376**	**6,420**
Movement in client trust accounts	6,497	10,875	(430)
Operating cash flows	**9,205**	**16,251**	**5,990**
Capital receipts/(expenditure)	(509)	(488)	(396)
Other Investing Cashflows	(3,400)	(7,420)	11,752
Investing Cashflows	**(3,910)**	**(7,908)**	**11,355**
Net Proceeds from Borrowings	1,953	5,084	2,550
Dividends & Loans to Associates	(1,634)	(2,401)	(3,460)
Financing Cashflows	**319**	**2,683**	**(910)**

Note:

1 The Pro Forma Historical Cash Flow Statements are reconciled to the Statutory Historical Cash Flow Statements in Section 4.5.

Forecast Cash Flow

The Directors have not included a forecast cash flow as the underlying assumptions relating to seasonality of receipts, movement in client trust accounts and the timing of growth and impact on working capital assumptions provide for too great a range of outcomes to present a meaningful forecast. Forecast underlying cash flows from operations for FY2016 are expected to be in the range of 85% to 95% of FY2016 Forecast statutory NPAT ($10.319 million), adjusting for the non-cash staff share and option allocations ($1.19 million) consistent with prior years actual performance. Forecast investing and financing cash flows comprise the impact of the funds raised under this Prospectus together with the intended use of funds.

Pro Forma adjustments to the Statutory Historical Cash Flow Statements

The table below set out the adjustments to the Statutory Historical Cash Flows Statements to reflect the full year impact of the operating and financing structure that will be in place following completion of the Offers as if it was in place as at 1 July 2012 and to eliminate certain non-recurring items in the year in which they occurred.

	Historical Pro forma Adjustments		
Year Ending 30 June ($'000)	FY2013	FY2014	FY2015
Statutory net operating free cash flow	**2,708**	**5,376**	**6,420**
Adjustment for interest payable[1]	1,219	1,498	1,633
P&L pro forma adjustments[2]	948	293	762
Total pro forma adjustments	**2,167**	**1,791**	**2,395**
Pro forma net free cash flow	**4,875**	**7,167**	**8,815**

Notes:

1 **Interest Payable –** an adjustment has been made to include the impact on cash flow of PSC's estimate of the interest costs no longer applicable.

2 Cashflow impacts of P&L proforma adjustments as detailed earlier in Section 4.5.

4.6 Management discussion, analysis and forecast assumptions

General factors affecting the operating results of historical financial information

Below is a discussion of the main factors which affected PSC operations and relative financial performance in FY2013, FY2014 and FY2015 and which PSC expects may continue to affect it in the future. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected PSC historical operating and financial performance, nor everything that may affect PSC operations and financial performance in the future.

Pro forma Historical Results and key performance indicators: FY2015 compared to FY2014, and FY2014 compared to FY2013

The table below sets out the summary of Pro Forma Historical Results and selected key performance indicators for FY2013, FY 2014 and FY2015.

	Pro forma Historical Results				
Year Ending 30 June ($'000)	FY2013	FY2014	Change	FY2015	Change
Operating Revenue	**32,394**	**38,817**	**6,423**	**50,317**	**11,500**
Employee Costs	17,250	19,224	1,974	25,974	6,750
Other Costs	6,956	8,551	1,595	10,264	1,713
Total Costs	24,206	27,775	3,569	36,238	8,463
EBITDA (after corporate costs)	**8,188**	**11,042**	**2,854**	**14,079**	**3,037**
Depreciation & Amortisation	578	725	147	633	(92)
EBIT	7,610	10,317	2,707	13,446	3,129
EBITDA Margin	**25.3%**	**28.4%**	**3.1%**	**28.0%**	**-0.4%**

FY2013

Operating Revenue

- Operating revenue increased materially to $32.4 million (from $22.3 million in FY2012). A principal driver of this growth was the acquisitions of Carroll & Partners which conducts the Group's Lloyd's UK broking operations ($6.7 million) and a full year result from the Perth broking business.
- Commission income was 57.9% of revenue, fee income was 33.2% of revenue and premium funding commission, interest income and rebates comprised the balance of income (8.9%).

Operating Costs

- Employee and overhead costs as a percentage of operating revenue remained reasonably consistent when compared to the prior year.

EBITDA

- The PSC Group was able to efficiently grow its scale, with EBITDA margins remaining the same as the prior year.

FY2014

Operating Revenue

- Operating revenue increased $6.4 million from FY2013 (19.8%) to $38.8 million comprising organic growth of $4.7 million and acquisition growth of $1.7 million.
- Acquisition growth was the result of a full year impact from a business acquisition in Brisbane.
- Organic growth was broad based, with particularly good growth from Australian underwriting agencies, PSC Connect, Lloyd's broking and sound growth in broking.
- The organic growth was driven by the continued development of start up businesses, improved client numbers and market growth of 4.3%[15].
- Commission income was 63.5% of revenue, fee income was 27.8% of revenue and premium funding commission, interest income and rebates comprised the balance of income (8.7%).

15 APRA Intermediated Insurance Statistics (June 15).

Operating Costs

- Employee costs are the main expense across the PSC Group. These costs increased $1.9 million over FY2013 but reduced to 49.5% of total revenue (from 53.2% in FY2013).
- Other overhead costs principally comprise rental, IT costs, insurance costs and professional fees. These costs increased $1.6 million over FY2013. These were 22.0% of total revenue in FY14, a slight increase from FY13 of 21.5%.

EBITDA

- The PSC Group was able to efficiently grow its scale from organic business improvements and the Brisbane acquisition.
- This was evidenced by an improved EBITDA margin from 25.3% in FY2013 to 28.4% in FY2014. EBITDA increased 34.9% and revenue increased 19.8%.

FY2015

Operating Revenue

- Operating revenue increased $11.5 million over FY2014 (29.5%) to $50.3 million comprising organic growth of $4.9 million and acquisition growth of $6.6 million.
- Acquisition growth was the result of the acquisition of Alsford Page & Gems, the London based reinsurance group. This acquisition completed in January 2015, and 6 months of results were included in the FY2015 result.
- Organic growth was broad based, with particularly good growth from Australian underwriting agencies, PSC Connect, Lloyd's broking and sound growth in broking given the market conditions. Approximately 80% of the organic growth came via the Australian underwriting agency, PSC Connect and Lloyd's broking businesses.
- The organic growth was driven by the continued development of start up businesses, improved client numbers across the PSC Group despite a reduction in market premiums of 2.6%[16].
- Commission income increased to 66.6% of revenue due to the APG acquisition, fee income was 24.2% of revenue and premium funding commission, interest income and rebates comprised the balance of income (9.2%).

Operating Costs

- Employee costs increased $6.8 million over FY2014, largely as a result of the UK businesses, and in particular the APG acquisition. They increased to 51.7% of revenue (from 49.5% in FY2014). The PSC Group expects this percentage to reduce in the coming year.
- Other overhead costs increased $1.7 million over FY2014 but reduced to 20.4% of revenue.

EBITDA

- EBITDA has increased $3.1 million to $14.1 million.
- The PSC Group was able to grow its scale and maintain its EBITDA margin at 28%.

16 APRA Intermediated Insurance Statistics (June 15).

Pro Forma Historical Cash Flow Statements: FY2015 compared to FY2014, and FY2014 compared to FY2013

The table below sets out the summary Pro Forma Historical Cash Flow Statements.

	Pro forma Historical Results				
Year Ending 30 June ($'000)	FY2013	FY2014	Change	FY2015	Change
Operating cash flows					
Receipts from clients	33,054	41,376	8,322	53,218	11,842
Payments to creditors and employees	(27,945)	(32,977)	(5,032)	(43,493)	(10,516)
Net interest paid	(1,742)	(2,140)	(399)	(2,333)	(193)
Income tax paid	(1,322)	(1,630)	(308)	(2,059)	(429)
Other operating cash flows	662	747	85	1,086	339
Net operating cash flows	**2,708**	**5,376**	**2,668**	**6,420**	**1,044**

The Group's insurance intermediary businesses typically receive insurance premium payments from its clients within 30-60 days from the inception date of the insurance policy, and usually have up to 90 days before remitting the net premiums to the insurance companies. The core cash flow requirements of the business continue to be managing any fluctuation and timing in premium receivables. Given payment terms to insurers, an insurance intermediary should have the cash holdings to settle its premium payables.

FY2014

- Net operating cash flows (adjusting for client trust balances) increased $2.7 million to $5.4 million.
- This represents a cash flow conversion rate[17] of 95% on the basis of the pro forma net free cash flow.

FY2015

- Net operating cash flows (adjusting for client trust balances) increased $1.0 million to $6.4 million.
- This represents a cash flow conversion rate[18] of 85% on the basis of the pro forma net free cash flow. This is a slight reduction from the prior year, principally as a result of the APG acquisition. The reinsurance business has a longer working capital cycle than the rest of the PSC Group businesses.

4.7 Forecast Financial Information

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by PSC which are in accordance with Australian Accounting Standards and are disclosed in Appendix A. It is assumed that there will be no changes to Accounting Standards, the Corporations Act or other financial reporting requirements that may have a material effect on PSC accounting policies during the Forecast Period.

The Forecast Financial Information is based upon various best estimate assumptions concerning future events, including those set out below. In preparing the Forecast Financial Information, PSC has undertaken an analysis of the historical performance of the business and applied assumptions in order to forecast future performance for FY2016. PSC believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing this prospectus, including each of the general assumptions set out in Section 4.8.

However, actual results are likely to vary from those forecast and any variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information are based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of PSC and its Directors, and are not reliably predictable.

Accordingly, none of PSC, its Directors, or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

17 Pro forma net free cash flow less interest adjustment dividend by pro forma NPATA.
18 Pro forma net free cash flow less interest adjustment dividend by pro forma NPATA.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.10, the risk factors set out in Section 5 and the Independent Accountants Report on the Forecast Financial Information set out in Section 8. A reconciliation of the Pro Forma Forecast Results to the Forecast Results is set out in Section 4.5.

4.8 General assumptions

In preparing the Forecast Financial Information, the following general best estimate assumptions have been adopted:

- No material change in the competitive operating environment in which PSC operates;
- No material changes in the Australian Commonwealth, state or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that will have a material impact on the financial performance of cash flows, financial position, accounting policies, financial reporting or disclosure of PSC during the Forecast Period;
- No material changes in the tax legislation, regulatory legislation, regulatory requirements or government policy in the foreign jurisdictions in which PSC has sales and operations that will have a material impact on the financial performance of cash flows, financial position, accounting policies, financial reporting or disclosure of PSC during the Forecast Period;
- No significant deviation from current market expectations of general economic and business conditions including levels of inflation, employment and interest rates relevant to the insurance industry for the period;
- No material changes in applicable Australian Accounting Standards, other mandatory professional reporting requirements or the Corporations Act which have a material effect on PSC financial performance, financial position, accounting policies, financial reporting or disclosure;
- No material supply disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of PSC;
- No material changes in key personnel;
- No material cash flow, income statement or financial position impact in relation to litigation or dispute (existing or otherwise);
- No material acquisitions or disposals of businesses other than as disclosed in the Prospectus;
- No material changes to PSC corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- No material disruptions to the continuity of operations of PSC nor other material changes in its business;
- No material amendment to any material agreement or arrangement relating to PSC business other than set out in, or contemplated by, this Prospectus;
- None of the risks listed in Section 5 have a material adverse impact on the operations of PSC; and
- The proceeds of the Offers are received in accordance with the timetable and terms detailed in Section 7 of the Prospectus and the Public Offer is underwritten.

4.9 Specific assumptions

Pro Forma Historical Results and Pro Forma Forecast Results: FY2016 compared to FY2015

The table below sets out the Pro Forma Forecast Results for FY2016 compared to the Pro Forma Historical Results for FY2015.

	Pro forma Historical Results and Pro Forma Forecast Results		
Year Ending 30 June ($'000)	FY2015	FY2016	Change
Operating Revenue	**50,317**	**59,962**	**9,645**
Employee Costs	25,974	29,839	3,865
Other Costs	10,264	12,321	2,057
Total Costs	36,238	42,160	5,922
Underlying EBITDA (after corporate costs)	**14,079**	**17,802**	**3,723**
Depreciation & Amortisation	633	707	74
EBIT	13,446	17,095	3,649
EBITDA Margin	**28.0%**	**29.7%**	**1.7%**

FY2016

Operating Revenue

- Operating revenue is forecast to increase $9.6 million over FY2015 (19.2%) to $60.0 million comprising organic growth of $2.8 million, full year impact of the Alsford Page & Gems acquisition of $5.0 million and other acquisition growth of $1.8 million.
- Acquisition growth comprises two completed acquisitions of broking businesses in Melbourne and Canberra and the acquisition of a life broking business (T A Management).
- In terms of organic growth, we are expecting no market premium growth. Growth is expected from our higher growth Australian underwriting agency and PSC Connect businesses, and growth in broking operations is expected from modest increases in client numbers.
- 45% of revenue and 33% of EBITDA is earned in the first half of the financial year, with the balance in the second half. This seasonality reflects a higher proportion of renewals towards the end of the financial year.

Operating Costs

- Employee costs are expected to increase $3.9 million, largely as a result of the full year impact of Alsford Page & Gems and the three acquisitions noted above. Beyond these increases, we do not expect a material increase in staff levels and expect the employee costs to reduce back to below 50% of revenue in line with FY14.
- Other overhead costs are expected to increase $2.1 million and are expected to remain steady at 20.6% of revenue.

EBITDA

- EBITDA is expected to increase $3.7 million to $17.8 million.
- We anticipate the increase in scale will be managed efficiently with an expected increase in EBITDA margin to 29.7%.

4.10 Sensitivity analysis

The Forecast Financial Information included in Section 4.5 is based upon a number of estimates and assumptions as described in Sections 4.7, 4.8 and 4.9. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of PSC, the Directors and Management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the key sensitivity of the Pro Forma Forecast Results for FY2016 to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purpose of this analysis, each sensitivity is presented in terms of the impact of each on FY2016 Pro Forma Forecast NPAT and is set out below.

	NPAT Impact ($)	
Assumption	+5%	–5%
Commissions[1]	1,472	(1,472)
Fees[2]	503	(503)
FX Rate[3]	(133)	147
Employee Costs[4]	1,074	(1,074)

Notes

Commission levels, client fees and employee costs are the main variables in the business. Movements in these variables are expected to have the greatest impact on the PSC Group.

1. Commission levels: these could change as a result of both PSC Group specific and industry specific factors. The PSC Group specific factors will include growth in client numbers. Industry specific factors could include movements in the insurance premium levels, which are dependent on many factors including insurer profitability and global reinsurance capacity.
2. Client fees: these could change as a result of market competition.
3. FX Rates: The PSC Group's UK operations are now meaningful and movements in the AUD/GBP exchange rate will increasingly impact profits.
4. Employee costs: These are the largest cost item, equating to approximately 50% of revenue. Other cost items such as rent, IT and insurance are less susceptible to short term change.

Care should be taken in interpreting each sensitivity. The estimated impact of changes in each of these assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact on the Pro Forma Forecast Results for FY2016. In reality the effects of movements may be offset or compounded by movements in other variables. Furthermore in the normal course of business, Management would be expected to respond to any adverse change in these key variables to minimise the net effect on financial performance.

Minority interests: As described in Section 3.14, in conjunction with the Offer, the Company has agreed to acquire the outstanding minority interests in a number of its subsidiaries with the result that, assuming all of the 'Roll-Up Acquisitions' complete almost all PSC Group businesses will be 100% owned. If all 'Roll Up Acquisitions' complete there will be an immaterial level of minority share of net profits. Should one or more of these 'Roll Up Acquisitions' not complete for any reason, the minority interest share of net profit will increase, however the number of Shares on issue in the Company will also decrease. Due to differing profit contributions of each 'Roll Up Acquisition' to overall PSC Group results, the actual impact on NPAT may not vary proportionately with the number of Shares on issue.

4.11 Dividend policy and forecast distribution

No dividend will be paid following Listing in respect of the FY2015 fiscal year.

The indicative annual dividend yield is 3.3% to 3.9% based on the Company's target dividend payout ratio of between 60 to 70% and the pro forma forecast FY2016 NPATA, divided by the Offer Price. It is the Board's current intention to declare a final dividend in respect of FY2016. However, the payment of dividends by the Company, if any, subject to law, is at the complete discretion of the Directors. In determining whether to declare future dividends, the Directors will have regard to PSC's earnings, overall financial condition and requirements and future capital requirements. It is expected that all future dividends will be franked to the maximum extent possible.

5.
KEY RISKS

5.1 Introduction

An investment in the Company will be exposed to a number of risks.

Risks that the Directors believe are specific risks are described in section 5.2 below. The specific risks are the risks that senior Management and the Directors focus on when managing the business of the Company and have the potential, if they occurred, to result in very significant consequences for the Company and an investment in it.

The general risks regarded by the Directors as potentially material are described in section 5.3. These include general risks that are common to all investments in shares and which are not specific to an investment in the Company; for example, the general volatility of share prices including as a result of general economic conditions (including monetary and fiscal policy settings as well as exchange and interest rates) in Australia and overseas and other events outside the usual course of the Company's business such as acts of terrorism or war.

Investors should note that the occurrence or consequences of some of the risks described in this section of the Prospectus are partially or completely outside the control of the Company, its Directors and senior Management. Further, investors should note that this description focuses on the risks referred to above and does not purport to list every risk that the Company may have now or in the future. It is also important to note that there can be no guarantee that the Company will achieve its stated objectives or that any forward looking statements or forecasts contained in this Prospectus will be realised or otherwise eventuate.

Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section of the Prospectus, and have regard to their own investment objectives, financial circumstances and taxation position before investing in the Company. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

5.2 Business / Specific risks

5.2.1. Reduction in commission rates, advice fees

PSC derives material income from commissions. PSC's Financial Forecast Information is based on the assumption that the percentage commission rates are able to be maintained at current levels. There is a risk that the percentage commission rates may be reduced. Regulatory changes could ban contingent remuneration for general insurance brokers, as has occurred for other financial products. If such a ban was introduced this could lead to a material reduction in the revenue and earnings of PSC.

PSC also derives material income from charging its clients a fee for the provision of advice in relation to their insurance needs. A significant reduction in advice fees, for example, due to increased competition for clients, would likely result in a material reduction in the revenue and earnings of PSC commissions. See also 5.2.9.

5.2.2. Licensing, regulatory and litigation risks

5.2.2.1. Australia and New Zealand

The Company operates in a highly regulated environment. Under the Corporations Act, an individual or company that conducts an insurance broking business or underwriting agency in Australia must hold and operate under an AFSL issued by ASIC. The holder of an AFSL is subject to a number of compliance and reporting obligations. These include:

- obligations relating to training and competency of employees and representatives of the Company;
- managing conflicts of interest;
- maintaining adequate financial, technological and human resources;
- internal and external dispute resolution for retail clients;
- disclosure to retail clients;
- recording and self-reporting of breaches of financial services laws and AFSL conditions; and
- compensation arrangements for retail clients.

Companies in the PSC Group either directly hold an AFSL or operate under the AFSL of another entity.

The operation of PSC Connect NZ Limited is subject to regulation under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. This law requires registration of financial services providers and imposes compliance obligations on those providers.

If a company does not meet its obligations as an AFSL holder of a registered financial service provider (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.

The financial services industry in Australia and New Zealand has been the subject of significant legislative and regulatory change. Recent changes in Australia have concentrated on improving the quality of advice provided to retail clients and banning conflicted remuneration and similar benefits being given for personal advice given by financial advisors about certain financial products. Any future legislative and regulatory changes may affect the Company's obligations, increasing compliance costs and adversely affecting the Company's profitability.

In addition, like all entities operating in the insurance or financial services sectors, the Company 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 a PSC Group Company has acquired the assets of another AFS licensee, the scope of the duties owed to the clients of that licensee by the PSC 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 PSC Group Company. While the Company is not aware of any current or threatened proceedings relating to the Company or any other companies in the PSC Group, the Company cannot guarantee that such proceedings will not arise in the future that may materially affect the performance and reputation of the Company.

5.2.2.2. United Kingdom

Insurance intermediary services are also highly regulated in the United Kingdom. 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 two United Kingdom based companies in the PSC Group are authorised to carry on the business of an insurance intermediary and are authorised by and subject to the broad supervisory powers of the FCA.

"Controllers" who directly or indirectly hold specified shareholdings or voting power in FCA authorised firms, including direct and indirect owners of the UK based companies in the PSC Group, require approval by the FCA, and the FCA's supervisory powers also extend to individuals holding senior management positions and other "controlled functions" in FCA authorised firms.

Companies in the PSC Group which are authorised by the FCA are also responsible to the FCA for insurance mediation activities conducted by their Appointed Representatives, which include entities outside the PSC Group.

The FCA may, from time to time, make enquiries of the United Kingdom based businesses regarding their regulatory compliance, and can conduct industry-wide investigations, for example into certain products or selling practices. The United Kingdom based businesses regulated by the FCA are also under obligations to self-report breaches and other matters of which the FCA would reasonably expect to be informed.

The FCA has wide powers to support its supervisory functions and enforce regulatory compliance. These include 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.

In addition to the extensive regulatory supervision described above, the United Kingdom based businesses are also subject to other wide-ranging legal and regulatory requirements, changes to which may result in additional compliance costs and diversion of management time and resources, and non-compliance with which may result in investigations, prosecution, disciplinary action, fines, reputational damage and the revocation of the licences, permissions or authorisations.

5.2.3. Dependence on key individuals

The PSC Group employs or engages individuals that are key to the success of its business. These individuals typically possess an intimate understanding of the insurance industry and well-established relationships with their clients. To assist in the retention of these key individuals, the Company has entered into executive consultancy/employment agreements with four of its five key executives (Paul Dwyer, John Dwyer, Rohan Stewart and Joshua Reid) as set out in Section 6.6, entered into an appointment letter with respect to the appointment of Brian Austin as the Non-executive Chairman (as set out in Section 6.7) and entered into exclusive consultancy/employment agreements with other key individuals.

Certain businesses operating in the PSC Group also have individuals that are key to the success of those businesses. These key individuals have all been engaged under the standard employment terms or standard consultancy terms of the PSC Group. There is no assurance that any such individuals will remain with the Company, and the departure of key individuals could not only result in the loss of valuable experience and skills, but also the loss of key client and insurer relationships, which could adversely impact the Company's ability to retain and attract clients.

In addition, the Company's operations also rely to a large extent on its capacity to attract new key individuals with relevant experience to be involved in the Company's business. The market for qualified individuals is competitive. The Company's failure to attract additional qualified individuals could negatively impact the Company's long term growth prospects.

5.2.4. Reduction in GWP in Australian general insurance market

PSC's key material revenue source, being commissions, are linked to GWP for insurance business arranged for clients or insurers. For this reason, changes in GWP in the Australian general insurance market, will impact on the revenue of the PSC Group. Changes in GWP will be influenced by factors such as pricing decisions by insurers, completion between insurers and the level of demand for insurance products.

PSC's Financial Forecast Information assumes flat growth in the total GWP in the forecast period.

A significant reduction in GWP for insurance business arranged by PSC for clients or insurers, relative to that currently assumed in the Financial Forecast Information and on an ongoing basis (for example, due to a decline in demand for insurance or softening insurance premium rates), would have a negative impact on the revenue and earnings of PSC.

5.2.5. Underwriting risks

The businesses of Chase Underwriting, Breeze UK and PSC Insurance all have agreements in place with insurers that authorise them to conduct insurance business on behalf of the insurer.

The arrangements under which insurers provide underwriting capacity to the PSC Group's underwriting agencies are on rolling 12 month terms or do not have fixed terms.

However, a number of these arrangements, including the agreements in place between Chase Underwriting and Liberty and PSC Insurance and QBE and the proposed agreement between Chase Underwriting and ACE may be terminated with notice by the respective underwriters for convenience.

Accordingly, there is a risk that such underwriters may reduce or remove the underwritten capacity of PSC at their election. There is a risk that PSC may not be able to replace that capacity, in whole or in part, in a short timeframe. This would impact in a negative way on revenue and earnings of PSC.

5.2.6. Damage to brand

The success of the Company is highly reliant on its reputation and branding. Adverse publicity about the Company arising, for example, from a failure by the Company or a subsidiary to comply with its statutory obligations (as discussed in section 5.2.2 and 5.2.7), could have a material adverse effect on their ability to retain and attract clients, thereby adversely affecting the Company's revenue and financial performance.

5.2.7. Licence compliance

As noted in sections 5.2.2.1 and 5.2.2.2 businesses in the PSC Group hold licenses, authorisations and permits under which they are authorised to conduct their business in Australia and other jurisdictions. PSC has measures in place to ensure it complies with its licence requirements. The compliance arrangements must be appropriate for the size and scale of the relevant licensed businesses. Also, they must put in place measures for compliance by representatives, including Authorised Representatives, many of whom for the PSC Connect businesses in Australia and New Zealand, are entities outside the PSC Group.

As the PSC Group has grown in size and scale, its compliance team and processes have adapted to ensure the PSC Group's compliance measures are appropriate for a group of its size and nature which include implementing a comprehensive compliance program and retaining experienced compliance officers and external legal and compliance consultants.

While the PSC Group uses its best efforts to ensure that it is complying with its licence requirements, there have been prior breaches of the PSC Group's licence requirements (namely its AFSL requirements) and there is always a risk that the PSC Group may not fully comply with all its licence or authorisation requirements.

5.2.8. Lloyd's licence appointment and approvals

The UK subsidiaries are also subject to further regulation by Lloyd's in relation to their activities in the Lloyd's market 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 going basis, and requires the UK subsidiaries to comply with various rules, regulations, guidelines and directions.

Sanctions Lloyd's can impose include withdrawing a UK subsidiary's status as approved coverholder and/or broker which would mean that the UK subsidiary 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. This would impact in a negative way on revenue and earnings of the UK subsidiaries and the PSC Group.

5.2.9. Increased competition or market change

The insurance industry has, in recent years, seen consolidation of industry participants. Further consolidation in the industry could result in competitors improving their scale, allowing them to create synergies and efficiencies, which allow participants to provide more competitive pricing. This would place increased pressure on the Company's ability to maintain its insurance margins. In response, the Company could lose market share or be required to reduce its prices in order to compete effectively, both of which could affect the Company's profitability.

In addition, new market entrants could emerge in the industry, potentially having superior business models to that of the Company and putting additional pressure on the Company to reduce its prices or sacrifice market share.

The high level of marketplace fragmentation continues to be an attractive market characteristic for PSC and is expected to provide further opportunities for the Company to grow via acquisition. However, there are also competitors in the market who are looking to consolidate and therefore may compete for certain acquisition opportunities.

5.2.10. Authorised Representatives under the PSC Connect licence

The Authorised Representative agreements for the broking businesses that operate under the AFSL held by PSC Connect Pty Ltd can be terminated by the Authorised Representative at will with 15 months' written notice. After termination, the Authorised Representative will maintain the ownership of its broking business and will not be restrained in any way from competing with the PSC Group. The termination of these Authorised Representative agreements, if new Authorised Representatives are not appointed, will impact negatively on the financial performance of PSC Connect.

5.2.11. Client concentration in reinsurance and wholesale broking

There is a higher degree of client concentration in the reinsurance and wholesale broking business than the remainder of the Group's business, with the top four customers representing approximately 23% of this business. As a result, if any of these customers did not renew, this may have an adverse impact on the reinsurance and wholesale broking business. However no customer independently represents more than 1.5% of Group revenue.

5.2.12. Impairment of Intangible Assets

The Company will recognise a substantial value of intangible assets on its balance sheet relating to the goodwill and identifiable intangible assets (principally client relationships) associated with acquired entities. The amount of goodwill will be calculated by deducting the total tangible net assets and identified intangible assets acquired by the Company from the acquisition consideration for each acquisition.

Under the accounting standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. Other intangible assets are amortised and assessed for any indicators of impairment in each reporting period. Impairment of any individual asset will result from a permanent diminution in value indicated by a decrease in profits below the level that supports the value of the asset. In the event that the value of any of the Company's intangible assets are found to be impaired to a level below their carrying value, the Company would need to write down the value of the intangible asset. This will result in an expense in the income statement and a reduction in profits.

5.2.13. Technology

Participation in the insurance industry increasingly relies upon technology to conduct a cost effective and efficient business, and to ensure compliance with regulatory responsibilities, including AFSL obligations. Costs incurred in adapting to technology change could be substantial and materially impact the Company's performance. On the other hand, a failure to adapt to technology change could render the Company uncompetitive or constrain the Company's ability to grow.

The Company relies on proprietary and third party software products and services from a number of different providers for its management information systems and delivery services to the Company's insurance broking businesses. Standard backup, restoration and recovery procedures are in place for the Company. However, despite these protections, any significant disruptions to these systems would have materially adverse operational consequences, namely impairing the ability of the Company to continue to provide its services, which in turn could impact on the Company's revenue and profitability.

5.2.14. Pre-IPO Acquisition risks

As discussed in section 3, the PSC Group will be undertaking, or has undertaken certain Pre-IPO Acquisitions. As with any acquisition, there are due diligence, execution and liability risks associated with these Pre-IPO Acquisitions.

The Company has performed due diligence in respect of each of the Pre-IPO Acquisitions. While the Company has sought appropriate protections in respect of any potential issues that have emerged from these due diligence investigations, there is a risk that a potential issue is more significant than was assessed, or that the protections sought were insufficient to mitigate the potential issue, resulting in loss to the Company. There is also a risk that the due diligence investigations have not identified issues that would have been material to the decision by the Company to undertake a Pre-IPO Acquisition. The failure to identify this issue could have a detrimental impact on the financial performance of the Company or its operations.

In relation to the Pre-IPO Acquisition that has not yet completed for the assets and business of T.A. Management, the agreement in respect of this Pre-IPO Acquisition contains obligations on the vendor which, if not complied with, could delay or prevent this Pre-IPO Acquisition from completing. Failure to complete this Pre-IPO Acquisition could adversely affect the Company's future performance, namely the Company will not have the benefit of any additional earnings that it anticipated from the income generated by this Pre-IPO Acquisition.

There is also a risk that the expected benefits from the Pre-IPO Acquisitions are not realised, for example, due to an inability to successfully integrate any of these acquisitions. Key integration risks include higher than expected restructuring costs, potential disruption to existing operations, lower than expected cost synergies and the loss of key clients. Such integration risks can detract from the expected benefits contemplated by the Company and hinder the Company's growth.

In addition to the Pre-IPO Acquisitions, the Company may consider other acquisitions which complement its growth strategy. While the Company recognises that benefits may arise from such activity, similar risks to those identified in respect of the Pre-IPO Acquisitions will be relevant and may affect the performance of the Company.

5.2.15. Foreign subsidiaries

As discussed in section 3, the Company has a number of foreign subsidiaries. This exposes the Company to adverse foreign exchange rate movements. These adverse movements can result in losses which can impact the Company's financial position and performance, and the level of capital required to support the Company's business.

In addition, foreign markets will often have different market and regulatory requirements relative to Australia and may also have different licensing requirements. In the event the Company is unable to appropriately manage its offshore operations, the Company may fail to comply with its obligations in overseas markets, potentially giving rise to penalties and reputational damage, which in turn may negatively impact on the Company's performance.

5.2.16. Roll-up Acquisitions risks

As discussed in section 3.13, the Company will be completing the Roll-up Acquisitions around the time of completion of the Offers. Similar risks associated with the Pre-IPO Acquisitions will also apply to the Roll-up Acquisitions although the Company would expect these risks to be less likely to arise given the Company (or its subsidiary) is already a majority shareholder of each Roll-up Business and as a result has prior knowledge of the operations and liabilities of each Roll-up Business. However, there is always a risk that material issues in relation to the Roll-up Businesses have failed to be identified which could have a greater detrimental impact on the financial performance of the Company or its operations once the Roll-up Businesses become wholly owned by the Company (rather than majority owned).

The agreements in respect of the Roll-up Acquisitions contain obligations on the minority shareholders which, if not complied with, could delay or prevent the Roll-up Acquisitions from completing. Failure to complete the Roll-up Acquisitions could adversely affect the Company's future performance.

5.3 General risks

5.3.1. Economic conditions

General economic conditions, introduction of tax reform (discussed further in section 5.3.6), new legislation (discussed further in section 5.2.2), movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Deterioration in the general economic conditions, including factors that impact negatively on disposable income of consumers, could affect client expenditure, including on the demand for insurance products and insurance related advice which may adversely affect the Company's profitability.

5.3.2. Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and industrial stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

5.3.3. Trading in shares may not be liquid and the Escrowed Shareholders' holdings

There is currently no public market through which the Shares of the Company may be sold. There can be no guarantee that an active market in the Shares will develop, or that the price of the Shares will increase following quotation. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares.

Following Listing it is expected that the Escrowed Shareholders will hold approximately 89.8 million of the Shares, which will also impact on liquidity. As discussed in section 7.10, the Escrowed Shareholders will enter into voluntary escrow arrangements in relation to 50% of their Shares applying for 24 months starting from the date of the Company's admission to the Official List. The absence of any sale of Shares by the Escrowed Shareholders during this period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that Shareholders may receive a market price for their Shares that is less than the price that they paid.

Following release from escrow, Shares held by Escrowed Shareholders will be able to be freely traded on ASX. A significant sale by the Escrowed Shareholders (individually or collectively), or the perception that such sales have occurred or might occur, could adversely affect the price of Shares.

Existing Shareholders

Following Listing it is expected that the Existing Shareholders will hold approximately 61.8% of the Shares. The Existing Shareholders' shareholdings may allow the Existing Shareholders (acting collectively and possibly individually) to exert significant influence over the outcome of matters relating to the Company, including the election of directors and approval of transactions. The interests of the Existing Shareholders may be different from the interests of other investors who purchase Shares in the Offers.

5.3.4. Shareholder dilution

In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of such issues of Shares or other securities.

5.3.5. Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, or is unable to do so on acceptable terms, it may be required to reduce the scope of its operations and scale back its programmes as the case may be.

Operational factors

While the Company implements measures and procedures to manage operational risk, the Company's profitability will continue to be subject to a variety of strategic and business decisions (including any future acquisitions, as discussed in section 3) and operational risks (arising from inadequate or failed internal processes, people and systems, or external events) including:

- fraud and other dishonest activities;
- workplace safety;
- compliance risk;
- business continuity and crisis management;
- key person risk;
- information systems integrity; and
- outsourcing risk.

5.3.6. Tax risk factors

A general overview of the tax consequences of investing in the Company for certain potential investors who are Australian residents are set out in section 10.9. This section is based on current tax law as at the date of this Prospectus. It is not intended to provide specific advice addressing the particular circumstances of a potential investor. As such, potential investors should seek independent tax advice which considers their own specific circumstances and tax position.

In recent years, there have been a number of key tax reform measures. In the event that there is further change in Australian tax law, or an administrative pronouncement or ruling, including in respect of the rates of tax payable by the Company, such developments could negatively impact the returns derived by a potential investor. In addition, an interpretation of the Australian tax laws by the Commissioner of Taxation that is contrary to the Company's view of those laws could similarly increase the amount of tax payable by the Company.

5.3.7. Accounting standards

Any change in accounting standards or how they are applied and interpreted may have an adverse impact on the Company's financial performance and position.

5.3.8. Dividends may not be fully franked

The Company expects future dividends to by fully franked, at least initially. However, there is no guarantee that the Company will have sufficient franking credits in the future to fully frank dividends or that the franking system will not be varied or abolished.

The value and availability of franking credits to a Shareholder will depend on their particular tax circumstances. Shareholders should be aware that the ability to use franking credits, as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each Shareholder.

5.3.9. Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

6.
KEY INDIVIDUALS, INTERESTS AND BENEFITS

6.1 Board of Directors

The current Board of Directors as at the date of this Prospectus comprises four Directors. The Board has a broad range of experience including industry and business knowledge, financial management and corporate governance experience. The following table provides information regarding the Directors, including their age, position and independence.

NAME	AGE	POSITION	INDEPENDENCE[19]
Brian Mark Austin	58	Non-executive Chairman	Not independent[20]
Paul Robert Dwyer	37	Managing Director	Not independent[20]
John Robert Dwyer	59	Executive Director	Not independent[20]
Antony David Robinson	57	Non-executive Director	Independent

6.2 Directors' Profiles

DIRECTOR	EXPERTISE, EXPERIENCE AND QUALIFICATIONS
Brian Mark Austin Chairman & Non-executive Director Member of Remuneration and Nomination Committee	Brian Austin was appointed to the Board on 10 December 2010. With over 30 years industry experience, Mr Austin has held senior executive positions in the insurance industry, including as CEO of Oamps Insurance Brokers. Over that time Mr Austin has been instrumental in setting the strategy of capital raising and acquisitions. The executive positions Mr Austin has held has enabled him to develop a global network of key relationships that allow the future growth strategies of the Company to be pursued with much confidence.
Paul Robert Dwyer Managing Director *Dip Fin Services (Insurance)* Member of Audit and Risk Management Committee	Paul Dwyer was appointed to the Board on 10 December 2010. Prior to being the founder of the PSC Group, Mr Dwyer held a senior executive position with Oamps and previous to that role was a Regional Underwriter with CGU. As Group Managing Director and founder of the Group, Mr Dwyer's focus remains the strategic direction of the Company, exploring acquisition and organic growth opportunities and to manage and work with the executives and staff within the Company to continually improve business operations. Mr Dwyer continues to drive the business ensuring that the finances and decision-making are robust, in order to deliver the financial outcomes of the Company.
John Robert Dwyer Executive Director *Dip Fin Services (Insurance)*	John Dwyer 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 and eventually becoming Eastern Region Manager (NSW & ACT). As Director of Broking across the Group, Mr Dwyer brings specialist business integration and practical operational skills pivotal to a growing business.
Antony David Robinson Non-executive Director *B Com (Melb), ASA, MBA (Melb)* Chair of Audit and Risk Management Committee and Remuneration and Nomination Committee.	Tony Robinson was appointed to the Board on 13 July 2015. Mr Robinson has significant experience in wealth management and insurance, including as Managing Director of Centre Point Alliance Limited, Chief Executive Officer and Executive Director of IOOF Holdings Ltd and OAMPS Limited, joint Managing Director of Falkiners Stockbroking, Managing Director of WealthPoint, and senior executive positions at Link Telecommunications and Mayne Nickless. Mr Robinson is currently Managing Director of Oncard International and a director of Bendigo and Adelaide Bank Ltd and Treasury Group Ltd. Mr Robinson also holds a number of directorships of private companies, including River Capital Pty Ltd.

19 The Company considers that a Director is an independent Director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. The Company has also assessed the independence of its Directors having regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles and Recommendations.

20 Brian Austin, Paul Dwyer and John Dwyer are not considered independent for ASX purposes because of their executive roles with the Company as described above..

The composition of the Board committees and details of its key corporate governance polices are set out in Sections 6.12 and 6.13.

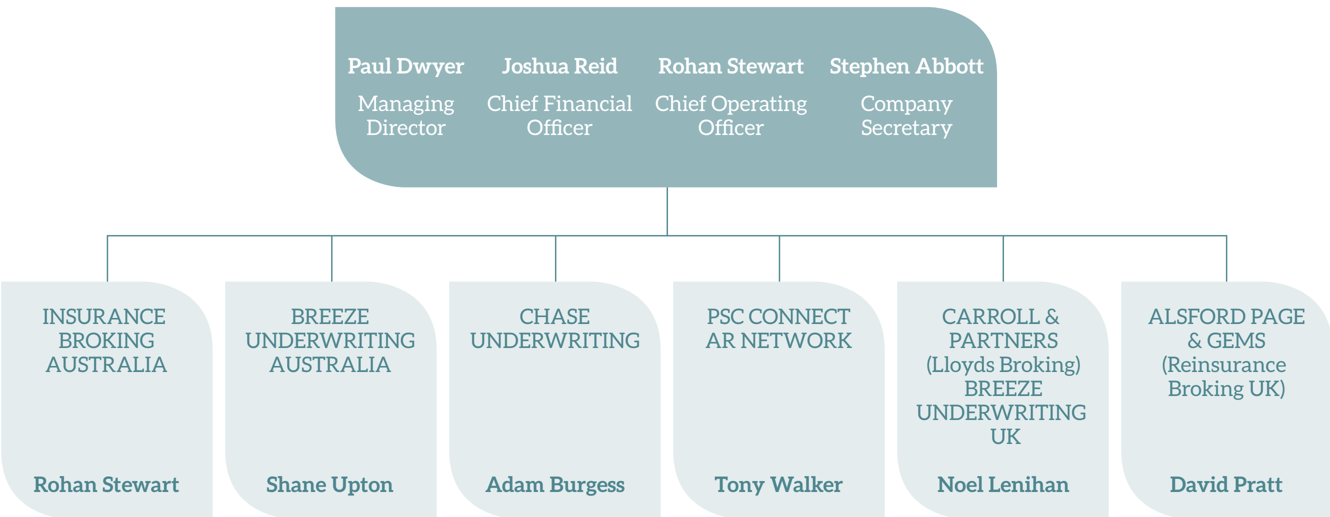
The Board has considered the Company's immediate requirements as it transitions to an ASX listed company and is satisfied that the composition of the Board represents an appropriate range of experience qualifications and skills.

Each Director has confirmed to PSC that they anticipate being available to perform their duties as an executive Director or non-executive Director of PSC without constraint from other commitments.

6.3 Key Executive Team

The Company has a highly experienced executive team as set out below:

NAME	EXPERTISE, EXPERIENCE AND QUALIFICATIONS
Paul Robert Dwyer Managing Director *Dip Fin Services (Insurance)*	Refer to previous table for Paul Dwyer's qualifications and experience.
John Robert Dwyer Executive Director *Dip Fin Services (Insurance)*	Refer to previous table for John Dwyer's qualifications and experience.
Joshua Reid Chief Financial Officer *B Com (Hons) (Melb), M AppFin (Macquarie)*	Joshua Reid joined the Company in January 2015. Mr Reid has 20 years' experience working in a variety of senior positions in the banking and finance industry. The majority of Mr Reid's career was with Macquarie Bank, where he developed their acquisition funding approach for the insurance broking industry, held senior risk management roles and had extensive experience with principal transactions. Mr Reid plays a lead role in executing on the long term strategic goals of the Company, including leading the finance team, acquisition due diligence, business planning and ensuring a sound funding structure.
Rohan Stewart Chief Operating Officer *Dip Fin Services (Insurance Broking) (NIBA), Aff Aust Insurance Institute*	Rohan Stewart joined the Company in 2009. Mr Stewart has over 30 years' experience in the insurance industry, working in a range of insurance brokerages and underwriters. Rohan has extensive experience in improving business efficiencies and administration, progressing to senior roles with Zurich International and Zurich Financial Services, joining Horsell International as an Executive Director in 2004 and joining PSC when acquired in 2009. As Chief Operating Officer at PSC, Mr Stewart manages the day-to-day management of the Group including responsibility for key national insurer relationships. Rohan brings specialist business integration and practical operational experience to the Group and works closely with John Dwyer on the operational imperatives across the group.



6.4 Director disclosures

No Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.5 Directors' remuneration

The Board has approved the following annual remuneration arrangements for the Directors to take effect upon the Listing.

Director	Director's fees/ Executive remuneration
Brian Mark Austin	$300,000
Paul Robert Dwyer	$300,000
John Robert Dwyer	$300,000
Antony David Robinson	$60,000

6.6 Executive consultancy agreements

Managing Director

The Company has entered into an executive consultancy agreement with a company associated with Paul Dwyer (but which company is unrelated to the Company). Under this executive consultancy agreement (to which Paul is also a party), the consultancy company agrees to make Paul available to perform the duties and responsibilities of the position of Managing Director. The consultancy company will receive a monthly fee of AU$25,000 (exclusive of GST). Subject to the Company exceeding certain financial forecasts under this Prospectus, the consultancy company associated with Paul will also be eligible to receive a one-off additional payment of AU$200,000 (exclusive of GST) at the end of the first financial year following the listing of the Company on the ASX. As a Director of the Company, Paul will also be eligible to participate in the Company's Long Term Incentive Plan as set out in Section 6.11.

The consultancy agreement may be terminated by the Company or the consultancy company by either party giving six months' notice in writing or, alternatively in the Company's case, payment in lieu of notice. The Company may terminate the consultancy agreement without notice in certain circumstances, including breach of contract, criminal activity or serious misconduct involving the consultancy company or Paul.

The consultancy agreement has a commencement date of 1 November 2015 and continues until terminated in accordance with its terms. Pursuant to the terms of the consultancy agreement, both the consultancy company and Paul have entered into a restraint deed which contains non-competition and non-solicitation restraints for a period of two years post termination of the executive consultancy agreement in Australia, New Zealand, the United Kingdom and each other jurisdiction in which the PSC Group carries on business as at that date. Enforceability of such restraint is subject to all usual legal requirements.

Other key individuals

A PSC Group company has also entered into executive consultancy agreements with a further two companies (unrelated to the Company) which are associated with two of the other key executives identified in Section 5.2.3 (John Dwyer and Rohan Stewart). Under these executive consultancy agreements, the consultancy company agrees to make the respective key individual with which it is associated available to provide executive services to the Company. Joshua Reid will be employed under an employment contract on the Company's standard terms and conditions. Key components of these agreements include:

- in respect of the executive consultancy agreements, payment of a fixed monthly fee and reimbursement to the consultancy company for reasonable expenses incurred by the key individual in providing the executive services to the Company;
- in respect of Joshua Reid's employment contract, a total fixed remuneration, which includes base salary, superannuation and other fixed payments and benefits that the employer is legally obliged to offer;
- six months' notice period for termination of the agreement by either party;

- a requirement for the consultancy company, the key individual and Joshua Reid to enter into a restraint deed which contains non-competition and non-solicitation restraints by the consultancy companies, the key individuals and Joshua Reid for a period of two years post termination of the agreement in Australia, New Zealand, the United Kingdom and each other jurisdiction in which the PSC Group carries on business as at that date; and
- confidentiality provisions.

The enforceability of such restraints contained in the restrain deed entered into under the agreements are subject to all usual legal requirements.

In addition to the remuneration payable by a PSC Group company under the employment agreement with Joshua Reid, the Company agreed to grant Joshua Reid a non-recourse, no interest bearing loan of $1 million to acquire Loan Funded Shares at the Offer Price under the Long Term Incentive Plan described in Section 6.11.

6.7 Appointment letters for Non-executive Chairman and Non-executive director

Non-executive Chairman

The Company has entered into an agreement with Brian Austin, which sets out the terms of his appointment as Non-executive Chairman of the Company. Pursuant to the terms of the agreement, Brian will be paid a fee of AU$300,000 per annum and will be reimbursed for all reasonable expenses incurred in performing his duties as a director and Non-executive Chairman.

In accordance with the terms of the agreement, Brian is required to comply with the Company's constitution, the Board Charter and other corporate governance policies in their respective forms from time to time.

Consistent with the Company's constitution and the ASX Listing Rules, each director other than the Managing Director will be required to retire at the third annual general meeting after they were elected (or last re-elected) or three years, whichever is longer.

The appointment of Brian as Non-executive Chairman shall cease if Brian:

- is not re-elected as a director by the shareholders of the Company;
- resigns by written notice to the Company;
- becomes disqualified by law from being a company director or from being involved in the management of a company; or
- without the consent of the other directors, is absent from the meeting of directors for a continuous period of six months.

Pursuant to the terms of the agreement, Brian has also entered into a restraint deed which contains non-competition and non-solicitation for a period of two years post termination of the executive consultancy agreement in Australia, New Zealand, the United Kingdom and each other jurisdiction in which the PSC Group carries on business as at that date. Enforceability of such restraint is subject to all usual legal requirements.

Non-executive director

The Company has entered into an agreement with Tony Robinson, which sets out the terms of his appointment as a Non-executive director of the Company. Pursuant to the terms of the agreement, Tony will be paid a fee of AU$60,000 per annum (plus superannuation) and will be reimbursed for all reasonable expenses incurred in performing his duties as a director.

The Company intends to grant 600,000 Options to Tony Robinson under the Long Term Incentive Plan shortly before Listing. The key terms of these Options are as follows:

- Grant date – 14 December 2015;
- Term – Options have a 5 year term and will expire on 14 December 2020;
- Exercise price – $1.00;
- Consideration for grant – Nil;
- Performance hurdles – Nil; and
- Ceasing to be a director – if Tony ceases to be a director of PSC, any remaining Options must be exercised within 3 months from the date he ceases to be a director.

In accordance with the terms of the agreement, Tony is required to comply with the Company's constitution, the Board Charter and other corporate governance policies in their respective forms from time to time.

Consistent with the Company's constitution and the ASX Listing Rules, each director other than the Managing Director will be required to retire at the third annual general meeting after they were elected (or last re-elected) or three years, whichever is longer.

The appointment of a Non-executive director shall cease if the relevant Non-executive director:

- is not re-elected as a director by the shareholders of the Company;
- resigns by written notice to the Company;
- becomes disqualified by law from being a company director or from being involved in the management of a company; or
- without the consent of the other directors, is absent from the meeting of directors for a continuous period of six months.

6.8 Interests of Directors

Other than as set out above or elsewhere in the Prospectus, no Director or proposed director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offers; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offers.

Except as set out elsewhere in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are or were, interests of a Director or a proposed Director in the promotion of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion. Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him to become or qualify him as a Director or otherwise for services rendered by him in connection with the promotion or formation of the Company.

Under the Company's Constitution, each Director may be paid remuneration for ordinary services performed as a Director. However under the ASX Listing Rules the maximum fees payable to non-executive directors in any financial year may not be increased without prior approval from the Company at a general meeting. This amount has been capped at $750,000 per annum. Directors will seek approval from time to time as deemed appropriate.

Directors interests in Shares

The following table sets out the interests of the Directors as at the date of this Prospectus and after admission to ASX:

Director	Number of Shares as at the date of this Prospectus	Percentage shareholding as at the date of this Prospectus	Number of Options as at the date of this Prospectus	Number of Options as at admission to ASX	Number of Shares as at admission to ASX	Percentage shareholding as at admission to ASX
Brian Austin[21]	34,930,032 Shares	25.1%	Nil	Nil	34,930,032 Shares	15.6%
John Dwyer[22]	34,800,522 Shares	25.0%	Nil	Nil	34,800,522 Shares	15.5%
Paul Dwyer[23]	69,406,294 Shares	49.9%	Nil	Nil	69,406,294 Shares	31.0%
Antony Robinson	Nil	0%	Nil	600,000	Nil	Nil

The above table does not take into account any Shares relevant parties may acquire under the Offers.

6.9 Indemnification of Directors and Officers

The Company has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely of in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

21 Brian Austin's shares in the Company are held by Austin Superannuation Pty Ltd as trustee for the Brian Austin Superannuation Fund. Brian holds 50% of the shareholding in Austin Superannuation Pty Ltd.

22 John Dwyer's shares in the Company are held by Glendale Dwyer Pty Ltd as trustee of the Dwyer Family Trust. John holds the total shareholding in Glendale Dwyer Pty Ltd.

23 Paul Dwyer's shares in the Company are held by Melissa Dwyer as trustee of the Paul Dwyer Family Trust.

6.10 Related party interests

Other than as set out below or elsewhere in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest:

- the compensation arrangements with Directors and executive officers, which are described in Section 6;
- the indemnification arrangements with the Directors which are described in this Section 6.9;
- the recruitment services provided by 'Fuse Recruitment' entities to the Group at standard market rates, details of which are described in further detail below; and
- the marketing services provided by Lead Agency to the Group at standard market rates, details of which are described further below.

A number of entities (being the 'Fuse Recruitment' entities) are providing recruitment services to the Group at standard market rates. These entities are related to Paul Dwyer, John Dwyer, Brian Austin and Anthony Lumsden (each of whom are directors of, and/or shareholders in, members of the Group). The retention of these entities by the Group is not formally documented.

Lead Agency, a marketing services provider, was formerly a subsidiary of the PSC Group. Lead Agency has since been removed from the PSC Group subsequent to a demerger of certain non-core and non-trading subsidiaries in preparation for Listing. Lead Agency is currently 70% indirectly owned by the Existing Shareholders which are entities associated with certain directors of PSC, being Brian Austin, John Dwyer and Paul Dwyer, who are also directors of Lead Agency. Lead Agency continues to provide marketing services to the PSC Group in return for fees at standard market rates. The retention of Lead Agency's services is not formally documented.

Policy for approval of related party transactions

The Company's Audit Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which any parties related to the Company, including its executive officers, Directors, beneficial owners of more than 5% of the Company's Shares, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company, has or will have a direct or indirect material interest.

The Audit Committee or its Chair, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the Audit Committee or the Chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the Listing Rules.

New opportunities

Certain directors of PSC are also directors of, or have interests in, other companies that conduct insurance businesses outside Australia. Under the Board Charter, Directors have agreed that any new opportunities that arise with respect to the insurance sector must first be offered to PSC. If PSC rejects such an opportunity then the Directors are entitled to take up any such opportunity outside the PSC Group.

6.11 Incentive plans

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:

- which individuals will be invited to participate in the Long Term Incentive Plan;
- the type of Award to be granted to each Participant;
- the number of Awards to be granted to each Participant;
- the fee payable (if any) by Participants on the grant of Awards to Participants;

- the terms on which the Awards will vest and become exercisable, including any vesting conditions or performance hurdles which must be met;
- in the case of Loan Funded Shares, the terms and conditions upon which the Company will provide a loan to the relevant Participants to acquire Shares including whether the loan is limited recourse, interest bearing or not (and if so, at what interest rate) and the term of the loan, to be set at in a separate loan agreement;
- in the case of Options, the exercise price of each Option granted to Participants and the period during which a vested Option can be exercised; and
- any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that Participants receive upon exercise of their Awards.

The Board may delegate management and administration of the Long Term Incentive Plan together with any of its powers or discretions under the Long Term Incentive Plan to a committee of the Board or to any one or more persons selected by it as the Board thinks fit, including but not limited to the Company Secretary.

The Long Term Incentive Plan will operate subject to the ASX Listing Rules.

6.12 Corporate governance

The Company's Constitution provides that the maximum number of Directors is ten and the minimum number of Directors is three. As at the date of this Prospectus, the Company has four Directors serving on the Board, and will continue to have the same four Directors serving on the Board following the Listing.

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

Board's role in risk oversight

The Board's role in risk oversight includes receiving reports from management and the Audit Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management program and identify and address material business risks such as risks relating to conduct of business, regulatory and compliance risks, reputational risks, risks relating to key business, reporting and IT systems as they relate to business continuity. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

The responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations. A copy of the Company's Board Charter is available on the Company's website at www.pscinsurancegroup.com.au. The Company will also send you a paper copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

Board Committees

As set out below, the Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the committee charter adopted by the Company (which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations). A copy of the charters for the above committees are available on the Company's website at www.pscinsurancegroup.com.au. The Company will also send Shareholders a paper copy of the committee charters, at no cost, should they request a copy during the Offer Period.

COMMITTEE	OVERVIEW	MEMBERS
Audit and Risk Management Committee	Responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures. Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor.	Antony Robinson (Chair) Paul Dwyer
Remuneration and Nomination Committee	Establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company including determining individual elements of total compensation of the Managing Director and other members of senior management. Responsible for advising the Board on the composition of the Board and its committees.	Antony Robinson (Chair) Brian Austin

6.13 Corporate governance policies

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations and are available on the Company's website at www.pscinsurancegroup.com.au.

- Code of Conduct – This policy sets out the standards of ethical behaviour that the Company expects from its Directors, officers and employees.
- Continuous Disclosure Policy – Once listed on ASX, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Company discloses to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.
- Risk Management Policy – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business.
- Securities Trading Policy – This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws.
- Shareholder Communications Policy – This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.
- Diversity Policy – This policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees.

The Company will send you a paper copy of any of the above policies, at no cost, should you request a copy during the Offer Period.

6.14 ASX Corporate Governance Principles

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Company is set out below.

Principle 1 – Lay solid foundations for management and oversight

The respective roles and responsibilities of the Board and executives are defined in the Board Charter, a copy of which is available on the Company's website at www.pscinsurancegroup.com.au. There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon the Company's officers.

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

The process for selection, appointment, and re-appointment of Directors is detailed in the Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website at www.pscinsurancegroup.com.au. Under the Remuneration and Nomination Committee Charter, Shareholders are required to be provided with all material information relevant to making an informed decision on whether or not to elect or re-elect a Director.

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website at www.pscinsurancgegroup.com.au. Given the size of the Company, the Board will not initially adopt measureable objectives to assist the Company to achieve gender diversity. Initially, where candidates for Board and executive roles have commensurate experience and expertise, the Company will have a preference for appointments that progress Group diversity. When the Company is of sufficient size, the Board will look to adopt measureable objectives to further promote gender diversity.

Principle 2 – Structure the Board to add value

The Board is comprised of three executive Directors and one non-executive Director and the roles of Chairman and Managing Director are exercised by two separate individuals. The majority of Directors are not considered independent for ASX purposes and the Company's Chairman is also not considered to be an independent Director for ASX purposes. However, the Board believes that, as a whole, it is not hindered in its ability to exercise an independent view and judgement. The Board believes that the size, composition and skills of the Board are appropriate for the Company's business and circumstances, and are in the best interests of Shareholders as a whole. However, the Board is also seeking to appoint an additional independent director.

The Company's Remuneration and Nomination Committee is responsible for regularly reviewing the size, composition and skills of the Board to ensure that the Board is able to discharge its duties and responsibilities effectively, and to identify any gaps in the skills or experience of the Board.

Principle 3 – Promote ethical and responsible decision making

The Company has adopted a Code of Conduct which applies to all Directors, officers, employees, contractors or consultants of the Company as well as a Securities Trading Policy. Each of these has been prepared having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at www.pscinsurancegroup.com.au.

Principle 4 – Safeguard integrity in financial reporting

The Company has established an Audit and Risk Management Committee to oversee the management of financial and internal risks. Given the size and composition of the Board, all the members of the Company's Audit and Risk Management Committee are not non-executive Directors and the majority are not independent Directors for ASX purposes. However, the Board believes that the members of the Committee as a whole are not hindered in their ability to exercise independent view and judgment. The Audit and Risk Management Committee is governed by an Audit and Risk Management Committee Charter, a copy of which is available on the Company's website at www.pscinsurancgegroup.com.au.

Principle 5 – Make timely and balanced disclosure

The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy, a copy of which is available on the Company's website at www.pscinsurancegroup.com.au.

Principle 6 – Respect the rights of Shareholders

The Company has adopted a Shareholder Communications Policy for promoting two way communication between the Company and its Shareholders, a copy of which is available on the Company's website at www.pscinsurancegroup.com.au. The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.

The Company provides investors with comprehensive and timely access to information about itself and its governance on its website at www.pscinsurancegroup.com.au.

All Shareholders are invited to attend the Company's annual meeting, either in person or by representative. The Board regards the annual meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditor.

Principle 7 – Recognise and manage risk

In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company.

The Audit and Risk Management Committee is responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks, and if so, to develop strategies to manage such risks, and present such strategies to the Board.

Regular internal communication between the Company's management and Board supplements the Company's quality system, complaint handling processes, employee policies and standard operating procedures which are all designed to address various forms of risks.

The Company regularly evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. Under the Audit and Risk Management Committee Charter, the Audit and Risk Management Committee is responsible for providing an independent and objective assessment to the Board regarding the adequacy, effectiveness and efficiency of the Company's risk management and internal control process. A copy of the Company's Risk Management policy is available on the Company's website at www.pscinsurancgegroup.com.au.

Principle 8 – Remunerate fairly and responsibly

The Company has a Remuneration and Nomination Committee to oversee the level and composition of remuneration of the Company's Directors and executives. The Company's Remuneration and Nomination Committee is governed by a Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website at www.pscinsurancgegroup.com.au.

Given the size and composition of the Board, the majority of the Company's Remuneration and Nomination Committee members are not independent Directors for ASX purposes. However, the Board believes that the members of the Committee as a whole are not hindered in their ability to exercise independent view and judgment. Further, the Remuneration and Nomination Committee Charter prohibits a member of the Committee from being present for discussions at a Committee meeting on, or vote on a matter regarding, his or her remuneration.

7.
DETAILS OF THE OFFERS

7.1 The Offers

The Public Offer under this Prospectus relates to an initial public offering of 43 million Shares at an offer price of $1.00 per Share (**Offer Price**). The Offers are expected to raise $43 million from the issue of Shares by the Company (before expenses). Applications must be for at least 2,000 Shares and in multiples of 1,000 Shares thereafter.

The Company is also making an offer under this Prospectus of free Shares to Eligible Employees.

The total number of Shares on issue at completion of the Offers will be 224,012,911 and all Shares will, once issued, rank equally in all respects with the Shares currently on issue. A summary of the rights attaching to the Shares is set out in Section 10.6.

The Offers are made on the terms, and are subject to the conditions, set out in this Prospectus.

7.2 Structure of the Offers

The Offers comprise the:

- **Public Offer** which consists of the:
  - **Broker Firm Offer –** open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker;
  - **Chairman's List Offer –** open to selected investors in Australia who have received a Chairmans List Offer Invitation Letter from the Company; and
  - **Institutional Offer –** an invitation to acquire Shares made to Institutional Investors in Australia; and
- **Employee Offer –** an invitation to apply for Shares made to Eligible Employees of PSC who have received an Employee Offer Invitation Letter.

7.3 Purpose of the Offers and use of proceeds

The Offers and Listing are being conducted to provide PSC with:

- the ability to accelerate the execution of its growth strategy by:
  - the use of the proceeds of the Offers to fund any cash component of the purchase price for future acquisitions and organic growth opportunities;
  - the ability to use scrip consideration as a component of the purchase price for future acquisitions; and
  - providing access to capital markets in future,
- a liquid market for its Shares and an opportunity for others to invest in those Shares,
- a means to align important stakeholders of the business, its employees, and Roll-up Shareholders with the PSC Group as a whole.

The Company intends to use the proceeds of the Offers to fund future acquisitions. However, initially the proceeds of the Offers will be used to pay down the existing debt facility with a new $32 million debt facility being available to the Company post IPO to fund future acquisitions.

Upon completion of the Offers, the proceeds of the Offers will be used as follows:

Uses of proceeds	$m	%
Repayment of existing debt facilities	37.3	86.7
Costs of the Offers	2.51	5.8
Funds available for potential future acquisitions	3.19	7.5
Total uses	**43.0**	**100.0**

7.4 Shareholding structure

Details of the ownership of Securities as at the date of this Prospectus and on completion of the Offers are set out below:

	Date of Prospectus			On completion of the Offers		
Securityholder	Number of Options	Number of Shares	Percentage of Shares	Number of Options	Number of Shares	Percentage of Shares
Existing Shareholders	Nil	139,136,848	100%	Nil	139,136,848	62.1%
Roll-up Shareholders	Nil	Nil	0%	Nil	39,276,063	17.5%
Public Offer Shareholders	Nil	Nil	0%	Nil	43,000,000	19.2%
Employees	Nil	Nil	0%	Nil	2,600,000[1]	1.2%
Roll-up Optionholders	Nil	Nil	Nil	1,144,479	Nil	Nil
Antony Robinson	Nil	Nil	Nil	600,000	Nil	Nil
Total Securities on issue	Nil	139,136,848	100%	1,744,474	224,012,911	100%

Note:

1. Assuming full take-up under the Employee Offer and includes 1,000,000 Loan Funded Shares to be issued to Joshua Reid.

Details of the Shares that will be subject to escrow arrangements are set out in Section 7.10.

7.5 Key terms and conditions of the Offers

The key terms and conditions of the Offers are summarised in the table below:

What are the Offers?	The Offers comprise the: • Public Offer which consists of the: – Institutional Offer; – Broker Firm Offer; and – Chairmans List Offer; and • Employee Offer.
What is the Institutional Offer?	The Institutional Offer is an invitation to certain Institutional Investors in Australia to apply for Shares. Further details of the Institutional Offer are set out in Section 7.6 below.
What is the Broker Firm Offer?	The Broker Firm Offer is open to Australian resident retail clients of Brokers who have received a firm allocation of Shares from their Broker. Further details of the Broker Firm Offer are set out in Section 7.7 below.
What is the Chairmans List Offer?	The Chairmans List Offer is open to selected investors in Australia who the Company has invited to participate in the Chairmans List. Only those investors who have received a Chairmans List Offer Invitation Letter may apply for Shares under the Chairmans List Offer. Further details of the Chairmans List Offer are set out in Section 7.8 below.
What is the Employee Offer?	The Employee Offer is an invitation to Eligible Employees to apply for Shares under this Prospectus. Only those Eligible Employees who have received an Employee Invitation Letter may apply for Shares under the Employee Offer. No payment is required for Shares issued to Eligible Employees under the Employee Offer. Further details of the Employee Offer are set out in Section 7.9 below.
What is the type of security being offered?	Shares, being fully paid ordinary Shares in the capital of PSC.

What are the rights and liabilities attached to the securities being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 10.6.
What is the Offer Price payable for each security being offered?	The Offer Price under the Public Offer is $1.00 per Share. There is no purchase price payable under the Employee Offer.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Chairmans List Offer and the Institutional Offer will be determined by PSC in consultation with the Lead Manager having regard to the allocation policies outlined in Sections 7.6, 7.7 and 7.8. With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm Shares among their eligible retail clients. For further information on the Institutional Offer, see Section 7.6. For further information on the Broker Firm Offer, see Section 7.6. For further information on the Chairmans List Offer, see Section 7.8.
How do I apply?	The application process for each Offer is set out below. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.
Will the Shares be listed?	PSC will apply to the ASX for admission to the Official List and quotation of Shares on the ASX under the code PSI. Completion of the Offers is conditional on the ASX approving PSC's application for admission to the Official List of the ASX and quotation of Shares on the ASX. If approval is not given such that PSC is not admitted to the Official List of the ASX within three months after such application is made (or any longer period permitted by law), the Offers will be withdrawn and cancelled and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or around 15 December 2015, on a normal settlement basis. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the PSC Offer Information Line by a Broker or otherwise. Details are provided in Section 7.13.
What happens to my Application Monies?	Application Monies received under the Institutional Offer, Broker Firm Offer and Chairmans List Offer will be held in a special purpose bank account until Shares are issued to successful Applicants. If the amount of your Application Monies that you pay is less than the amount specified on your Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your Application Form) or your Application may be rejected. The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will be mailed a refund (without interest) of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by PSC.

When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on 10 December 2015. An Application is an offer by an Applicant to PSC to apply for Shares in the amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offers is irrevocable. An Application may be accepted by PSC and the Lead Manager in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract. PSC reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Offers, or to waive or correct any errors made by an Applicant in completing their Application.
Are there any escrow arrangements	Yes. Details are provided in Section 7.10.
Is there brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offers. See Section 10.10 for details of various commissions, fees and expenses payable by PSC to the Lead Manager.
Are there any tax considerations?	Shareholders will be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in the Shares will depend upon any investors particular circumstances, particularly for non-resident Shareholders. Applicants should obtain their own tax advice prior to deciding whether to invest.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the PSC Offer Information Line on 1800 095 654 (toll free within Australia) or +61 1800 095 654 (from outside Australia) between 8:30am and 5.30pm (AEDT), Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offers or you are uncertain as to whether obtaining Shares in PSC is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

7.6 Institutional Offer

Invitations to bid

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia to apply for Shares. The Lead Manager separately advised Institutional Investors of the application procedures for the Institutional Offer.

Allocation policy under the Institutional Offer

The Lead Manager and PSC have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- PSC's desire for an informed and active trading market following Listing;
- PSC's desire to establish a wide spread of institutional Shareholders;
- overall level of demand under the Broker Firm Offer, Chairmans List Offer and Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors that PSC and the Lead Manager considered appropriate.

7.7 Broker Firm Offer

Who may apply

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. If you have received a firm allocation of Shares from your Broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer. The Broker Firm Offer is not open to persons outside Australia.

How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry. Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Application Form. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (AEDT) on the Public Offer Closing Date or any earlier closing date as determined by your Broker.

Applications for Shares under the Broker Firm Offer must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of $1.00 per Share.

There is no maximum number of Shares that may be applied for under the Broker Firm Offer. However, PSC and the Lead Manager reserve the right to reject or scale back any Applications in the Broker Firm Offer. PSC may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Broker Firm Offer opens at 9.00am (AEDT) on 20 November 2015 and is expected to close at 5.00pm (AEDT) on 4 December 2015. PSC and the Lead Manager may elect to close the Broker Firm Offer or any part of it early or extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer or any part of it may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

Payment methods

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

Allocation policy under the Broker Firm Offer

Shares that have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants nominated by those Brokers. It will be a matter for each Broker as to how they allocate firm Shares among their retail clients, and they (and not PSC or the Lead Manager) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares.

7.8 Chairmans List Offer

Who can apply

The Chairmans List Offer is open to selected investors in Australia who the Company has invited to participate in the Chairmans List.

How to apply

Applications under the Chairmans List Offer must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000 Shares. If you have received a Chairmans List Invitation Letter and you wish to apply for Shares under the Chairmans List Offer, you should complete the Chairmans List Application Form contained in this Prospectus and return it to the Share Registry by no later than 5.00pm AEDT on the Public Offer Closing Date.

How to pay

Applicants under the Chairmans List Offer must pay their Application Monies by cheque or bank draft in accordance with instructions on the Chairmans List Offer Application Form.

Cheques must be drawn on an Australian branch of a financial institution, made payable to "PSC Insurance Group Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in the account, as cheques will be banked as soon as it is received.

Application Forms and Application Monies must be received by the Share Registry at the address below by no later than 5.00pm AEDT on 4 December 2015 and it is your responsibility to ensure that this occurs. Neither the Company nor the Lead Manager takes any responsibility for any failure to receive Application Monies or payment before the Chairmans List Offer closes arising as a result of, among other things, delays processing of payments by financial institutions.

All Applications (including Application Monies) must be mailed to:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Chairmans List Offer allocation policy

The allocation of shares to Applicants under the Chairmans List Offer will be determined by the Company in consultation with the Lead Manager.

7.9 Employee Offer

All Eligible Employees who have received an Employee Invitation Letter are entitled to participate in the Employee Offer. Eligible Employees are all permanent full time and permanent part time employees resident in Australia, the United Kingdom and New Zealand who have been employed by PSC for at least one year as at 30 September 2015 provided that they remain so employed at 31 October 2015. The Employee Invitation Letter will detail the terms of the Employee Offer including your allocation of Shares, together with a copy of the Prospectus and a personalised Application Form.

Application Monies

No payment is required for Shares issued to Eligible Employees under the Employee Offer.

How to Apply

If you have received an Employee Invitation Letter from PSC inviting you to acquire Shares under the Employee Offer and wish to apply for those Shares, you should complete the personalised Application Form accompanying the letter and submit this to the Share Registry by 8 December 2015 (AEDT) or any earlier closing date as determined by PSC.

The Employee Offer opens at 9.00am (AEDT) on 20 November 2015 and is expected to close at 5.00pm (AEDT) on 8 December 2015. PSC and the Lead Manager may elect to close the Employee Offer or extend the Employee Offer, or accept late Applications either generally or in particular cases. The Employee Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

PSC reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Employee Offer, or to waive or correct any errors made by an Applicant in completing their Application.

7.10 Voluntary escrow arrangements

Escrowed Shareholders

Fifty percent of the Shares held at the date of listing by the Escrowed Shareholders (other than any Shares acquired by them under the Offers) will be subject to voluntary escrow arrangements.

Each of the Escrowed Shareholders will enter into an escrow deed in respect of their escrowed Shares under which the Escrowed Shareholders have agreed not to dispose of their escrowed Shares until the date that is 24 months from the date that PSC is admitted to the Official List of the ASX. Broadly speaking, the Escrowed Shareholders will be restricted, amongst other things, from selling, assigning, transferring any interest in the escrowed Shares, granting a security interest over the escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the escrowed Shares, or agreeing to do any of those things.

All of the Escrowed Shareholders may be released early from these escrow obligations to enable:

- the Escrowed Shareholders to accept an offer under a takeover bid in relation to their escrowed Shares if holders of at least half of the Shares the subject of the bid that are not escrowed Shares have accepted the takeover bid; and
- the Escrowed Shares held by the Escrowed Shareholders to be transferred or cancelled as part of a merger or acquisition by scheme of arrangement under Part 5.1 of the Corporations Act.

During the escrow period, the Escrowed Shareholders whose Shares are subject to escrow may deal in any of their Shares to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction).

In aggregate, 89,778,695 Shares will be the subject of these escrow arrangements. As discussed in further detail in the risks section in Section 5, this may have an effect on the liquidity of trading in Shares on the ASX.

The number of Shares in respect of which the Escrowed Shareholders have agreed to enter into voluntary escrow arrangements with the Company are set out in the table below.

Name of Escrowed Shareholder	Shares immediately post-IPO	Number of Shares held in escrow
Existing Shareholders	139,136,848	69,568,424
Roll-up Shareholders	39,276,063	20,210,271
Total	**178,412,911**	**89,778,695**

Escrowed Optionholders

As discussed at Section 9.3, there are three Optionholders who may, subject to the IPO occurring, hold options to acquire shares in PSC.

If those Options are issued, the Options vest and they are exercised, those three Optionholders will become Shareholders.

Accordingly, the Shares they will hold will be subject to voluntary escrow arrangements on substantially similar terms to the the Escrowed Shareholders. However, unlike the Escrowed Shareholders, the Optionholders have the ability to require PSC to loan to them the exercise price for the exercise of the Options. The application price for the Options may also have been loaned to them by a PSC Group member. As a result of this, and provided a loan is outstanding by the the Optionholder to PSC or another PSC Group member in respect of the application and/or exercise price for the Options, the voluntary escrow arrangements will be in respect of 100% of the Shares they hold in PSC. If their loans are repaid to PSC and the other PSC Group member (if applicable) during the escrow period, 50% of their Shares in PSC will be released from the voluntary escrow arrangement.

7.11 Discretion regarding the Offers

With the consent of the Lead Manager, PSC may withdraw the Offers at any time before the issue or transfer of Shares to Successful Applicants. If the Offers, or any part of the Offers, do not proceed, all relevant Application Monies will be refunded (without interest).

PSC and the Lead Manager also reserve the right to close the Offers or any part of them early, extend the Offers or any part of them, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

7.12 Restrictions on Distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offers or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia.

The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

Each Applicant in the Broker Firm Offer, Chairmans List Offer and Employee Offer and each person in Australia to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offers to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

This Prospectus may be distributed to any person, and the Shares may be offered or sold in New Zealand to Eligible Employees for the purpose of the Employee Offer subject to and to the extent permitted by the selling restrictions set out below.

New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the contents of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

United Kingdom

This Prospectus does not constitute a prospectus for the purpose of the prospectus rules issued by the Financial Conduct Authority (FCA) pursuant to section 84 of the Financial Services and Markets Act 2000 (as amended) (FSMA) and has not been approved by or filed with the FCA. The information contained in this Prospectus is only being made, supplied or directed at:

- persons in the United Kingdom who are qualified investors within the meaning of section 86(7) of the FSMA; or
- no more than 150 persons in the United Kingdom (other than those qualified investors in paragraph (a) above) within the meaning of section 86(1)(b) of the FSMA,

and the Shares are not otherwise being offered or sold and will not otherwise be offered or sold to the public in the United Kingdom (within the meaning of section 102B of the FSMA), save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of FSMA) being made available to the public before the offer is made.

In addition, in the United Kingdom no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Shares except in circumstances in which section 21(1) of the FSMA does not apply to the Company (as applicable) and this document is made, supplied or directed at:

- qualified investors in the United Kingdom who are: (a) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) (FPO); or (b) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in article 49 of the FPO;
- persons whom the Company reasonably believes are the Company's creditors or members or persons entitled to specific investments issued by the Company in the United Kingdom under article 43 of the FPO; or
- persons who fall within any other exemption to the FPO,

(all such persons being Relevant Persons).

Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Each United Kingdom recipient is deemed to confirm, represent and warrant to the Company that they are a Relevant Person.

7.13 ASX listing, registers and holding statements

Application to the ASX for listing of PSC and quotation of Shares

PSC will apply for admission to the Official List of the ASX and quotation of the Shares on the ASX within seven days of the Prospectus Date. PSC's ASX code will be PSI.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit PSC to the Official List is not to be taken as an indication of the merits of PSC or the Shares offered for subscription.

If PSC does not make such an Application within seven days after the date of the Prospectus, or if permission is not granted for the official quotation of Shares on the ASX within three months after the date of the Prospectus (or any later date permitted by law), all Application Monies received by PSC will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

PSC will be required to comply with the ASX Listing Rules, subject to certain conditions (including any waivers obtained by PSC from time-to-time).

CHESS and issuer sponsored holdings

PSC will apply to participate in the CHESS and will comply with ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form.

When the Shares become approved financial products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer-sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements at the end of each month or if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Share Registry may charge a fee for these additional statements.

Trading and selling Shares on market

It is expected that trading of the Shares on the ASX (on a normal settlement basis) will commence on or about 15 December 2015.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, Successful Applicants do so at their own risk. The Company, the Share Registry, the Lead Manager disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding through the Lead Manager or their Broker or the PSC Offer Information Line.

8.
INVESTIGATING ACCOUNTANT'S REPORT

PITCHER PARTNERS
CORPORATE PTY LTD

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partners@pitcher.com.au

Ref: MWP:ac

5 November 2015

The Directors
PSC Insurance Group Limited
P O Box 7675 St Kilda Road
MELBOURNE VIC 3004

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON PSC INSURANCE GROUP LTD'S (ACN 147 812 164) HISTORICAL, PRO FORMA HISTORICAL AND FORECAST FINANCIAL INFORMATION.

This Investigating Accountants' Report has been prepared at the request of the Directors of PSC Insurance Group Limited ("the Company" or "PSC") for inclusion in a Prospectus to be dated 5 November 2015 in connection with the initial public offering of up to 43 million Shares at an offer price of $1.00 per Share to raise up to $43 million.

Pitcher Partners Corporate Pty Ltd has been requested to prepare a report covering the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information described below and set out in the Prospectus.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary in the Prospectus.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Service License (AFSL) under the *Corporations Act 2001*. Pitcher Partners Corporate Pty Ltd holds the appropriate AFSL under the *Corporations Act 2001*.

Background

PSC operates in the insurance broking industry primarily generating revenue through commissions and brokerage, rebates and claim fees.

The principal purposes of this offering is to increase PSC's ability to accelerate growth through future acquisitions and organic growth opportunities, provide access to capital markets, provide a liquid market for its shares, and as a means of aligning key staff and stakeholders with the Group as a whole.

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

an independent member of
BAKER TILLY
INTERNATIONAL

PITCHER PARTNERS

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate Pty Ltd to review the following Historical Financial Information of PSC included in the Prospectus, being:

- the consolidated statement of comprehensive income for the 3 years ended 30 June 2015 (Historical Results);
- the consolidated statement of cash flows for the 3 years ended 30 June 2015 (Historical Cash Flow Statements); and
- the consolidated statement of financial position as at 30 June 2015 (Historical Balance Sheet).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the audited financial reports of PSC for the 3 years ended 30 June 2015, which were audited by Pitcher Partners in accordance with the Australian Auditing Standards. Pitcher Partners issued unmodified audit opinions on each of the financial reports. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate Pty Ltd to review the Pro Forma Historical Financial Information of PSC included in the Prospectus, being:

- the pro forma consolidated statement of comprehensive income for the 3 years ended 30 June 2015 (Pro Forma Historical Results);
- the pro forma consolidated statement of cash flows for the 3 years ended 30 June 2015 (Pro Forma Historical Cash Flow Statements); and
- the pro forma consolidated statement of financial position as at 30 June 2015 (Pro Forma Balance Sheet).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of PSC, after adjusting for the effects of pro forma adjustments described in Section 4.2 of the Prospectus (the Pro Forma Financial Information). The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the transactions to which the pro forma adjustments relate, as described in Section 4.5 of the Prospectus, as if the effects of those transactions or events had occurred as at the date of the Pro Forma Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, or cash flows.

Forecast Financial Information

You have requested Pitcher Partners Corporate Pty Ltd to prepare a report covering the Forecast Financial Information. The Forecast Financial Information set out in Section 4.5 of the Prospectus comprises:

- the forecast consolidated statement of comprehensive income of PSC for the year ending 30 June 2016 (Forecast Results); and
- best estimate assumptions underlying the Forecast Financial Information.

The Directors are responsible for the preparation and presentation of the forecasts, including the best-estimate assumptions, which include the pro forma transactions, on which they are based. The forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the forecasts to which it relates for any purposes other than for which it was prepared.

Our review of the best-estimate assumptions underlying the Directors' forecasts was conducted in accordance with the Australian Auditing and Assurance Standard ASAE 3450 "Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of the Company and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best-estimate assumptions do not provide a reasonable basis for the preparation of the forecasts and whether, in all material respects, the forecasts are properly prepared on the basis of the best-estimate assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Company disclosed in Appendix A of the Prospectus so as to present a view of the Company which is consistent with our understanding of the Company's past, current and future operations.

The forecasts have been prepared by the Directors to provide investors with a guide to the Company's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgment involved in the preparation of forecasts. Actual results may vary materially from those forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 5 of the Prospectus and sensitivity analysis set out in Sections 4.10 and 4.11 of the Prospectus.

Our review of the forecast information that is based on best-estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecast Financial Information included in Section 4 of the Prospectus.

Directors' responsibility

The directors of PSC are responsible for the preparation and presentation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information and the best-estimate assumptions included in the Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error. The forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the forecasts to which it relates for any purposes other than for which it was prepared.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Auditing Standards.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- the Historical Results for the 3 years ended 30 June 2015;
- the Historical Cash Flow Statements for the 3 years ended 30 June 2015; and
- the Historical Balance Sheet as at 30 June 2015

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- the Pro Forma Historical Results for the 3 years ended 30 June 2015;
- the Pro Forma Historical Cash Flow Statements for the 3 years ended 30 June 2015; and
- the Pro Forma Balance Sheet as at 30 June 2015

are not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Forecast Financial Information

Based on our review of the Forecast Financial Information as described in Section 4 of the Prospectus, which is not an audit, and based on an investigation of the reasonableness of the Directors' best-estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

- the Directors' best-estimate assumptions set out in Section 4.8 and 4.9 of the Prospectus do not provide reasonable grounds for the preparation of the forecasts;
- the forecasts are not properly compiled on the basis of the Directors' best-estimate assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in Appendix A of the Prospectus; and
- that the forecast itself is unreasonable.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Company. If events do not occur as assumed, actual results and distributions achieved by the Company may vary significantly from the forecasts. Accordingly, we do not confirm or guarantee the achievement of the forecasts, as future events, by their very nature, are not capable of independent substantiation.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for another purpose.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Liability

Pitcher Partners Corporate Pty Ltd has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners Corporate Pty Ltd is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate Pty Ltd makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

Independence and Disclosure of Interest

Pitcher Partners Corporate Pty Ltd, Pitcher Partners Advisors Pty Ltd and Pitcher Partners do not have any interest in the outcome of this Offer other than the preparation of this report, the provision of financial due diligence and other advisory services in relation to the Offer and acting as auditor of the Company, for which normal professional fees will be received.

Financial Services Guide

Our Financial Services Guide has been included at the end of this report to assist retail investors in their use of any general financial product advice that may be in our report.

Yours faithfully
PITCHER PARTNERS CORPORATE PTY LTD

M W PRINGLE
Executive Director and Representative

Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 19
15 William Street
MELBOURNE VIC 3000
Tel: +61 3 8610 5000

Financial Services Guide

Version dated: 10 October 2014

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and how you can access them.

Information about us

Pitcher Partners Corporate Pty Ltd has been engaged by PSC to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +613 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed portfolio services
- Securities

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.
We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

Partner in Charge – Corporate Finance
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If we are not able to resolve your complaint to your satisfaction within 45 days of the first notification of your complaint to us, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: http://www.fos.org.au

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: http://www.asic.gov.au/asic/asic.nsf

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 5193, Melbourne VIC 3001.

P.2016.34

9.
MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offers.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.1 Underwriting Agreement

For the purposes of this Section 9.1, Offer means the Public Offer.

The Offer is fully underwritten by the Lead Manager pursuant to an underwriting agreement dated 5 November 2015 between the Lead Manager and PSC ("**Underwriting Agreement**"). Under the Underwriting Agreement, the Lead Manager has agreed to arrange, manage and underwrite the Offer.

For the purpose of this Section 9.1, offer documents include any of the following documents ("**Offer Documents**") issued or published by, or on behalf of, and with the prior approval of, PSC in respect of the Offer:

- this Prospectus, the Application Forms and any supplementary prospectus;
- the pathfinder version of the Prospectus that was provided to (amongst others) the Institutional Investors prior to the lodgement of this Prospectus with ASIC; and
- the roadshow presentation materials or other information provided to prospective investors to conduct the marketing of the Offer.

Commissions, fees and expenses

PSC has agreed to pay the Lead Manager an underwriting and selling fee equal to 3.0%, and a management fee equal to 1.0%, of the gross proceeds raised under the Offer. The underwriting and selling fee, and the management fee, must be paid by PSC on the date of the settlement of the Offer and will be paid to the Lead Manager.

In addition to the fees described above, PSC have agreed to reimburse the Lead Manager for certain agreed costs and expenses incurred by the Lead Manager in relation to the Offer.

Termination Events

The Lead Manager may, at any time after the date of the Underwriting Agreement until on or before the date of settlement of the Offer, terminate the Underwriting Agreement without cost or liability by notice to PSC if any of the following events occur:

- approval for quotation of Shares on the ASX is refused or not granted (other than subject to standard conditions customarily imposed) by the quotation approval date or if approval is granted, such approval is subsequently withdrawn, qualified or withheld;
- the S&P / ASX 200 Index is for three consecutive trading days before the Settlement Date, more than 10% below the level of that index at the close of ASX trading on the trading date before the date of lodgement of this Prospectus;
- the Company withdraws the Prospectus or terminates the Offer or any part of the Offer or indicates that it intends to do any of these things;
- the Company does not provide a closing certificate in the manner required by the Underwriting Agreement or a statement in the certificate is untrue in any material respect or incorrect or misleading or deceptive in any material respect;
- a judgement in an amount exceeding $100,000 is obtained against the Company or a member of the Group;
- any distress, attachment, execution or other process of a governmental agency in an amount exceeding $100,000 is issued against, levied or enforced upon any of the assets of the Company or a member of the Group;
- the Company or any member of the Group is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act;
- any member of the Group enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
- the Company ceases or threatens to cease to carry on business;

- ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act or gives notice of its intention to hold a hearing or issues an order under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or makes an application under section 1324 or 1324B of the Corporations Act and any order, hearing, investigation or notice (A) is not withdrawn or dismissed within 3 Business Days after it is commenced or where it is commenced less than 3 Business Days before the Settlement Date, it has not been withdrawn by the Settlement Date or (B) becomes public before it is withdrawn or dismissed;
- any person gives a notice under section 733(3) Corporations Act or any person who has previously consented to the inclusion of their name in the Prospectus (or any supplementary prospectus) or to be named in the Prospectus withdraws their consent after lodgement;
- the Lead Manager forms the view that a statement contained in the Prospectus is misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Prospectus, or the issue of the Prospectus becomes misleading or deceptive or likely to mislead or deceive;
- ASIC issues proceedings in relation to the Company, an application is made by ASIC for an order under Part 9.5 Corporations Act in relation to the Prospectus or ASIC commences any investigation or hearing under Part 3 Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus and any order, hearing, investigation or notice (A) is not withdrawn or dismissed within 3 Business Days after it is commenced or where it is commenced less than 3 Business Days before the Settlement Date, it has not been withdrawn by the Settlement Date or (B) becomes public before it is withdrawn of dismissed;
- the Company lodges a supplementary prospectus without the consent of the Lead Manager or is required to lodge a supplementary prospectus but fails to, in each case to comply with section 719(1) of the Corporations Act;
- a Director, member of the Group, or any of their respective directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity in connection with the Offer; or
- the Company is or will be prevented from conducting or completing the Offer (including issuing the Shares) by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction.

In addition to the termination events noted above, the Lead Manager may, at any time prior to the Settlement Date, by notice given to the Company, immediately terminate the Underwriting Agreement if any one or more of the following events occurs or has occurred any time before the end of the Settlement Date if: (i) in the reasonable opinion of the Lead Manager the event has had or could be expected to have, individually or in aggregate with a separate event, a material adverse effect on: (A) the success or outcome of the Offer (B) the ability of the Lead Manager to market or promote or settle the Offer (C) the potential market price of the Shares; or (ii) there is a reasonable possibility that the Lead Manager will contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the event:

- hostilities political or civil unrest not presently existing commence or a major escalation in existing hostilities, political or civil unrest occurs involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Russia, Japan, Indonesia, Singapore, Malaysia, Hong Kong, North Korea or the People's Republic of China or a significant terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- trading in securities generally has been suspended or materially limited, for at least one trading day, by any of the New York Stock Exchange, the London Stock Exchange or the ASX;
- other than as contemplated in the Prospectus, a change in the Directors or senior management of the Company is announced or occurs without the written consent of the Lead Manager;
- any of the following occurs:
  (a) legal proceedings are commenced against the Company; or
  (b) any Director is charged with an indictable offence or any regulatory body commenced any public action against the Director or announced that it intends to take any such action; or
  (c) any Director is disqualified from managing a corporation under the relevant sections of the Corporations Act;
- a contravention by the Company or any entity in the Group of the Corporations Act, the Listing Rules, its constitution or any other applicable law or regulation;
- the Prospectus, an offer document or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation;
- the Lead Manager forms the view that a statement contained in the Offer Documents is misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Offer Documents or if any statement in the Offer Documents becomes misleading or deceptive or likely to mislead or deceive;

- any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, China, the United Kingdom, the United States of America or in the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in the reasonable opinion of the Lead Manager, it is impracticable to market the Offer or to enforce contracts to issue or transfer the Shares or that the success of the Offer is likely to be adversely affected;
- the Company breaches any of its obligations under this document;
- any representation or warranty contained in the Underwriting Agreement on the part of the Company is breached or becomes false, misleading or incorrect;
- except as contemplated by the Prospectus and the Underwriting Agreement, an event specified in section 652C(1) or section 652C(2) Corporations Act, but replacing 'target' with 'Company';
- an event specified in the timetable is delayed for more than 3 Business Days other than any delay agreed between the Lead Manager and the Company in accordance with the Underwriting Agreement;
- there is a material omission from the results of the due diligence investigations performed in respect of the Company or the verification materials or the results of the due diligence investigations or the verification materials are misleading or deceptive;
- a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or the Group without the prior written consent of the Lead Manager, except as disclosed in the Offer Documents or any contract described in this Section 9 of the Prospectus;
- any information supplied by or on behalf of the Company to the Lead Manager in relation to the Group or the Offer as part of the due diligence process is or becomes misleading or deceptive in a material respect;
- termination (other than those that terminate due to the effluxion of time) or a material amendment of any contract described in this section 9 of the Prospectus;
- a material change to the constitution of the Company;
- any of the following occurs (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or (iii) the adoption by ASX or their respective delegates of any regulations or policy; or
- any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) from those respectively disclosed in the Prospectus, including:
  (a) any material adverse change in the reported earnings or future prospects of the Company, an entity in the Group; or
  (c) any material adverse change in the nature of the business conducted by the Company, an entity in the Group; or
  (c) any material adverse change to the rights and benefits attaching to Shares.

Conditions, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by PSC to the Lead Manager (as well as common conditions precedent, including the entry into a restriction agreement by certain Escrowed Shareholders and ASX indicating that it will grant permission for quotation of Shares on the ASX).

The representations and warranties given by PSC relate to matters such as conduct of PSC, power and authorisations, information provided by PSC, information in this Prospectus, the conduct of the Offer and compliance with laws and the ASX Listing Rules. PSC also provides additional representations and warranties in connection with matters including in relation to its assets, litigation, authorisations and eligibility for Listing.

PSC's undertakings include that it will not, during the period following the date of the Underwriting Agreement until 6 months after settlement of the Offer, issue (or agree to issue) any Shares or securities without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld), subject to certain exceptions. These exceptions include an issue of securities pursuant to a share purchase plan, a dividend or distribution plan or any employee security plan approved by securityholders of PSC.

Indemnity

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct or gross negligence of any indemnified party, PSC agrees to keep the Lead Manager and certain affiliated parties indemnified from losses suffered in connection with the Offer.

9.1.1. Liberty Agency Agreement

Liberty Mutual Insurance Company ("**Liberty**") and Chase Underwriting Pty Ltd ("**Chase**") (being a member of the PSC Group) have entered into an agency agreement commencing 1 September 2014 pursuant to which Chase will, among other things, provide quotes, make proposals, issue policy documentation and manage claims for and on behalf of Liberty in respect of Liberty's Construction Liability Programme. In consideration of providing these services, Chase is entitled to commission, calculated as a percentage of the gross written premium of any insurance entered into or renewed by Liberty in accordance with this agreement.

Either party is entitled to terminate this agreement upon providing the other party 60 days' written notice. Additionally, the agreement may be terminated by either party giving notice to the other where a default event has occurred, which includes where a material breach of the agreement has occurred which either cannot be remedied or is not remedied within a specified time. The agreement may also be terminated where a party is the subject of an insolvency event.

9.1.2. ACE Agency Agreement

ACE Insurance Limited ("**ACE**") and Chase is proposing to enter into a services agreement pursuant to which Chase will, under its AFSL, provide certain financial services on behalf of ACE. In consideration for the services provided, Chase is entitled to commission on the contracts entered into in connection with the insurance business at the rates set out in accordance with the agreement and such other remuneration as may be agreed by the parties from time to time. Chase's entitlement to commission and other remuneration, however, does not arise until the relevant contract of insurance has been entered into and the premiums have been paid.

Either party is entitled to terminate this agreement or any authority and remuneration schedule to the agreement upon providing the other party 180 days' written notice. Additionally, the agreement or any authority and remuneration schedule to the agreement may be terminated immediately by either party giving written notice to the other in certain circumstances including (but not limited to) where a default event has occurred, which includes where a material breach of the agreement has occurred which either cannot be remedied or is not remedied within a specified time, or where a party is the subject of an insolvency event.

In addition, certain services will terminate on the relevant termination date prescribed within the agreement (if applicable).

9.1.3. QBE Distribution Agreement and the QBE Accommodation Scheme Guidelines July 2014

QBE Insurance (Australia) Limited ("**QBE**") and PSC Insurance Pty Ltd (previously Horsell International Pty Limited) ("**PSC Insurance**") have entered into a distribution agreement commencing 1 September 2010 ("**Distribution Agreement**") pursuant to which PSC Insurance is authorised to act on behalf of QBE and, among other things, arrange, issue, vary, renew or cancel contracts in respect of the underwriting of accommodation related hospitality risks. The Distribution Agreement is supplemented by the Accommodation Scheme Guidelines ("**Guidelines**"), which are designed to provide guidance in respect of the PSC Insurance's underwriting activities on behalf of QBE. PSC Insurance is obligated to comply with the obligations and terms stated in the Guidelines.

In consideration of providing these underwriting services, PSC Insurance is entitled to commission, calculated as a percentage of the premiums arising from the Distribution Agreement.

Either party is entitled to terminate the Distribution Agreement upon providing the other party 120 days' written notice. In addition, QBE is entitled to terminate the Distribution Agreement, with immediate effect, by giving PSC Insurance written notice, if PSC Insurance:

- breaches any material obligation of the Distribution Agreement;
- breaches any term of the Distribution Agreement, and the breach either cannot be rectified, or is not rectified within ten (10) business days of receiving notice of the breach from QBE;
- breaches, or causes QBE to breach, the law;
- is the subject of an insolvency event;
- engages in conduct which, in QBE's opinion, is fraudulent, dishonest, misleading or deceptive; or
- is the subject of any ASIC action which is likely, in QBE's opinion, to adversely affect QBE's ability to provide the services pursuant to the Distribution Agreement.

9.2 Roll-up Acquisition Agreements

In connection with the IPO, the Company and certain of its subsidiaries have agreed to acquire the minority shareholdings in various entities in which they currently hold equity interests, such that at the time of listing (assuming completion occurs under all Roll-up Acquisitions), the Roll-up Subsidiaries will be wholly owned by the Company or a subsidiary of the Company. The share purchase agreements entered into with the relevant vendors set out the terms and conditions under which the Roll-up Shareholders agree to sell their minority shareholding interests to the relevant member of the PSC Group (ie. Buyers).

The 21 share purchase agreements for the Roll-up Acquisitions (as varied by a deed of variation) are based on standard agreement terms, which are summarised below.

Where the relevant Roll-up Shareholder is a corporation or holds their sale shares non-beneficially, a guarantee of that Roll-up Shareholder's obligations under the share purchase agreement has been obtained.

Consideration

The Roll-up Shareholders will receive a fixed number of Shares in consideration for the sale of their sale shares in the Roll-up Subsidiaries to the Buyer. The number of Shares to be issued to the Roll-up Shareholders is calculated by dividing the purchase price under the relevant share purchase agreement by the Offer Price, rounded down to the nearest whole number. In each case, 50% of the Shares issued to Roll-up Shareholders will be subject to the voluntary escrow arrangements described in Section 7.10.

Conditions precedent

Completion of each share purchase agreement is conditional upon:

a) ASX granting the Company conditional listing approval for Admission;

b) close of the Public Offer under this Prospectus; and

c) the board of the Company resolving to issue Shares under the Public Offer,

by the cut-off date (31 March 2016 or such later date agreed between the parties). The share purchase agreements can be terminated by either the Roll-up Shareholder or the Buyer if these conditions are not satisfied or waived by the cut-off date. The cut-off date may be unilaterally extended by the Buyer by up to three months.

Completion

The date for completion of the Roll-up Acquisitions is not fixed, but it must in all cases be a date notified to the Roll-up Shareholders at least two business days in the advance. The intent is that completion will occur shortly before Listing.

Termination events

As noted above, either the vendor or the Buyer may terminate the share purchase agreement if one of more of the conditions precedent are not satisfied (or waived, if applicable) by the cut-off date. Either party may also terminate the agreement in writing.

There are also a number of circumstances where the Buyer can terminate a share purchase agreement prior to completion, including (but not limited to) where any material breach of the Roll-up Shareholder's warranties comes to the notice of the Buyer, the Roll-up Shareholder fails to comply with its pre-completion obligations (restrictions imposed on the Roll-up Shareholder to maintain and operate the business in the usual and ordinary course) or a Roll-up Shareholder does or fails to do something that would be reasonably likely to prevent the Company from being granted listing on the ASX.

Warranties and indemnities

The Roll-up Shareholders provide a comprehensive and standard suite of commercial warranties (at the date the share purchase agreement is signed and again at completion) in favour of the Buyer, including with respect to the information provided to the Buyer for the purposes of due diligence and in respect of the sale of the shares, corporate governance, status of Roll-up Shareholder, insolvency, the shares being sold, contracts, accounts, employees, compliance with the law and litigation.

The Roll-up Shareholders indemnify the Buyer against any loss it suffers or incurs if the Roll-up Shareholder warranties are breached.

The Buyer also provides standard commercial warranties to the Roll-up Shareholders (authority and capacity) and authority to issue consideration shares.

Limit of liability

A limitation period of three years applies from completion in respect of all claims the Buyer may have against a Roll-up Shareholder (including in respect of a breach of the warranties). During that period, the Buyer may not make a claim against a Roll-up Shareholder, unless the amount recoverable under any one claim is greater than $25,000 and the amount recoverable under all claims is greater than $100,000, in which case the Roll-up Shareholder is liable for the whole claim and not just the excess.

Each Roll-up Shareholder's absolute liability in respect of all aggregated claims is capped at the equivalent of the purchase price paid under the share purchase agreement.

Restrictive Covenants

The Roll-up Shareholders (and where there is a guarantor, the guarantor) agree to standard covenants restricting them from, among other things, engaging in or being involved in certain competitive business activities (which applies for a period of 14 months from completion) or engaging or soliciting employees of the relevant business or soliciting clients of the business for a period of 5 years from completion which has the ability to be read down to a minimum of 6 months if a court finds the restraint period to be unenforceable.

Stamp duty

To the extent any stamp duty is payable on the acquisition of the sale shares by the Buyer or the issue of the Shares to the Roll-up Shareholders, the Buyer is responsible for the payment of such stamp duty.

9.3 Roll-up Acquisition Agreements – Options

Two subsidiaries of the Company (PSC Insurance Brokers (Melbourne) Pty. Ltd. and Breeze Underwriting (Aust) Pty. Ltd.) have granted three employees options to acquire shares ("**Option Holders**").

Under the current terms and conditions of the option agreements, the options do not vest until 31 October 2015 and are also subject to certain conditions, which include a share split being conducted and certain financial performance targets being met by the relevant PSC subsidiary. Upon vesting, the Option Holders will be entitled to exercise the options and acquire shares in the subsidiaries upon paying the exercise price.

Deed of Cancellation

A deed of cancellation (as varied by a deed of variation) has been entered into by the Company, the relevant subsidiary and each Option Holder.

Under the deed, the parties agree to cancel the existing options (over shares in the Company's subsidiaries) and issue new options to the Option Holders over shares in the Company which represent the same value (on substantially similar terms and conditions to the existing options).

The cancellation of the existing options and the grant of the new options is conditional upon:

a) ASX granting the Company conditional listing approval for Admission;

b) close of the Public Offer under this Prospectus; and

c) the board of the Company resolving to issue Shares under the Public Offer,

by the cut-off date (31 March 2016 or such later date agreed between the parties). The cut-off date may be unilaterally extended by the Buyer by up to three months.

The Option Holders have also given an undertaking not to exercise the options under the original option agreements prior to the cut off date.

If the conditions precedent are satisfied, the parties are required to immediately sign and exchange counterparts of the Company Option Agreement (see below) which is appended to the deed in order for the Company options to be issued.

Upon the existing options being cancelled, each of the parties forever releases the other in respect of any claims it might have in respect of those options (except the repayment by the Option Holder of any amount loaned to it for the 'application price' which was payable by it to the Company subsidiary on the grant of the existing options).

Company Option Agreement

Under the Company Option Agreement, the relevant Option Holder is granted options over Shares in the Company on substantially the same terms and conditions that the original options were subject to. The key terms of the Company Options are:

a) the Options only vest (are capable of exercise) if the performance condition for the relevant Company subsidiary is satisfied or waived prior to the next business day after the option agreement is entered into;

b) the Options must be exercised in whole, and not in part, and prior to the later of 31 December 2015 and the date that is 60 days after the date on which the options vest;

c) if the Options:

   a. do not vest because the performance condition was not satisfied prior to the next business day after the option agreement is entered into; or

   b. are not exercised prior to the later of 31 December 2015 and the date that is 60 days after the date on which the Options vest; or

   c. the Option Holder ceases to be an employee of the relevant Company subsidiary prior to vesting or exercise,

   the Options automatically and irrevocably lapse;

d) the Option Holder may elect to have the full amount of the exercise price (payable by the Option Holder on exercise of the Option) loaned to it by the Company; and

e) in order to exercise the Option, the Option Holder must return to the Company a restriction deed under which it agrees that, upon the issue of Shares in the Company to it, it will not deal with any of those Shares until the date the loan provided by the Company for the exercise of the Options for the Shares has been repaid to the Company as well as the loan provided by the relevant Company subsidiary under the original option agreement for the application price has been repaid. If the loans are repaid within the first 24 months of the Company's Admission, the Option Holder agrees that it will not deal with 50% of those Shares for the remainder of that 24 month period.

The exercise price for the Options is determined based on a formula agreed between the Company and each Option Holder.

If an Option Holder elects to be loaned the exercise price by the Company, this will constitute financial assistance and will need to be approved by the Company's shareholders.

9.4 Pre-IPO Acquisition Agreements

As a continuation of PSC's growth strategy, certain subsidiaries of the Company have agreed to acquire, or have acquired, the business and the assets of three broking business. The business and the assets of each seller are in all cases, essentially their portfolio of clients. The buyer in each of the transactions is a PSC Group member.

9.4.1. David Denson Pty Ltd

Completion

Completion of this acquisition occurred on 1 July 2015, whereby the seller sold to the buyer the general insurance broking business and the assets free from security interests. The assets did not include employees or any real property (leased or owned).

Consideration

The total purchase price for the business and the assets was $1,075,000. The purchase price is to be paid over two years with an initial payment at completion, periodic payments every three months from completion (provided the seller's guarantor assists the buyer with the transitioning of the portfolio), a further payment on the first anniversary of completion and a final payment at the second anniversary of completion, which is subject to an adjustment. The adjustment is a rise and fall mechanism based upon the actual commission and fee income of the business in the 12 month period following the first anniversary of completion, less the estimated commission and fee income for the same period, multiplied by a multiple of 2.5. The fall is not capped at zero and accordingly the seller may be required to pay money to the buyer.

Warranties and indemnities

The seller provided a comprehensive suite of standard commercial warranties (at the date the sale agreement was signed and again at completion) in favour of the buyer, including with respect to the information provided to the buyer for the purposes of due diligence and in respect of the business and the assets, the accuracy of the client portfolio, status of the seller, insolvency, contracts, intellectual property, compliance with the law and litigation.

The seller has indemnified the buyer against any loss it suffers or incurs if the seller warranties are breached.

The buyer also provided standard commercial warranties to the seller (authority and capacity).

Limit of liability

A limitation period of two years applies from completion in respect of all warranty claims the buyer may have against the seller. During that period, the buyer may not make a claim against the seller, unless the amount recoverable is greater than

$32,250 in which case the seller is liable for the whole claim and not just the excess. The seller's absolute liability in respect of all aggregated claims is capped at the equivalent of the purchase price paid under the sale agreement.

The financial and time period limitations on claims for breach of warranty do not apply to any claims related to ownership of the assets or where there has been fraud, dishonesty or wilful concealment on the part of the seller.

Restrictive Covenants

The seller and the seller's guarantor have agreed to standard covenants restricting them from, among other things engaging in or being involved in certain competitive business activities, engaging or soliciting employees of the business or soliciting clients of the business for a period of 5 years from completion which has the ability to be read down to a minimum of 6 months if a court finds the restraint to be unenforceable.

9.4.2. T.A. Management Pty Limited

Completion

The seller (i.e. Certus Life Melbourne Pty Ltd) must sell to the buyer the life insurance broking business and the assets free from security interests at completion. Completion is not conditional on or connected to the IPO. Completion is, however, conditional on a number of other matters including (but not limited to) the seller's guarantor and PSC each subscribing for shares in the buyer and the buyer entering into a debt funding facility (on terms acceptable to it and PSC). PSC has guaranteed the performance of all of the obligations of the buyer under this agreement.

It is anticipated that completion of this acquisition will occur by 15 November 2015.

Consideration

The total purchase price for the business and the assets is $2,800,000.

The purchase price is payable in three instalments: at completion, at the first anniversary of completion and at the second anniversary of completion. The first instalment is subject to an adjustment for any accrued employee entitlements that the buyer assumes.

Employees

It is intended that the buyer will make an offer of employment to one or more current employees of the business. The seller's guarantor (the sole director of the seller) will also be employed by the buyer in the business on terms agreed with PSC from completion.

Termination

Either the seller or the buyer may terminate the sale purchase agreement if one of more of the conditions precedent are not satisfied (or waived, if applicable) by the cut-off date (being 31 October 2015).

There are a number of circumstances where the buyer can terminate the agreement prior to completion, including (but not limited to) where any material breach of the seller's warranties comes to the notice of the buyer or the seller fails to comply with its pre-completion obligations (restrictions imposed on the seller to maintain and operate the business in the usual and ordinary course).

Warranties and indemnities

The seller provides a comprehensive suite of standard commercial warranties (at the date the sale agreement is signed and again at completion) in favour of the buyer, including with respect to the information provided to the buyer for the purposes of due diligence and in respect of the business and the assets, the accuracy of the client portfolio, status of the seller, insolvency, contracts, intellectual property, compliance with the law and litigation.

The seller indemnifies the buyer against any loss it suffers or incurs if the seller warranties are breached.

The buyer also provides standard commercial warranties to the seller (authority and capacity).

Limit of liability

A limitation period of two years applies from completion in respect of all warranty claims the buyer may have against the seller. During that period, the buyer may not make a claim against the seller, unless the amount recoverable is greater than $125,000 in which case the seller is liable for the whole claim and not just the excess. The seller's absolute liability in respect of all aggregated claims is capped at the equivalent of the purchase price paid under the sale agreement.

The financial and time period limitations on claims for breach of warranty do not apply to any claims related to ownership of the assets or where there has been fraud, dishonesty or wilful concealment on the part of the seller.

Restrictive Covenants

The seller and the seller's guarantor agree to standard covenants restricting them from, among other things engaging in or being involved in certain competitive business activities and engaging or soliciting employees of the business or soliciting clients of the business for a period 5 years from completion which has the ability to be read down to a minimum of 6 months if a court finds the restraint period to be unenforceable.

Stamp duty

To the extent any stamp duty is payable on the acquisition of the business and the assets by the buyer, the buyer is responsible for the payment of such stamp duty.

9.4.3. Hamilton Brokers Pty Limited

Completion

Completion of this acquisition occurred on 6 July 2015, whereby the seller sold to the buyers the general insurance broking and the life insurance broking businesses and the assets free from security interests. The life insurance broking business makes up only a small proportion of the overall business of the seller. There were two buyers in this transaction as the acquisition of the life insurance broking business required the relevant buyer to have a life authorisation on the terms and conditions of its AFSL.

Consideration

The total purchase price for the business and the assets is $1.55 million. The purchase price is apportioned between the life business and the general business.

The purchase price for each of the businesses is payable in two instalments, one was payable at completion and one at the second anniversary of completion which is subject to an adjustment.

The first instalment of the purchase price for the general broking business was subject to an adjustment for the assumed accrued employee entitlements (see above). Both of the final payments (being the consideration for the life and general businesses) are adjusted through a rise and fall mechanism based upon the actual commission and fee income of those businesses in the 12 month period following the first anniversary of completion less the estimated commission and fee income for the same period, multiplied by a multiple of 2.11. The fall is not capped at zero and accordingly the seller may be required to pay money to the buyers.

Warranties and indemnities

The seller provided a comprehensive suite of standard commercial warranties (at the date the sale agreement was signed and again at completion) in favour of the buyers, including with respect to the information provided to the buyers for the purposes of due diligence and in respect of the businesses and the assets, the accuracy of the client portfolio, status of the seller, insolvency, contracts, intellectual property, compliance with the law and litigation.

The seller indemnified the buyers against any loss they suffer or incur if the seller warranties are breached.

The buyer also provides standard commercial warranties to the seller (authority and capacity).

Limit of liability

A limitation period of two years applies from completion in respect of all warranty claims the buyers may have against the seller. During that period, the buyers may not make a claim against the seller, unless the amount recoverable is greater than $45,000 in which case the seller is liable for the whole claim and not just the excess. The seller's absolute liability in respect of all aggregated claims is capped at the equivalent of the purchase price paid under the sale agreement.

The financial and time period limitations on claims for breach of warranty do not apply to any claims related to ownership of the assets or where there has been fraud, dishonesty or wilful concealment on the part of the seller.

Restrictive Covenants

The seller and the seller's guarantors have agreed to standard covenants restricting them from, among other things engaging in or being involved in certain competitive business activities and engaging or soliciting employees of the business or soliciting clients of the business for a period 5 years from completion which has the ability to be read down to a minimum of 6 months if a court finds the restraint period to be unenforceable.

9.5 Existing bank facility details

9.5.1. Macquarie Bank Limited

The Company has existing debt facilities with Macquarie Bank. These debt facilities will remain in place following Listing until such time as the Company enters into new refinancing arrangements with Macquarie Bank, details of which are further described in Section 9.6 below.

The terms and conditions of the existing debt facilities provided by Macquarie Bank to the PSC Group are described below.

Macquarie Bank has made available to the Company an Insurance Broking Revolving Line of Credit Facility with a facility limit of $23,130,000 ("**MBL Facility**") and a Bank Guarantee facility, with a facility limit of $340,000.

Purpose

The purpose of the MBL Facility was for general corporate and acquisition purposes of the Company, including for the purpose of intercompany loans to be made by the Company to subsidiaries within the PSC Group, including initially six named operating entities within the PSC Group ("**PSC Entities**").

Repayment Date

The MBL Facility is repayable on the date that is 5 years from the date of the initial drawdown under the MBL Facility, being 27 June 2019. There is no early repayment fee imposed under the MBL Facility.

Interest Rate

Under the MBL Facility, the Company must pay Macquarie Bank interest at the Macquarie Bank Reference Rate (being a variable rate which moves in line with general interest rates from time to time) plus an agreed margin.

Security

Security was granted in favour of Macquarie Bank in accordance with the requirements of the MBL Facility including a registered first ranking security over all assets and undertakings of the Company and certain wholly owned subsidiaries of the Company and a registered first ranking security over the shares held by the Company and certain wholly owned subsidiaries of the Company in certain subsidiaries within the PSG Group. Other security includes unlimited guarantees and indemnities from certain directors of the Company and certain wholly owned subsidiaries of the Company, negative pledges from each of the current shareholders in the Company in respect of shares held by them in the Company and entry into various other documents in relation to securing repayment of the amounts owed by the PSC Group under the MBL Facility.

Representations, warranties, undertakings and defaults

The MBL Facility contains a number of representations, warranties and undertakings (including financial covenants and reporting obligations) from the Company and each guarantor that are customary for a facility of this nature, including covenants ensuring the Company maintains a drawn debt to EBITDA ratio below agreed levels and a debt service cover ratio above agreed levels. Importantly, the Company undertakes not to issue any further shares or allow any change to the identity of the persons who hold the shares in it at the date of the MBL Facility, and must procure that the PSC Entities and certain other subsidiaries within the PSC Group do not issue any further shares or allow any change to the identity of the persons who hold the shares in those entities without the prior written consent of Macquarie Bank.

The MBL Facility contains a list of events of default that are customary for a finance facility of this nature. These events of default include (but are not limited to) failure to pay any amounts in accordance with the finance documents, failure to observe any provision of the finance documents, the occurrence of an insolvency event, and any other event which, in Macquarie Bank's reasonable opinion, may have a material adverse effect. In an event of default occurs, Macquarie Bank may declare that its obligations under the finance documents are cancelled, any outstanding amount under the MBL Facility is immediately due and payable and/or immediately enforce its securities without further notice.

9.5.2. Hunter Premium Funding

PSC Insurance Brokers (Aust) Pty Ltd (previously PSC Horsell Insurance Brokers Pty Ltd) ("**PIBA**") and Hunter Premium Funding ("**Hunter**") have entered into a loan facility agreement dated 18 February 2013 for advances in the total amount of $12,000,000.

The purpose of the Hunter Facility was to refinance existing debt facilities and to finance the purchase of the shareholdings of minority shareholders in the PSC Group.

These debt facilities will remain in place following Listing until such time as the Company enters into new refinancing arrangements with Macquarie Bank, details of which are further described in Section 9.6 below.

Security

PIBA has granted Hunter a registered first ranking general security interest over the assets and undertakings of PIBA. Various PSC Group subsidiaries have provided guarantees.

Interest

PIBA must pay Hunter interest at a variable rate.

Representations, warranties, undertakings and defaults

The Hunter Facility contains a number of representations, warranties and undertakings (including financial covenants and reporting obligations) from PIBA that are customary for a facility of this nature, including covenants ensuring that PIBA's EBITDA to loan value ratio, and its interest cover ratio, does not fall below agreed levels.

9.6 Commitment for new bank facility

The Company has arranged for an upgraded debt facility with Macquarie Bank. This facility will become effective after the Completion of the Offers.

The terms and conditions of the new facility are described below.

Macquarie Bank will make available to the Company an Insurance Broking Revolving Line of Credit Facility with a facility limit of $32,000,000 ("**New MBL Facility**") and a Bank Guarantee facility, with a facility limit of $500,000.

The purpose of the New MBL Facility is for general corporate purposes of the Company, including for acquisitions, working capital and general corporate purposes. There is a maximum permitted allowance of $5,000,000 for working capital purposes.

Repayment Date

The New MBL Facility will be repayable on the date that is 5 years from the initial drawdown under the New MBL Facility. There is no early repayment fee imposed under the New MBL Facility.

Interest Rate

Under the New MBL Facility, the Company must pay Macquarie Bank interest at the Macquarie Bank Reference Rate (being a variable rate which moves in line with general interest rates from time to time) plus an agreed margin.

Security

Security will be granted in favour of Macquarie Bank in accordance with the requirements of the New MBL Facility including a registered first ranking security over all assets and undertakings of the Company and certain subsidiaries of the Company, principally all Australian based subsidiary companies. Other security includes unlimited guarantees and indemnities from the subsidiaries of the Company who have provided first ranking security.

Representations, warranties, undertakings and defaults

The New MBL Facility contains a number of representations, warranties and undertakings (including financial covenants and reporting obligations) from the Company and each guarantor and security provider that are customary for a facility of this nature, including covenants ensuring the Company maintains a drawn debt to EBITDA ratio below agreed levels and a cash coverage ratio above agreed levels. It is a review event should the Existing Shareholders reduce their collective ownership in the Company below 50.1%.

The New MBL Facility contains a list of events of default that are customary for a finance facility of this nature. These events of default include (but are not limited to) failure to pay any amounts in accordance with the finance documents, failure to observe any provision of the finance documents, the occurrence of an insolvency event, and any other event which, in Macquarie Bank's reasonable opinion, may have a material adverse effect. In an event of default occurs, Macquarie Bank may declare that its obligations under the finance documents are cancelled, any outstanding amount under the New MBL Facility is immediately due and payable and/or immediately enforce its securities without further notice.

9.7 Bridging Facility

Certus Life Melbourne Pty Limited ("**Certus**") (a member of the PSC Group) entered into a fully drawn advance facility on or about 14 October 2015 with Macquarie Bank ("**Bridging Facility**").

Macquarie Bank will make available to Certus a facility of $1,250,000 for the purpose of financing the acquisition of the assets of T.A Management Pty Limited. The terms and conditions of the Bridging Facility are described below.

Repayment Date

Certus will be required to repay all amounts drawn down under the Bridging Facility together with any other amount payable under the Bridging Facility twelve months from the date of the initial draw down. There is no early repayment fee imposed under the Bridging Facility.

Interest Rate

Any amounts drawn down by Certus will incur interest calculated at a rate determined by Macquarie Bank, with reference to the general interest rates from time to time, plus a margin of 0.75% ("**Interest Rate**"). An additional penalty rate will be imposed on overdue amounts at the rate of 4.00% per annum plus the Interest Rate.

Security

The facility is guaranteed by the Company and each of Paul Dwyer, Brian Austin, John Dwyer and Gregory Thomson, all of whom are required to provide individually executed guarantee and indemnity agreements and ancillary documentation in advance of drawing down any amounts under the Bridging Facility. The availability of funding under the Bridging Facility is also dependent on Certus providing registered first ranking security over all the present and after-acquired assets in favour of Macquarie Bank.

Review

The Bridging Facility is also subject to a full review by Macquarie Bank on or about 27 November 2015 and each anniversary of that date. At each review, if any event has occurred which in Macquarie Bank's reasonable opinion may have a materially adverse effect, for example, an impact on the ability of Certus or the Guarantors from performing their respective obligations under the Bridging Facility or the securities, then Macquarie Bank may by written notice vary or terminate the Bridging Facility. If the Bridging Facility is terminated, Certus must immediately pay the whole of the amount outstanding under the Bridging Facility.

Representations, warranties, undertaking and defaults

The Bridging Facility contains certain representations, warranties and undertakings which are customary for facilities of this nature, including (but not limited to), ensuring that Certus does not exceed the agreed ratio of debt to future maintainable earnings, does not draw down over an agreed percentage of net profit and total income does not fall more than 10% on previous financial year's income.

The Bridging Facility contains a list of events of default that are customary for a finance facility of this nature. These events of default include (but are not limited to) failure to pay any amounts in accordance with the Bridging Facility, failure to observe or perform any provision of the Bridging Facility or any security, the occurrence of an insolvency event, and any other event which, in Macquarie Bank's reasonable opinion, may have a material adverse effect. If an event of default occurs, Macquarie Bank may declare that its obligations under the Bridging Facility are cancelled and that any outstanding amounts are immediately due and payable.

9.8 Johns Lyng Unit Trust

PSC JLG currently owns 5% of the units in the Johns Lyng Unit Trust. Under the terms of the Supplementary Deed (as amended) to the Unitholders Deed for the Johns Lyng Unit Trust, PSC JLG has agreed to acquire a further two tranches of units in the Johns Lyng Unit Trust for the sum of $625,000 in exchange for 500,000 units in the Johns Lyng Unit Trust, per tranche, noting that the first two tranches have been completed. PSC JLG has also agreed to advance an unsecured loan amount of $2,500,000 to the trustee of the Johns Lyng Unit Trust in four equal instalments of $625,000 on the date it receives the units under each additional tranche.

PSC JLG's units in the Johns Lyng Unit Trust are subject to certain transfer restrictions including pre-emptive rights on transfer, limitations on the price at which units may be sold if they are sold within 5 years after the date of the Unitholders Deed (ie. up to 14 November 2019) and unitholders may not transfer any units until 18 months after the previous sale of units.

10.
ADDITIONAL INFORMATION

10.1 Incorporation

Entities in the Group commenced trading in FY2006. The Company was incorporated on 10 December 2010.

10.2 Balance date

The accounts for the Company will be made up to 30 June annually.

10.3 Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

Class of Security	Number
Shares	139,136,848
Options	Nil

10.4 Capital structure following the Offers

As at the Allotment Date, the issued share capital of the Company will comprise the following:

Class of Security	Number	Fully diluted
Shares	224,012,911	225,757,390
Options	1,744,479	–

10.5 PSC Group structure

A list of the Company's subsidiaries as at the Prospectus Date is set out in Appendix B.

10.6 Rights attaching to Shares

Immediately after issue and allotment, the Shares will be fully paid Shares and the Shares will rank pari passu with the Shares currently on issue.

Detailed provisions relating to the rights attaching to the Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Company's Constitution, free of charge.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below:

Each Share will confer on its holder:

- the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act;
- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, as determined by the Directors, according to the amount paid up on the Share;
- if the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company; and for that purpose, the liquidator may set such value as the liquidator considers fair on any property to be so divided and determine how it will carry out the division between the different classes of Shareholders; and
- subject to the Constitution, Corporations Act and the Listing Rules, Shares may be transferred by completing a written transfer document in common form, a proper ASX Settlement Operating Rules regulated transfer or a form approved by the Directors. The Directors may, in their absolute discretion refuse to register any transfer of shares or request ASX Settlement to apply a holding lock to prevent a transfer of Shares where a law relating to stamp duty prohibits the Company from registering it or in any of the circumstances permitted by the ASX Listing Rules. The Directors must refuse to register a transfer of Shares if the Shares are classified under the Listing Rules or by the ASX as restricted

securities and the transfer is or might be in breach of the Listing Rules or any restriction agreement entered into by the Company under the Listing Rules in relation to those Shares, or where the Company or the Directors are required to do so by the ASX Listing Rules.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

10.7 Existing Shareholders

The table below sets out the interests of the Existing Shareholders as at the date of this Prospectus and immediately following the Offers. The table does not reflect any Shares which the Existing Shareholders may subscribe for under the Offers.

	Date of Prospectus		Completion of the Offers	
Existing Shareholder	Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares
Austin Superannuation Pty Ltd as trustee for the Brian Austin Superannuation Fund	34,930,032	25.11%	34,930,032	15.59%
Glendale Dwyer Pty Ltd as trustee of the Dwyer Family Trust	34,800,522	25.01%	34,800,522	15.54%
Melissa Dwyer as trustee of the Paul Dwyer Family Trust	69,406,294	49.88%	69,406,294	30.98%
Total	**139,136,848**	**100%**	**224,012,911**[1]	**100%**

Note:

1. This contemplates completion of all of the Roll-Up Acquisitions as set out in Section 9.2.

10.8 Interests and Benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offers. Other than as set out in this Prospectus, no:

- Director or proposed Director of PSC;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offers,

holds at the time of lodgement of the Prospectus with ASIC, or has held in the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of the Company or the Offers or to any Director or proposed Director to induce them to become, or qualify as, a Director of the Company.

10.9 Australian taxation implications of investing under the Offers

The comments in this Section 10.10 provide a general outline of Australian tax issues for Australian tax resident Shareholders and non-Australian tax resident Shareholders that hold Shares in PSC on capital account for Australian income tax purposes (i.e. the comments do not apply to Shareholders who hold the Shares on revenue account or as trading shares). They also do not apply to Shareholders that are companies, banks, insurance companies, or taxpayers that carry on a business of trading in shares or that are subject to the Taxation of Financial Arrangement rules contained in Division 230 of the Income Tax Assessment Act 1997.

The summary below is general in nature and is not exhaustive of all income tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of that Shareholder. It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

Tax law is complex and subject to ongoing change. The summary below is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the tax authority at the time of issue of this Prospectus. The tax consequences discussed in this summary do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments. PSC and its advisers disclaim all liability to any Shareholder or other party for all costs, losses, damages and liabilities that the Shareholder or other party may suffer or incur arising from or relating to or in any way connected with the contents of this summary or the provision of this summary to the Shareholder or any other party or the reliance on it by the Shareholder or any other party.

Income tax treatment of dividends received for Australian resident Shareholders

In the event that an Australian tax resident Shareholder receives a dividend from PSC, the cash dividend will be included in the Shareholder's assessable income. In addition, to the extent that PSC "franks" the dividend, the franking credit attached to the dividend should generally also be included in the Shareholder's assessable income.

Where the franking credit is included in the Australian tax resident Shareholder's assessable income, the Australian tax resident Shareholder should generally be entitled to a corresponding tax offset against tax payable by the Shareholder. The tax offset can be applied to reduce the tax payable on the Australian tax resident Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Australian tax resident Shareholder's taxable income, the Shareholder may be entitled to a tax refund.

To be eligible for the franking credit and tax offset, an Australian tax resident Shareholder must satisfy the "holding period" rule and "related payments" rule. This requires that a Shareholder hold the Shares in PSC "at risk" for a period of not less than 45 days (not including the date of acquisition or the date of disposal). In addition, an Australian tax resident Shareholder must not be obliged to make a "related payment" in respect of any dividend, unless they hold the Shares at risk for the required holding period around all dividend dates.

Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied. The holding period rule should not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed $5,000 for the income year in which the franked dividend is received. However, this exemption does not apply to a dividend which is subject to the related payments rule.

Income tax treatment of dividends received for non-Australian tax resident Shareholders

Dividends paid by PSC on a Share to a non-Australian tax resident Shareholder may be subject to dividend withholding tax.

To the extent that franked dividends are paid to a non-Australian tax resident Shareholder, no dividend withholding tax is required to be withheld. Where unfranked dividends are paid to a non-Australian tax resident Shareholder, PSC will generally be required to withhold tax from the payment of the dividend under the withholding tax rules. To the extent that unfranked dividends are declared to include amounts of conduit foreign income, no dividend withholding tax is required to be withheld. No further Australian tax liability arises for non-Australian tax resident Shareholders to the extent that the dividend is franked, declared as conduit foreign income, or subject to dividend withholding tax.

Non-Australian tax resident Shareholders should seek their own independent tax advice as the above comments are general in nature, and any tax liability may vary depending on the Shareholder's individual circumstances.

Capital gains tax implications for Australian resident Shareholders

Where an Australian resident Shareholder holds their Shares in PSC on capital account, the disposal of the Shares should be taxed under the Capital Gains Tax ("CGT") rules. For CGT purposes, the Australian tax resident Shareholder will make a capital gain where the capital proceeds received for the disposal of their Shares exceeds the CGT cost base of their Shares. Similarly, the Australian tax resident Shareholder will make a capital loss where the capital proceeds received for their Shares are less than the reduced cost base of their Shares.

Broadly, the cost base and reduced cost base of the Shares should be equal to the amount paid to acquire the Shares. Certain other costs associated with holding the Shares, such as incidental costs of acquisition and disposal, may be added to the cost base and reduced cost base.

Generally, all capital gains and losses made by an Australian tax resident Shareholder for an income year will be aggregated to determine whether the Shareholder has made a net capital gain or a net capital loss for the year. A net capital gain is included in the Australian tax resident Shareholder's assessable income whereas a net capital loss is carried forward and may be available to set off against capital gains of later years. Capital losses cannot be offset against other assessable income.

If an Australian tax resident Shareholder is an individual, complying superannuation entity or trust, and has held the Shares for 12 months or more before disposal of the Shares, the Shareholder will prima facie be entitled to a "CGT discount" for any capital gain made on the disposal of the Shares. Capital gains may be discounted by half in the case of individuals and trusts, and by one-third in the case of complying superannuation entities. Shareholders that are companies are not entitled to a CGT discount.

Capital losses must be applied first to reduce a capital gain before applying the discount. Where the Australian tax resident Shareholder is a trustee of a trust that has held the Shares for 12 months or more before disposal, the CGT discount may flow through to the beneficiaries of that trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

Capital gains tax implications for non-Australian tax resident Shareholders

Where a non-Australian tax resident Shareholder (and any associates) holds less than 10% of the Shares, any capital gain made on disposal of the Shares will be exempt from CGT, unless the Shares are an asset of an Australian situated permanent establishment of a non-Australian tax resident Shareholder. A non-Australian tax resident Shareholder (and any associates) holding at least 10% of the voting entitlements in PSC will only be liable to tax where more than 50% of the value of PSC's assets is attributable to Australian real property. Where this is not the case, any capital gain made on disposal of the Shares will be exempt from CGT. As the application of the CGT rules will vary depending on the Shareholder's individual circumstances, non-Australian tax resident Shareholders should seek their own professional advice when disposing of their Shares.

Tax file numbers

An Australian tax resident Shareholder is not required to quote their Tax File Number ("TFN"), or where relevant, Australian Business Number ("ABN") to PSC. However, if an Australian tax resident Shareholder's TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by PSC from distributions and/or unfranked dividends at the maximum marginal tax rate plus the Medicare levy. An exemption from the requirement to withhold applies in respect of a fully franked dividend paid by PSC. A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN.

GST implications

No GST should be payable by Shareholders in respect of the acquisition or disposal of their Shares in PSC, regardless of whether or not the Shareholder is registered for GST. The extent to which each Shareholder is entitled to recover any GST incurred on costs relating to the acquisition or disposal of Shares in PSC will depend on the individual circumstances of each Shareholder. No GST should be payable by Shareholders on receiving dividends distributed by PSC.

Stamp duty

No Australian stamp duty should be payable by Shareholders in respect of the Offers or their acquisition or disposal of their Shares in PSC whilst it is a listed company. Individual Shareholders should obtain their own independent advice depending on their individual circumstances.

10.10 Interests of experts and advisers

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offers; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offers.

Wilson HTM Corporate Finance Ltd has acted as Lead Manager and Underwriter to the Public Offer. The Company has paid or agreed to pay the fees set out in Section 9.1 in respect of these services).

Pitcher Partners Corporate Pty Ltd has acted as the Investigating Accountant and provided the Investigating Accountant's Report in Section 8. The Company has paid or agreed to pay an amount of approximately $200,000 (plus disbursements and GST) in respect of these services. Further amounts may be paid to Pitcher Partners Corporate Pty Ltd in accordance with time-based charges.

Pitcher Partners Advisors Pty Ltd has acted as tax adviser to the Company and provided the tax summary in Section 10.9. The Company has paid or agreed to pay an amount of approximately $100,000 (plus disbursements and GST) in respect of these services. Further amounts may be paid to Pitcher Partners Advisors Pty Ltd in accordance with time-based charges.

Pitcher Partners has acted as Auditor to the Company in relation to the Historical Financial Information in Section 4. Further amounts may be paid to Pitcher Partners in accordance with time-based charges.

DLA Piper Australia has acted as the Australian legal adviser to the Company and performed work in relation to the Offers. The Company has paid or agreed to pay an amount of approximately $300,000 (plus disbursements and GST) up to the date of this Prospectus in respect of these services. Further amounts may be paid to DLA Piper Australia in accordance with time-based charges.

10.11 Offer expenses

The Company will pay all of the costs associated with the Offers. If the Offers proceed, the total estimated cash expenses in connection with the Offers (including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately $2,506,000.

10.12 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the directors of the Company, persons named in the Prospectus with their consent as proposed directors of the Company, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Wilson HTM Corporate Finance Ltd has consented to being named as Lead Manager and Underwriter to the Public Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Wilson HTM Corporate Finance Ltd;
- Pitcher Partners Advisors Pty Ltd has consented to being named in the Corporate Directory of this Prospectus as the Company's tax advisor and to the inclusion of its tax summary in Section 10.9 in the form and context in which it appears;
- Pitcher Partners has consented to being named in the Corporate Directory of this Prospectus as the Company's Auditor
- DLA Piper Australia has consented to being named in the Corporate Directory of this Prospectus as the Australian legal adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by DLA Piper Australia; and
- Link Market Services Limited has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the Share Registry for the Company. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

10.13 ASX and ASIC waivers and confirmations

ASIC exemptions and relief

ASIC has granted relief from section 606 to permit the acquisition by PSC of a relevant interest in more than 20% of the Shares by virtue of the voluntary escrow deeds entered into by the Company with Escrowed Shareholders subject to certain conditions, as well as a modification of section 671B to require PSC to make substantial holding disclosure of the relevant interest it would have acquired as a result of the voluntary escrow deed.

10.14 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved.

10.15 Investor considerations

Before deciding to participate in this Offers, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offers will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offers by consulting a professional tax adviser.

10.16 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offers are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

10.17 Statement of Directors

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

11.
DEFINITIONS

11. DEFINITIONS

In this Prospectus:

ACE	ACE Insurance Limited.
Admission	The Company's admission to the official list of ASX.
AEDT	Australian Eastern Daylight Time.
AFSL	Australian Financial Services Licence.
Allotment Date	The date on which the Shares are allotted under the Offers.
Applicant	A person who submits a valid Application Form and required Application Amount pursuant to this Prospectus.
Application	An application for Shares under this Prospectus.
Application Amount or Application Monies	Money submitted by Applicants under the Offers.
Application Form	The application form attached to or accompanying this Prospectus for investors to apply for Shares under the Offers.
APRA	Australian Prudential Regulatory Authority.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning ascribed to that term in the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates, as the context requires.
ASX Corporate Governance Principles and Recommendations	The ASX Corporate Governance Council Principles and Recommendations (third edition) as at the date of this Prospectus.
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.
Authorised Representative or AR	Authorised representatives of PSC Connect Pty Limited, PSC NZ and certain other entities in the Group.
Board	The board of directors of the Company.
Broker	Any ASX participating organisation selected by the Lead Manager in consultation with the Company to act as a broker to the Public Offer.
Broker Firm Offer	Has the meaning ascribed to that term in Section 7.2.
Buyer	The Company or a subsidiary of the Company (depending on the particular Roll-up Acquisition).
Chairmans List Offer	Has the meaning described to that term in Section 7.2.
Chairmans List Offer Invitation Letter	Invitation to participate in the Chairmans List Offer.
CGT	Capital Gains Tax.
Chase Underwriting	Chase Underwriting Pty Ltd.
CHESS	ASX's Clearing House Electronic Sub-register System.
Closing Date	The date that the Offers close as set out on page 3.
Company or PSC	PSC Insurance Group Limited ACN 147 812 164 .
Constitution	The constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth).
Directors	The directors (including any alternate directors) of the Company as at the date of this Prospectus.

EBIT	Earnings before interest and taxation.
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
Eligible Employees	Employees of PSC who have received an Employee Offer Invitation Letter.
Employee Offer	Has the meaning described to that term in Section 7.2.
Employee Offer Invitation Letter	Invitation to participate in the Employee Offer.
Escrowed Shareholders	The Existing Shareholders and the Roll-up Shareholders.
Existing Shareholders	The shareholders of the Company as at the date of this Prospectus.
Exposure Period	The seven day period after the date of lodgement of the Prospectus with ASIC (as extended by ASIC (if applicable)).
FCA	Financial Conduct Authority.
Financial Information	Refers to all Pro Forma Historical Financial Information, Historical Financial Information and Forecast Financial Information.
Forecast Financial Information	The financial information described as Forecast Financial Information in Section 4.
Forecast Results	Forecast consolidated income statement for FY2016.
FY	Financial year ended/ending 30 June (as applicable).
GWP	Gross written premiums.
GST	Goods and Services Tax.
Historical Financial Information	The financial information described as Historical Financial Information in Section 4.
Institutional Investor	An Applicant to whom offers or invitations in respect of Shares can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA), and excluding a retail client within the meaning of section 761G of the Corporations Act.
Institutional Offer	Has the meaning ascribed to that term in Section 7.2.
Investigating Accountant	Pitcher Partners Corporate Pty Ltd.
IPO	The initial public offering of the Company's fully paid ordinary shares under this Prospectus.
Lead Manager	Wilson HTM Corporate Finance Ltd.
Liberty	Liberty Mutual Insurance Company.
Listing Rules	The official Listing Rules of ASX as amended or waived from time to time.
Lloyd's	Society of Lloyd's.
Loan Funded Share	A Share issued, transferred or allocated to a participant in the Long Term Incentive Plan and the acquisition of the Share is to be funded by a loan provided by the Company to the participant.
Long Term Incentive Plan	Has the meaning given to that term in Section 6.11.
Macquarie Bank	Macquarie Bank Limited.
NPAT	Net profit/(loss) after tax.
NPATA	Net profit after tax, plus amortisation.

Offers	The Public Offer and the Employee Offer.
Offer Period	The period during which investors may subscribe for Shares under the Offers.
Offer Price	$1.00 per Share payable by Applicants under the Public Offer.
Official List	The official list of entities that ASX has admitted and not removed from listing.
Options	Options to acquire Shares.
Pre-IPO Acquisitions	The businesses which the Company has contracted to acquire, or has acquired shortly before the date of this Prospectus, as detailed in section 9.4.
Pro Forma Historical Cash Flows	Pro forma historical consolidated statement of cash flows for FY2013, FY2014 and FY2015.
Prospectus	This Prospectus, dated 5 November 2015, for the issue of Shares to raise up to $43,000,000 (including the electronic form of this Prospectus).
PSC	PSC Insurance Group Limited ACN 147 812 164.
PSC Group or Group	PSC and all its subsidiaries.
PSC JLG	PSC JLG Investments Pty Ltd (ACN 601 526 952).
Public Offer	The Institutional Offer, the Broker Firm Offer and the Chairman's List Offer.
Public Offer Closing Date	Has the meaning described to that term on page 3.
QBE	QBE Insurance (Australia) Limited.
Quotation	The date the Shares are first quoted on ASX.
Roll-up Acquisitions	The minority shareholdings in the Roll-up Subsidiaries which PSC has contracted to acquire as described in section 9.2.
Roll-up Shareholders	The Shareholders in the Roll-Up Subsidiaries who have agreed to sell their Shares in the Roll-Up Subsidiaries in exchange for the Shares under the Roll-up Acquisitions.
Roll-up Subsidiaries	Professional Services Corporation Pty Ltd (ACN 119 835 611), Deskhaven Pty Ltd (ACN 010 342 980), PSC Coast Wide Newcastle Pty Ltd (ACN 138 777 670), PSC Insurance Pty Ltd (ACN 003 922 487), PSC Wright Fahey Pty Ltd (ACN 132 698 125), PSC Insurance Brokers (Darwin) Pty Ltd (ACN 149 207 223), PSC Insurance Brokers (Wagga) Pty Ltd (ACN 141 881 576), PSC McKenna Hampton Insurance Brokers Pty Ltd (ACN 154 828 332), PSC Insurance Brokers (Brisbane) Pty Ltd (ACN 164 772 221), Chase Underwriting Pty Ltd (ACN 156 554 808), Certus Life Pty Ltd (ACN 169 526 363), PSC Coastwide Insurance Services Pty Ltd (ACN 107 829 827), PSC Connect Pty Ltd (ACN 141 574 914), PSC Nominees Pty Ltd (ACN 162 581 437), Insurance Holdings Ltd (UK), Breeze Underwriting Ltd (UK) and Upper Hillwood Holding Ltd (UK).
Securities	The Shares, options and other securities..
Settlement Date	The date of settlement under the Offer occurring under the Underwriting Agreement.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
Share Registry	Link Market Services Limited.
SME	Small and midsize enterprises.
Statutory Historical Cash Flows	Statutory historical consolidated statement of cash flows for FY2013, FY2014 and FY2015.
Statutory Historical Results	Statutory historical consolidated statement of comprehensive income for FY2013, FY2014 and FY2015.
Successful Applicants	An Applicant who is issued Shares under the Offers.

APPENDIX A –
KEY ACCOUNTING POLICIES

Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of its financial reports. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial information

The historical financial information has been extracted from PSC's general purpose financial reports that have been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial information covers PSC Insurance Group Limited and controlled entities as a consolidated entity. PSC Insurance Group Limited is a company limited by shares, incorporated and domiciled in Australia. PSC Insurance Group Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the consolidated entity comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial information has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Significant accounting estimates

The preparation of the financial information requires the use of certain estimates and judgements in applying the entity's accounting policies.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities which the parent entity controls. The consolidated entity controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(c) Revenue

Commission, brokerage and fees are recognised when the related service has been provided and it is probable that the group will be compensated for services rendered and the amount of consideration for such services can be reliably measured. This is deemed to be the invoice date. An allowance is made for anticipated lapses and cancellations.

Interest income is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend income is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method.

Profit on sale of financial assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, net of disposal costs. This is recognised as an item of revenue in the year in which the significant risks and rewards of ownership transfer to the buyer.

Other revenue is recognised when it is received or the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Cash and cash equivalents

Cash and cash equivalents, and cash and cash equivalents – trusts (trust cash), in the Statement of Financial Position comprise cash at bank, in hand and short-term deposits with an original maturity of three months or less.

Trust cash relates to cash held for insurance premiums received from policyholders which will ultimately be paid to underwriters.

Trust cash cannot be used to meet business obligations/operating expenses other than payments to underwriters and/or refunds to policyholders.

For the purposes of the Statement of Cash Flows, cash and cash equivalents as defined above are shown net of outstanding bank overdrafts.

(e) Receivables from broking and underwriting agency operations

Receivables from broking and underwriting agency operations are initially recognised based on the invoiced amount to customers. After initial recognition, provision is made for lapses or cancellations of insurance policies or other matters that may lead to non-cancellation.

Receivables from reinsurance are initially recognised based on contract value. Following fulfilment of the contract, amounts are then invoiced to customers.

Invoices are generally due for settlement within 14 to 60 days. Collectability of trade receivables is reviewed on an ongoing basis.

(f) Property, plant and equipment

Each class of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amounts of all property, plant and equipment are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:

	Depreciation rate	Depreciation basis
Leasehold improvements at cost	2.5% – 30%	Straight line and diminishing value
Office equipment at cost	2% – 67%	Straight line and diminishing value
Computer equipment at cost	10% – 67%	Straight line and diminishing value

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(h) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquire. Deferred consideration payable is measured at fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value.

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

If the fair value of the acquirer's interest is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), the gain is immediately recognised in the statement of comprehensive income.

Acquisition related costs are expensed as incurred.

(i) Intangibles

Goodwill

Goodwill is initially measured at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the consolidated entity's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Identifiable intangible assets

Identifiable intangible assets acquired separately or in a business combination (mainly customer lists) are initially measured at cost.

The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. The useful lives of these intangible assets are assessed on acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and provision for impairment.

Intangible assets with finite lives are amortised over the useful lives, currently estimated to be up to 10 years, and their useful lives are reviewed annually.

(j) Impairment of non-financial assets

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

(k) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

There are three tax consolidated groups across the consolidated entity. The following tax consolidated groups exist as at 30 June 2015:

1. PSC Insurance Group Pty Limited – Tax Parent
   - McKenna Hampton Insurance Brokers Pty Ltd – joined 1 July 2012
   - P Capital Pty Ltd – joined 11 July 2013
   - PSC Group Holdings Pty Ltd – joined 1 July 2012
   - PSC Holdings (Aust) Pty Ltd – joined 1 July 2012
   - PSC Insurance Brokers Pty Ltd – joined 1 July 2012
   - PSC Insurance Services Pty Ltd – joined 1 July 2012
   - PSC International Pty Ltd – joined 1 July 2012
   - PSC McKenna Hampton Insurance Brokers Pty Ltd – joined 1 July 2012 and exited 31 January 2014
   - PSC UK Pty Ltd – joined 1 July 2012
   - PSC Foundation Pty Ltd – joined 24 March 2014
2. PSC Insurance Pty Ltd – Tax Parent
   - PSC Insurance Brokers (Aust) Pty Ltd – joined 1 November 2009
   - Breeze Underwriting (Aust) Pty Ltd – joined 9 January 2014
   - PSC Insurance Brokers (Melbourne) Pty Ltd – joined 7 March 2014
3. Professional Services Corporation Pty Ltd – Tax parent
   - PSC Share Nominees Pty Ltd – joined 1 December 2010

The three tax-consolidation groups have entered a tax funding agreement such that:

- Each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity.
- The parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

The tax-consolidated groups have also entered tax sharing agreements to limit the liability of subsidiaries in the tax consolidated group arising under joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

(l) Payables on broking, reinsurance and underwriting operations

These amounts represent insurance premium payable to the insurance companies for broking, reinsurance and underwriting agency operations on invoiced amounts to customers and liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

(m) Provision

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligation

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within twelve months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The consolidated entity makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

(iv) Share-based payments

The consolidated entity operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at grant date. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(v) Bonus plan

The consolidated entity recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

(vi) Termination benefits

Termination benefits are payable when employment of an employee or group of employees is terminated before the normal retirement date, or when the entity provides termination benefits as a result of an offer made and accepted in order to encourage voluntary redundancy.

The consolidated entity recognises a provision for termination benefits when the entity can no longer withdraw the offer of those benefits, or if earlier, when the termination benefits are included in a formal restructuring plan that has been announced to those affected by it.

(o) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred.

(p) Financial instruments

Classification

The consolidated entity classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Financial assets at fair value through profit or loss

Investments in listed securities are carried at fair value through profit or loss. They are measured at their fair value at each reporting date and any increment or decrement in fair value from the prior period is recognised in the profit or loss of the current period. Fair value of listed investments are based on closing bid prices at the reporting date.

Non-listed investments for which the fair value cannot be reliably measured, are carried at cost and tested for impairment.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment.

For loans and receivables or held-to-maturity investments carried at amortised cost, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss reduces the carrying amount of the asset and is recognised in profit or loss. The impairment loss is reversed through profit or loss if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised.

(q) Investments in associates

An associated entity is an entity over which the consolidated entity is able to exercise significant influence.

The consolidated entity's interests in associates are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the associate is recognised in profit or loss and the share of other comprehensive income items is recognised in other comprehensive income.

Unrealised gains and losses on transactions between the consolidated entity and an associate are eliminated to the extent of the entity's share in an associate.

(r) Interests in joint ventures

Joint venture entities

The consolidated entity's interest in joint venture entities are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the joint venture entity is recognised in profit or loss and the share of other comprehensive income items is recognised in other comprehensive income.

(s) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different from the presentation currency are translated as follows:

(a) Assets and liabilities are translated at the closing rate on reporting date.

(b) Items of revenue and expense translated at average rate.

(t) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(v) Accounting standards issued but not yet effective at 30 June 2015

AASB 15 Revenue from contracts with customers

AASB 15 introduces a five step process for revenue recognition with the core principle being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. The five step approach is as follows:

- Step 1: Identify the contracts with the customer;
- Step 2: Identify the separate performance obligations;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price; and
- Step 5: Recognise revenue when a performance obligation is satisfied.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The effective date is annual reporting periods beginning on or after 1 January 2017.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

AASB 9 Financial Instruments

Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.

Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Chapter 6 Hedge Accounting supersedes the general hedge accounting requirements in AASB 139 Financial Instruments: Recognition and Measurement, which many consider to be too rules-based and arbitrary. Chapter 6 requirements include a new approach to hedge accounting that is intended to more closely align hedge accounting with risk management activities undertaken by entities when hedging financial and non-financial risks. Some of the key changes from AASB 139 are as follows:

- to allow hedge accounting of risk components of non-financial items that are identifiable and measurable (many of which were prohibited from being designated as hedged items under AASB 139);
- changes in the accounting for the time value of options, the forward element of a forward contract and foreign-currency basis spreads designated as hedging instruments; and
- modification of the requirements for effectiveness testing (including removal of the 'brightline' effectiveness test that offset for hedging must be in the range 80-125%).
- Revised disclosures about an entity's hedge accounting have also been added to AASB 7 Financial Instruments: Disclosures.

Impairment of assets is now based on expected losses in AASB 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The available-for-sale investments held will be classified as fair value through other comprehensive income and will no longer be subject to impairment testing. The impairment loss recognised in the current year financial statements in relation to these statements was nil. Other impacts on the reported financial position and performance have not yet been determined.

Significant Accounting Estimates And Judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Business combinations and goodwill

When a business combination occurs, the fair values of the identifiable assets and liabilities assumed, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities is bas based, to a considerable extent, on management's judgement. If the purchase consideration exceeds the fair value of the net assets acquired then the difference is recognised as goodwill. If the purchase price consideration is lower than the fair value of the assets acquired then a gain is recognised in the income statement.

Allocation of the purchase price between finite lived assets and indefinite lived assets such as goodwill affects the results of the group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised.

(b) Impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 1 year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 5% (2014: 5%) for cash flows in year two to five and which is based on the historical average and a terminal value growth rate of 2% (2014: 2%) a pre-tax discount rate of 16.67% (2014: 16.67%) to determine value-in-use.

(c) Impairment of non-financial assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists the recoverable amount of the asset is determined.

The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 1 year (maximum of five years). Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The key assumptions used in the calculation of recoverable amounts are the discount rates, terminal value growth rates and EBITDA growth rates.

(d) Income Tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(e) Deferred consideration

The consolidated entity has made a best estimate of consideration payable for the acquisitions where there is a variable purchase price (generally a multiple of revenue). Should the final revenue vary from estimates, the group will be required to vary the consideration payable and recognise the difference as expense or income.

(f) Intangible assets

The carrying value of intangible assets with finite lives are revalued at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated on the same basis as goodwill above. An impairment loss is recognised if the carrying value of the intangible assets exceed their recoverable amount.

(g) Employee benefits

The determination of the provisions required is dependent on a number of assumptions including expected wage increases, length of employee service and bond rates.

APPENDIX B –
LIST OF SUBSIDIARIES

APPENDIX B – LIST OF SUBSIDIARIES

PSC Subsidiary	Country of Incorporation	Principal Business	Percentage held by the Company pre-IPO	Percentage held by the Company post-IPO[24]
Professional Services Corporation Pty Ltd ACN 119 835 611)	Australia	Insurance Broking	93%	100%
Deskhaven Pty Ltd (ACN 010 342 980)	Australia	Insurance Broking	70%	100%
PSC Coast Wide Newcastle Pty Ltd (ACN 138 777 670)	Australia	Insurance Broking	50%	100%
PSC Insurance Pty Ltd (ACN 003 922 487) (Changing its name to Breeze Underwriting Pty Ltd)	Australia	HoldCo	90.32%	100%
PSC Wright Fahey Pty Ltd (ACN 132 698 125)	Australia	Insurance Broking	46.05%	100%
PSC Insurance Brokers (Darwin) Pty Ltd (ACN 149 207 223)	Australia	Insurance Broking	75%	100%
PSC McKenna Hampton Insurance Brokers Pty Ltd (ACN 154 828 332)	Australia	Insurance Broking	86.49%	100%
PSC Insurance Brokers (Brisbane) Pty Ltd (ACN 164 772 221)	Australia	Insurance Broking	75%	100%
Chase Underwriting Pty Ltd (ACN 156 554 808)	Australia	Underwriting Agency	70%	100%
Certus Life Canberra Pty Ltd. (ACN 606 344 594)	Australia	Life Broking	93%	100%
Certus Life Melbourne Pty Ltd (ACN 605 203 129)	Australia	Life Broking	100%	80%
Certus Life Pty. Ltd. (ACN 169 526 363)	Australia	Life Broking	100%	100%
PSC Insurance Brokers (Wagga) Pty Ltd (ACN 141 881 576)	Australia	Insurance Broking	77.78%	100%
PSC Coastwide Insurance Services Pty Ltd (ACN 107 829 827)	Australia	Life Broking	70%	100%
PSC Connect Pty Ltd (ACN 141 574 914)	Australia	AR Network	75%	100%
PSC Nominees Pty Ltd (ACN 162 581 437)	Australia	Dormant	90.3%	100%
PSC Holdings (Aust) Pty Ltd (ACN 136 677 319)	Australia	HoldCo	100%	100%
PSC Insurance Brokers Pty Ltd (ACN 132 274 849)	Australia	HoldCo	100%	100%
PSC Group Holdings Pty Ltd (ACN 141 510 214)	Australia	HoldCo	100%	100%
PSC JLG Investment Pty Ltd (ACN 601 526 952)	Australia	Investment HoldCo	90.32%	100%

PSC Subsidiary	Country of Incorporation	Principal Business	Percentage held by the Company pre-IPO	Percentage held by the Company post-IPO[24]
PSC Insurance Brokers (Melbourne) Pty Ltd (ACN 168 428 386)	Australia	Insurance Broking	90.32%	100%
PSC Insurance Brokers (Aust) Pty Ltd (ACN 129 444 828)	Australia	Insurance Broking	90.32%	100%
Breeze Underwriting Limited (Aust) Pty Ltd (ACN 167 479 754)	Australia	Underwriting Agency	90.32%	100%
The PSC Foundation Pty Ltd (ACN 168 613 536)	Australia	Charity	100%	100%
PSC Insurance Services Pty Ltd (Payroll) (ACN 158 884 952)	Australia	Service Company	100%	100%
PSC Direct Pty Ltd (ACN 601 684 128)	Australia	Insurance Broking	100%	100%
Chase Surety Pty Ltd (ACN 604 035 378)	Australia	Underwriting Agency	56%	80%
PSC UK Pty Ltd (ACN 154 179 754)	United Kingdom	HoldCo	100%	100%
Alsford Page & Gems (Holdings) Ltd (UK)	United Kingdom	HoldCo	72.1%	100%
Alsford Page & Gems Ltd (UK)	United Kingdom	Reinsurance Broking	72.1%	100%
UK Facilities Ltd (UK)	United Kingdom	Dormant	84.2%	100%
Carroll & Partners Ltd (UK)	United Kingdom	Lloyds Broking	84.2%	100%
Just Motorsport Ltd (UK)	United Kingdom	Dormant	29.5%	35%
Just Leisure Ltd (UK)	United Kingdom	Dormant	29.5%	35%
Just Equestrian Insurance Ltd (UK)	United Kingdom	Dormant	29.5%	35%
Frenchurch Insurance Risk Management Ltd (UK)	United Kingdom	Dormant	84.2%	100%
Insurance Holdings Ltd (Company Number: 05601837)	United Kingdom	HoldCo	84.2%	100%
Breeze Underwriting Limited (Company Number: 08738757)	United Kingdom	Underwriting Agency	80%	100%
Upper Hillwood Holdings Limited (Company Number: 09136164)	United Kingdom	HoldCo	72.1%	100%
PSC Connect NZ Ltd	New Zealand	AR Network	75%	100%
PSC Share Nominees Pty Ltd	Australia	Dormant	93%	100%
AB Risk Solutions Ltd	United Kingdom	Reinsurance Broking	36.1%	50%

APPENDIX B – LIST OF SUBSIDIARIES

PSC Subsidiary	Country of Incorporation	Principal Business	Percentage held by the Company pre-IPO	Percentage held by the Company post-IPO[24]
Easy Broking On Line Ltd	United Kingdom	Reinsurance Broking	16.6%	23%
ACN 151 774 668 Pty Ltd	Australia	Dormant	75%	100%
McKenna Hampton Insurance Brokers Pty Ltd	Australia	Dormant	100%	100%

24 this is subject to completion of all of the Roll-Up Acquisitions as set out in section 9.2.

PSC INSURANCE GROUP

ABN 81 147 812 164

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in PSC Insurance Group Limited under the Broker Firm Offer on the terms set out in the Prospectus dated 5 November 2015. You must apply for a minimum of 2,000 Shares and multiples of 1,000 thereafter. This Application Form and your cheque or bank draft for the Application Monies must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for , , at Price per Share **A$1.00** **B** Application Monies **A$** , , .

(minimum 2,000, thereafter in multiples of 1,000)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C Applicant #1

Surname/Company Name

Title First Name Middle Name

Joint Applicant #2

Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G Telephone Number where you can be contacted during Business Hours ( ) Contact Name (PRINT)

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H Cheque or Bank Draft Number BSB - Account Number

Total Amount **A$** , , .

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

PSI BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are PSC Insurance Group Limited ("PSC") Shares. Further details about the Shares are contained in the Prospectus dated 5 November 2015 issued by PSC. The Prospectus will expire 13 months from issue. While the Prospectus is current, PSC will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request. The prospectus will also be made available at www.pscinsurancegroup.com.au.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, PSC will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from PSC and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to PSC's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

PSC INSURANCE GROUP

ABN 81 147 812 164

Broker Code

Adviser Code

Chairman's List Application Form

This is an Application Form for Shares in PSC Insurance Group Limited under the Chairman's List Offer on the terms set out in the Prospectus dated 5 November 2015. You may apply for a minimum of 2,000 Shares and multiples of 1,000 thereafter. This Application Form and your cheque or bank draft must be received by **5.00pm (Sydney time) on 4 December 2015.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for , , at Price per Share **A$1.00** **B** Application Monies **A$** , , .

(minimum 2,000 Shares, thereafter in multiples of 1,000)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1

C Surname/Company Name

Title First Name Middle Name

Joint Applicant #2

Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G Telephone Number where you can be contacted during Business Hours ( ) Contact Name (PRINT)

Cheques or bank drafts should be made payable to **"PSC Insurance Group Limited"** in Australian currency and crossed "Not Negotiable".

H Cheque or Bank Draft Number BSB - Account Number

Total Amount **A$** , , .

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5.00pm (Sydney time) on 4 December 2015 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

PSI IPO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are PSC Insurance Group Limited ("PSC") Shares. Further details about the shares are contained in the Prospectus dated 5 November 2015 issued by PSC. The Prospectus will expire 13 months from Issue. While the Prospectus is current, PSC will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, PSC will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from PSC and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to PSC's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to **"PSC Insurance Group Limited"** in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5.00pm (Sydney time) on 4 December 2015 at:

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

Hand Delivery
PSC Insurance Group Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001.* For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

CORPORATE DIRECTORY

Company

PSC Insurance Group Limited

ACN 147 812 164
Phone: 03 9851 3200
Fax: 03 9640 6029
Email enquiries@psccapital.com.au
Web www.pscinsurancegroup.com.au

Directors

Brian Austin, Chairman and Non-executive Director
Paul Dwyer, Managing Director
John Dwyer, Executive Director
Antony Robinson, Non-executive Director

Registered Office

C/- Pitcher Partners
Level 19, 15 William Street
Melbourne VIC 3000

Proposed ASX Code: PSI

Lead Manager & Underwriter

Wilson HTM Corporate Finance Ltd

Level 16, 357 Collins Street
Melbourne VIC 3000

Australian Legal Advisor

DLA Piper Australia

Level 22, No.1 Martin Place
Sydney NSW 2000

New Zealand Legal Advisor

DLA Piper New Zealand

Level 22, 205 Queen Street
Auckland NZ 1010

Investigating Accountant

Pitcher Partners Corporate Pty Ltd

Level 19, 15 William Street
Melbourne VIC 3000

Tax Advisor

Pitcher Partners Advisors Pty Ltd

Level 19, 15 William Street
Melbourne VIC 3000

Auditor

Pitcher Partners

Level 19, 15 William Street
Melbourne VIC 3000

Share Registry

Link Market Services Limited

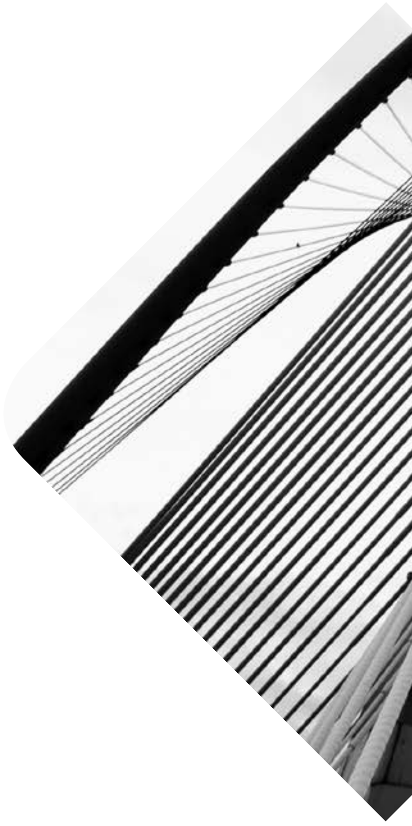
Level 1, 333 Collins Street
Melbourne VIC 3000
Telephone: 03 9615 9800
Facsimile: 02 9287 0303

PSC Offer Information Line

Within Australia: 1800 095 654
Outside of Australia: +61 1800 095 654
Hours of Operation: 8:30am to 5:30pm (AEDT)
Monday to Friday

Company website

www.pscinsurancegroup.com.au



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