

# ASX Announcement

22 August 2024

## SCHEME BOOKLET REGISTERED WITH ASIC

PSC Insurance Limited ACN 147 812 164 (ASX:PSI) (**PSC**) refers to its announcement yesterday, in respect of the orders made by the Federal Court of Australia regarding convening meetings of PSC shareholders with respect to the proposed acquisition of PSC by Rosedale Bidco Pty Ltd ACN 677 065 548, a member of The Ardonagh Group, by way of a scheme of arrangement (**Scheme**) and distribution of the explanatory statement with respect to the Scheme (**Scheme Booklet**).

### Scheme Booklet

PSC advises that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet is attached to this announcement and will be made available online at <https://events.miraqle.com/psc-scheme>.

The Scheme Booklet will also be sent to PSC shareholders as follows:

- shareholders who have elected to receive meeting documents electronically from PSC will receive an email containing instructions about how to access or download an electronic copy of the Scheme Booklet;
- shareholders who have elected to receive meeting documents in hard copy from PSC will receive a physical copy of the Scheme Booklet and a personal proxy form by post; and
- all other shareholders will receive a letter by post containing instructions about how to access or download an electronic copy of the Scheme Booklet.

The Scheme Booklet is expected to be despatched to PSC shareholders as set out above on or before 23 August 2024. PSC shareholders should read the Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

### Independent Expert's Report

The Scheme Booklet includes the notices of meeting for the Scheme Meetings and a copy of the Independent Expert's Report prepared by FTI Consulting (Australia) Pty Ltd (**Independent Expert**) that concludes that **the Scheme is 'in the best interests' of PSC shareholders as a whole in the absence of a superior offer because the cash consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'**. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and Scheme Booklet.

### Directors' recommendation and voting intentions

The PSC Directors continue to unanimously recommend PSC shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC shareholders.<sup>1</sup> Each PSC Director intends to vote, or procure the voting of, all PSC shares held or controlled by them in favour of the Scheme, subject to the same qualification.

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<sup>1</sup> PSC shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC shareholders as outlined in Section 1 of the Scheme Booklet.

## Changes to Scheme Implementation Deed and Scheme

PSC refers to its announcement of 8 May 2024 regarding the signing of the Scheme Implementation Deed (**SID**) relating to the Scheme. When the SID was signed, it was agreed that shareholders associated with PSC Directors Paul Dwyer, John Dwyer, Brian Austin, Tara Falk and James Kalbassi (being five of the eight PSC Directors) would be required to take up scrip consideration for approximately 26% of their aggregate shareholdings in PSC (in aggregate equal to approximately 36.9 million PSC shares). Since that time, it has been agreed that the number of PSC shares for which scrip consideration will be taken up by the Australian resident Directors (Paul Dwyer, John Dwyer, Brian Austin) will be reduced to take account of the anticipated capital gains tax payable on the sale of these PSC shares. As a result, it is now a condition under the SID that these five Directors elect to receive scrip consideration for approximately 21% of their aggregate shareholdings in PSC (in aggregate equal to approximately 29.4 million PSC shares being approximately 8.1% of total PSC shares on issue as at the date of the Scheme Booklet). The proposed Scheme has also been amended accordingly, and the amended version of the Scheme is set out in Attachment 4 of the Scheme Booklet.

### Shareholder Information Line

For more information, please refer to the Scheme Booklet. If PSC shareholders have any questions in relation to the Scheme Booklet, the Scheme or their shareholding, they are encouraged to contact PSC's Scheme Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.30pm (AEST).

Authorised for release by

**Stephen Abbott**

Company Secretary

– ENDS –

# SCHEME BOOKLET

In relation to a proposal from Rosedale Bidco, a wholly owned subsidiary of The Ardonagh Group, to acquire 100% of the issued shares in PSC by way of a scheme of arrangement between PSC and its shareholders.

**The PSC Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>1</sup>**

The Independent Expert has concluded the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.

**This is an important document and requires your immediate attention. You should read this document in full before you decide whether or not to vote in favour of the Scheme. If you are in doubt as to what action you should take, please consult your legal, financial, tax or other professional advisers.**

1. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

Financial Adviser:



Legal Adviser:



Maddocks

# IMPORTANT NOTICES

## GENERAL

PSC Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution to be considered at the Scheme Meetings. If you are in any doubt as to any action you should take, please consult your legal, financial, taxation or other professional adviser immediately.

This Scheme Booklet has been sent to you because you are shown in the Register as holding PSC Shares. If you have recently sold all of your PSC Shares, please disregard this Scheme Booklet.

## PURPOSE OF THIS DOCUMENT

The purpose of this Scheme Booklet is to:

- explain the terms of the Scheme;
- explain the manner in which the Scheme will be considered and implemented (if approved by the Requisite Majorities of PSC Shareholders and by the Court); and
- provide information that is prescribed or otherwise material to the decision of PSC Shareholders on whether or not to approve the Scheme by voting in favour of the Scheme Resolution, being information that is within the knowledge of the PSC Directors and has not previously been disclosed to PSC Shareholders.

This Scheme Booklet includes the explanatory statement required to be sent to PSC Shareholders in relation to the Scheme pursuant to section 412(1) of the Corporations Act.

## RESPONSIBILITY FOR INFORMATION

The information contained in this Scheme Booklet, other than Ardonagh Information and the Independent Expert's Report, has been prepared by, and is the sole responsibility of, PSC. PSC's Advisers do not assume any responsibility for the accuracy or completeness of the PSC Information. None of Ardonagh, nor its directors, officers or Advisers assume any responsibility for the accuracy or completeness of the PSC Information and, to the maximum extent permitted by law, The Ardonagh Group will not be responsible for any PSC Information and disclaims liability for PSC Information appearing in this Scheme Booklet.

Ardonagh Information has been prepared by, and is the sole responsibility of, The Ardonagh Group. Ardonagh's Advisers do not assume any responsibility for the accuracy or completeness of Ardonagh Information. None of PSC nor its directors, officers or Advisers assume any responsibility for the accuracy or completeness of Ardonagh Information and, to the maximum extent permitted by law, PSC will not be responsible for any Ardonagh Information and disclaims liability for Ardonagh Information appearing in this Scheme Booklet.

The Independent Expert has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. None of PSC, The Ardonagh Group nor their respective directors, officers and Advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

## ASIC AND ASX

A copy of this Scheme Booklet has been provided to ASIC for review under section 411(2) of the

Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. PSC has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

## IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SUBSECTION 411(1) OF CORPORATIONS ACT

The fact that, under subsection 411(1) of the Corporations Act, the Court ordered on 21 August 2024 that the Scheme Meetings be convened and has directed that this explanatory statement accompany the Notice of Scheme Meetings does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how PSC Shareholders should vote (on this matter PSC Shareholders must reach their own conclusion);
- has prepared, or is responsible for, the content of this Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meetings be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

## NOTICE OF SECOND COURT HEARING AND IF A PSC SHAREHOLDER WISHES TO OPPOSE THE SCHEME

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote on the Scheme Resolution at the Scheme Meetings.

Any PSC Shareholder has the right to appear and be heard at the Second Court Hearing, and may oppose the approval of the Scheme at the Second Court Hearing.

If you wish to oppose approval of the Scheme in this manner, you may do so by filing with the Court and serving on PSC a notice of appearance, in the prescribed court form, together with any affidavit on which you wish to rely on at the Second Court Hearing. The notice of appearance and affidavit must be served on PSC at its address for service at least one day before the Second Court Date.

The address for service for PSC is: 96 Wellington Parade, East Melbourne VIC 3002, Attention: Company Secretary, or email: [secretary@pscinsurance.com.au](mailto:secretary@pscinsurance.com.au).

The Second Court Hearing is currently scheduled to be held at 2:15pm on 1 October 2024 at the Federal Court of Australia, 305 William Street, Melbourne VIC 3000, though an earlier or later date may be sought. Any change to this date will be notified on PSC's website

(<https://www.pscinsurancegroup.com.au/announcements/>) and on the ASX website (<https://www.asx.com.au/>).

## NO INVESTMENT ADVICE

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any PSC Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. PSC Shareholders should seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

## FORWARD LOOKING STATEMENTS

Certain statements in this Scheme Booklet, including statements relating to PSC's or The Ardonagh Group's plans, intentions or expectations of future costs or revenues, relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual events and results to vary significantly from those included in or contemplated by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

A description of certain of those risks as they relate to PSC is set out in Section 8.

Any estimates, targets or forecasts reflect certain assumptions by PSC and/or The Ardonagh Group which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond PSC's and/or The Ardonagh Group's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of PSC's or The Ardonagh Group's future performance or that actual events and results would not differ materially from them.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described in this Scheme Booklet and in the Independent Expert's Report.

Other than as required by law, neither PSC nor The Ardonagh Group, their respective directors, officers and Advisers, nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. PSC Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of The Ardonagh Group in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Scheme



Booklet and neither PSC nor The Ardonagh Group undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

All subsequent written and oral forward looking statements attributable to PSC or The Ardonagh Group or any person acting on their behalf are qualified by this cautionary statement.

## NOTICE OF SCHEME MEETINGS

The Notice of General Scheme Meeting is set out in Annexure 1 and the Notice of Rollover Shareholders Scheme Meeting is set out in Annexure 2. A reference to 'the Scheme Booklet' in each of the Notice of General Scheme Meeting and the Notice of Rollover Shareholders Scheme Meeting will be taken to include any supplementary scheme booklet released in relation to the Scheme.

## FOREIGN JURISDICTIONS

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in any such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

PSC Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

## NOTICE TO UK-RESIDENT ROLLOVER SHAREHOLDERS

Neither this Scheme Booklet nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom. This Scheme Booklet is not a prospectus or prospectus equivalent document and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the Scrip Consideration.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons:

- who fall within Article 28, Article 28A or Article 43 of the *Financial Services and Markets Act 2000* (Financial Promotions) Order 2005, or
- to whom it may otherwise be lawfully communicated (together **relevant persons**).

The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet nor any other document relating to the Scheme.

## TAX IMPLICATIONS OF THE SCHEME

Section 9 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Australian tax resident Scheme Shareholders who dispose of their PSC Shares to The Ardonagh Group under the Scheme for Cash Consideration. It does not cover the potential tax implications for Rollover Shareholders to the extent that they elect to receive Scrip Consideration under the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences, nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of each individual PSC Shareholder.

PSC Shareholders, including those who are subject to taxation outside Australia, should consult their tax adviser as to the applicable tax consequences of the Scheme.

## PRIVACY

PSC, The Ardonagh Group and the Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details and details of the security holdings of PSC Shareholders, and the names of individuals appointed by PSC Shareholders as proxies, corporate representatives or attorneys at the Scheme Meetings. The collection of some of this information is required or authorised by the Corporations Act.

The personal information is collected for the primary purposes of assisting PSC to conduct the Scheme Meetings and to enable the Scheme to be implemented. The personal information may be disclosed to PSC's and The Ardonagh Group's share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to conduct the Scheme Meetings and implement the Scheme.

If the information outlined above is not collected, PSC may be hindered in, or prevented from, conducting the Scheme Meetings and implementing the Scheme.

PSC Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1800 774 615 (within Australia) or +61 1800 774 615 (outside of Australia) if they wish to exercise these rights.

PSC Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meetings should inform that individual of the matters outlined above.

The Privacy Policy of PSC is available at <https://www.pscinsurance.com.au/privacy-statement/>. The Privacy Policy contains information about how an individual may access personal information about the individual that is held by PSC, seek the correction of such information

or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of The Ardonagh Group is available at <https://www.ardonagh.com/privacy-policy>.

## WEBSITES

The contents of PSC's and The Ardonagh Group's websites do not form part of this Scheme Booklet and PSC Shareholders should not rely on their content.

Any reference in this Scheme Booklet to a website is for information purposes only and no information in any website forms part of this Scheme Booklet.

## DEFINED TERMS

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 11. If a word or phrase is defined, its other grammatical forms have a corresponding meaning. The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which may be different from those in the Glossary.

## CHARTS AND DIAGRAMS

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

## REFERENCES TO TIME

All references to times in this Scheme Booklet are references to time in Melbourne, Victoria, Australia (AEST), unless otherwise stated.

## REFERENCES TO CURRENCY

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.

## EFFECT OF ROUNDING

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding, unless otherwise indicated. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Any discrepancies between totals in tables and sums of components contained in this Scheme Booklet and between those figures and figures referred to in other parts of this Scheme Booklet are due to rounding. All financial operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

## QUERIES

If you have any questions or require any further information, you can call the Scheme Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.30pm (AEST).

## DATE OF SCHEME BOOKLET

This Scheme Booklet is dated 21 August 2024.

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# KEY DATES

Event	Date and Time
Date of this <b>Scheme Booklet</b>	21 August 2024
<b>Proxy Forms for General Scheme Meeting</b> Latest time and date for receipt of Proxy Forms from General Shareholders	9:30am on 24 September 2024
<b>Proxy Forms for Rollover Shareholders Scheme Meeting</b> Latest time and date for receipt of Proxy Forms from Rollover Shareholders	11:00am on 24 September 2024
<b>Meeting Record Date</b> Time and date for determining eligibility to vote at the Scheme Meetings	7:00pm on 24 September 2024
<b>General Scheme Meeting</b> to be held at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002, and online via the online platform at <a href="https://meetings.linkgroup.com/psischeme24">https://meetings.linkgroup.com/psischeme24</a>	9:30am on 26 September 2024
<b>Rollover Shareholders Scheme Meeting</b> to be held following the General Scheme Meeting at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and online via the online platform at <a href="https://meetings.linkgroup.com/psiroll24">https://meetings.linkgroup.com/psiroll24</a>	11:00am on 26 September 2024

If the Scheme is approved by the Requisite Majorities, the expected timetable for implementation of the Scheme is set out below.

All of these dates are indicative only and, among other things, are subject to all necessary approvals from the Court and any relevant Authority. Any changes to the remainder of the timetable (which may include an earlier or later date for the Second Court Date) will be announced through the ASX website (<https://www.asx.com.au/>) and notified on PSC's website ([pscinsurancegroup.com.au](http://pscinsurancegroup.com.au)).

Event	Date and Time
<b>Second Court Date</b> to seek Court orders approving the Scheme	2:15pm on 1 October 2024
<b>Effective Date</b> on which the Scheme comes into effect and is binding on PSC Shareholders. Last day of trading in PSC Shares on the ASX (with PSC Shares suspended from close of trading)	2 October 2024
<b>Scheme Record Date</b> for determining entitlements to Scheme Consideration	7:00pm on 4 October 2024
<b>Implementation Date</b> The date on which the Scheme will be implemented and the Scheme Consideration will be paid or issued (as applicable) to Scheme Shareholders	11 October 2024

# LETTER FROM THE CHAIRMAN OF PSC

## Dear PSC Shareholder,

On behalf of the PSC Directors, I am pleased to provide you with this Scheme Booklet which contains important information for your consideration in relation to the proposed acquisition of PSC Insurance Group Limited (**PSC**) by Rosedale Bidco Pty Ltd (**Rosedale Bidco**), a wholly owned entity within The Ardonagh Group.

## Overview of the proposed Scheme

On 8 May 2024, PSC entered into a binding Scheme Implementation Deed (**SID**) with Rosedale Bidco and another entity within The Ardonagh Group, for the acquisition by Rosedale Bidco of all of the issued ordinary shares in PSC under a scheme of arrangement (**Scheme**).

The consideration for the acquisition is A\$6.19 in cash per PSC Share (**Cash Consideration**).<sup>1</sup>

Certain PSC Directors and senior management (or their Controlled entities) will receive securities in an entity within The Ardonagh Group for a portion of their PSC Shares (**Scrip Consideration**) and will receive the same Cash Consideration as General Shareholders for the balance of their PSC Shares.

When the SID was signed, it was agreed that shareholders associated with PSC Directors Paul Dwyer, John Dwyer, Brian Austin, Tara Falk and James Kalbassi (being five of the eight PSC Directors) would be required to take up Scrip Consideration for approximately 26% of their aggregate shareholdings in PSC (in aggregate equal to approximately 36.9 million PSC Shares). Since that time, it has been agreed that the number of PSC Shares for which Scrip Consideration will be taken up by the Australian resident Directors (Paul Dwyer, John Dwyer, Brian Austin) will be reduced to take account of the anticipated capital gains tax payable on the sale of these PSC Shares. As a result, it is now a Condition under the SID that the five Directors elect to receive Scrip Consideration for approximately 21% of their aggregate shareholdings in PSC (in aggregate equal to approximately 29.4 million PSC Shares being approximately 8.1% of total PSC Shares on issue as at the date of this Scheme Booklet). The Scrip Consideration will ultimately be in the form of non-voting shares in the unlisted ultimate Holding Company or sub-Holding Company of The Ardonagh Group. Six other key management shareholders, including PSC Managing Director Tony Robinson, have also elected to receive part of their consideration under the Scheme in the form of Scrip Consideration. In aggregate Tony Robinson and the other five senior managers (or entities they Control) will receive Scrip Consideration in respect of approximately 1 million PSC Shares, representing approximately 0.3% of total PSC Shares on issue as at the date of this Scheme Booklet. The PSC Shareholders who are receiving Scrip Consideration (being six PSC Directors and five other senior managers (or their Controlled entities)) are together referred to as the **Rollover Shareholders**.

The Scrip Consideration was calculated on the basis of the same price per PSC Share as the Cash Consideration (see Section 5.6 for further detail). The Independent Expert has concluded that “the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share based on its review and analysis of certain confidential information provided by The Ardonagh Group”. However, the value of the Scrip Consideration may well change (up or down) prior to and after implementation of the Scheme as a result of range of factors including the underlying performance of The Ardonagh Group, the level of leverage and further acquisitions or disposals undertaken by it (having regard to its track record of making acquisitions since its launch in 2017).

The SID contains customary exclusivity obligations on PSC, including “no-shop”, “no-talk” and “no-due diligence” obligations, with the “no-talk” and “no-due diligence” obligations subject to a fiduciary carveout. PSC is also bound by other customary provisions including a notification and matching right regime in the event of a Competing Proposal. Prior to entering the SID, PSC and its advisers tested global interest for the sale of PSC and negotiated competing proposals. This, combined with PSC not having received any further Competing Proposals between the date that the SID was announced to the ASX and the date of this Scheme Booklet, should give PSC Shareholders confidence that the Cash Consideration of A\$6.19 per PSC Share has been subject to a full and fair testing of the market.

## Directors' recommendation

PSC's Independent Directors (being the two PSC Directors who are not, and who are not associated with, Rollover Shareholders, namely Melvyn Sims and Joanne Dawson) have considered the advantages and disadvantages of the Scheme (see Sections 2 and 8) and both the Independent Directors and the full PSC Board unanimously recommend that PSC Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that

### The Cash Consideration:

- represents an implied equity value for PSC of A\$2,256 million and implied enterprise value of A\$2,429 million
- implies a 20.8x<sup>2</sup> multiple of EV/EBITDA for the last 12 months and
- implies a 18.7x – 19.4x<sup>3</sup> multiple based on PSC's FY24 EBITDA guidance
- represents a 27.6% premium to PSC's Last Undisturbed Closing Price of A\$4.85 per share on 12 March 2024 (being the last trading day before market speculation about a potential control transaction was published)

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1. The A\$6.19 per share consideration will be reduced by the amount per share of any future dividend or capital return declared or paid by PSC. No further dividends are currently intended to be paid.  
 2. Based on underlying 31 December 2023 LTM EBITDA of A\$116.5m.  
 3. Based on FY24 underlying EBITDA guidance of A\$125-130m.



the Scheme is in the best interests of PSC Shareholders. Subject to these same qualifications, each Independent Director and the full PSC Board intends to vote, or procure the voting of, all PSC shares that they hold or Control in favour of the Scheme. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders, including the entitlements to Scrip Consideration (in respect of those PSC Directors who are or Control Rollover Shareholders) and the other ancillary benefits as set out in Section 1.

The PSC Directors associated with Rollover Shareholders make their recommendation and declare their intention to vote in favour of the Scheme in the context of the Rollover Shareholders being expected to form a different class for the purposes of the Scheme.

The PSC Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares, the PSC Board does not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.

### Independent Expert

FTI Consulting (Australia) Pty Ltd (**Independent Expert**) has prepared the Independent Expert's Report in relation to the Scheme. **The Independent Expert has concluded that the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.** The Independent Expert has assessed the underlying value of PSC at between \$5.69 and \$6.65 per PSC Share on a controlling interest basis.

The Independent Expert has also concluded that **"the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share** based on its review and analysis of certain confidential information provided by The Ardonagh Group". Please note that the Independent Expert has not given any further opinion in relation to the Scrip Consideration on the basis that the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares.

A complete copy of the Independent Expert's Report is included as Annexure 3 to this Scheme Booklet.

### How to vote

The Scheme is subject to approval by PSC Shareholders as well as by the Court. It is expected that the Rollover Shareholders will form a separate class of shareholders for the purposes of the Scheme and there will therefore be two scheme meetings - one for the Rollover Shareholders (the **Rollover Shareholders Scheme Meeting**) and the other for all other PSC Shareholders, being the General Shareholders (the **General Scheme Meeting**). The Rollover Shareholders will not be permitted to vote at the scheme meeting of the General Shareholders, and vice versa. Both classes of shareholders will need to pass a resolution approving the Scheme and the Court must approve the Scheme in order for the Scheme to become Effective.

The General Scheme Meeting is expected to be held at 9:30am (AEST) on 26 September 2024 in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and virtually, with the Rollover Shareholders Scheme Meeting to follow at 11:00am (AEST) in person at the same location and virtually.

Your vote, as a PSC Shareholder, is important and I encourage you to submit your vote on this significant transaction. You may vote by attending the relevant Scheme Meeting, or by appointing a proxy, attorney or corporate representative to attend the relevant Scheme Meeting and vote on your behalf, or by submitting a direct vote in accordance with the instructions set out on the applicable Proxy Form.

If you do not wish to or are unable to attend the Scheme Meeting, I encourage you to vote by completing the enclosed personalised Proxy Form and returning it so that it is received no later than 9:30am (AEST) on 24 September 2024 (for the General Scheme Meeting) or 11:00am (AEST) on 24 September 2024 for the Rollover Shareholders Scheme Meeting, or alternatively by submitting a direct vote in accordance with the instructions set out on the applicable Proxy Form before those times.

I also encourage you to read this Scheme Booklet carefully and in its entirety as it contains important information that you should consider before you vote. You should also seek independent legal, financial, taxation and/or other professional advice before making a decision in relation to your PSC Shares.

### Further information

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the Scheme Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.30pm (AEST) or consult your legal, financial, taxation or other professional adviser.

On behalf of the PSC Directors, I sincerely thank you for your ongoing support and loyalty towards PSC. I look forward to your participation at the Scheme Meetings.

Yours sincerely,



**Paul Dwyer**

**Non-Executive Chairman**  
PSC Insurance Group Limited

# LETTER FROM PSC'S INDEPENDENT DIRECTORS

## Dear PSC Shareholder,

The PSC Independent Directors, Melvyn Sims and Joanne Dawson (being the PSC Directors who are not directly or indirectly receiving Scrip Consideration under the Scheme), are pleased to reaffirm our support of the proposed acquisition of PSC by Rosedale Bidco, a wholly owned entity within The Ardonagh Group.

PSC has performed well since its IPO in 2015, delivering strong returns to shareholders. The proposed acquisition of PSC reflects the success of PSC over this period and strong performance of the company and its employees that has delivered shareholder value over time.

PSC's Independent Directors have considered the advantages and disadvantages of the Scheme and believe the Cash Consideration represents an attractive price and provides significant value to PSC Shareholders. In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders, the Independent Directors unanimously recommend that you vote in favour of the Scheme.

We note that General Shareholders are not eligible to make an Election to receive Scrip Consideration. The Scrip Consideration is only being offered to a small number of PSC Directors and senior management of PSC (or PSC Shareholders they Control), given the importance to The Ardonagh Group of the continued involvement of these individuals in the management of PSC's business and its integration into The Ardonagh Group's business, and Ardonagh's desire to align their interests with other members of its senior management. Rollover Shareholders will form a different class for the purposes of the Scheme as they will receive different consideration under the Scheme. You should note that, in order to proceed, the Scheme must be approved by General Shareholders at the General Scheme Meeting where Rollover Shareholders will not be entitled to vote. The Independent Directors recommend that all PSC Shareholders vote in favour of the Scheme.

This recommendation is made only to PSC Shareholders receiving Cash Consideration, and the PSC Independent Directors do not make any recommendation in relation to whether the Rollover Shareholders should make or should have made an Election to receive Scrip Consideration.

The 100% cash offer of \$6.19 per Share to General Shareholders provides certain cash value and represents a 32.7% premium to PSC's undisturbed three-month VWAP<sup>4</sup> and 27.6% premium to PSC's Last Undisturbed Closing Price<sup>5</sup>. The implied transaction multiples, 20.8x enterprise multiple (enterprise value/EBITDA) and 28.1x earnings multiple (price-to-earnings ratio), are also attractive<sup>6</sup>.

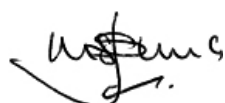
While the Independent Directors are unable to predict the price at which PSC Shares would trade in the future, the Independent Directors believe that if the Scheme is not implemented and in the absence of a superior proposal, the PSC share price will likely decline below the consideration of \$6.19 per share that is being offered by Rosedale Bidco.

The Independent Directors are satisfied that the proposed acquisition is the most attractive option for General Shareholders as at the date of this Scheme Booklet, particularly given that PSC was able to test competing interest in an acquisition thoroughly via a process run by Goldman Sachs. At the date of this Scheme Booklet, the Independent Directors are not aware of a Superior Proposal and have no reason to believe one will emerge in the future.

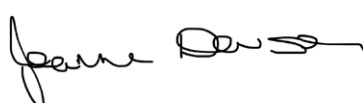
Further to the Independent Directors' recommendation, the Independent Expert has also concluded that the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.

On behalf of the PSC Independent Directors, we thank you for your ongoing support of PSC and look forward to your participation at the Scheme Meetings.

Yours sincerely,



Melvyn Sims



Joanne Dawson

**PSC Independent Directors**  
PSC Insurance Group Limited

4. A\$4.66 per share up to and including 12 March 2024.

5. A\$4.85 per share on 12 March 2024.

6. Based on underlying 31 December 2023 LTM EBITDA of A\$116.5m and underlying 31 December 2023 LTM NPATA of A\$80.3m.

# 1.

## IMPORTANT INFORMATION REGARDING PSC DIRECTORS' RECOMMENDATION

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# 1. IMPORTANT INFORMATION REGARDING PSC DIRECTORS' RECOMMENDATION

## 1.1 Directors' recommendation and voting intention

The PSC Directors unanimously recommend that PSC Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders. Additionally, each PSC Director intends to vote the PSC Shares he or she holds or Controls in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.

While all PSC Directors are making this recommendation, PSC Shareholders should consider this in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in this Section, and also the fact that the six PSC Directors who are associated with Rollover Shareholders will vote in a different class for the purpose of approving the Scheme in respect of those Rollover Shareholders. Note also that the PSC Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares, the PSC Board does not make any recommendation in relation to whether the Rollover Shareholders should make (or should have made) an Election to receive Scrip Consideration.

In light of the differing interests, PSC established the IBC, which at the date of this Scheme Booklet comprises PSC's Independent Directors, Melvyn Sims and Joanne Dawson. The members of the IBC have no interests in the Scheme beyond the benefits that they will receive in line with other General Shareholders (in particular they are not receiving any Scrip Consideration under the Scheme, as they are not, and do not Control, Rollover Shareholders). The IBC has considered the Scheme and the terms of the SID and separately recommends that PSC Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.

## 1.2 Interests of PSC Directors in PSC securities

The table below outlines the relevant interests in PSC Shares held by the PSC Directors as at the Last Practicable Date:

Director	Rollover Shareholder? <sup>1</sup>	PSC Shares (excluding unvested Loan Funded Shares)	Unvested Loan Funded Shares	Options	Percentage of outstanding PSC Shares <sup>2</sup>
Paul Dwyer, Non-Executive Chair	Yes	57,174,852	-	-	15.69%
Brian Austin, Non-Executive Deputy Chair	Yes	32,277,966	-	-	8.86%
John Dwyer, Executive Director	Yes	34,571,351	-	-	9.49%
Antony (Tony) Robinson, Managing Director	Yes	3,599,290	-	2,000,000	0.99%
Tara Falk, Executive Director	Yes	7,286,200	1,500,000	-	2.41%
James Kalbassi, Executive Director	Yes	6,162,587	1,500,000	-	2.10%
Melvyn (Mel) Sims, Independent Non-Executive Director	No	306,653	-	-	0.08%
Joanne Dawson, Independent Non-Executive Director	No	10,000	-	-	0.003%

### Notes:

- Mr P Dwyer, Mr Austin, Mr J Dwyer and Mr Robinson are not personally Rollover Shareholders but are indirectly receiving Scrip Consideration via entities that they Control. Ms T Falk and Mr J Kalbassi hold PSC Shares through a custodian but are receiving Scrip Consideration directly.
- Calculated on an undiluted basis (i.e. excluding Options and other rights to acquire PSC Shares but including unvested Loan Funded Shares), based on the issued share capital as at the Last Practicable Date. The number of PSC Shares on issue may change as a result of any persons holding unvested Loan Funded Shares becoming 'bad leavers' under the LTIP following the date of this Scheme Booklet and prior to implementation of the Scheme and their unvested Loan Funded Shares being bought back in accordance with the LTIP Rules.

## Acceleration of vesting of Loan Funded Shares

As at the date of this Scheme Booklet, all Loan Funded Shares held by PSC Directors Tara Falk and James Kalbassi are unvested under the terms of the grant. These Loan Funded Shares were granted in February 2022 at an issue price of \$4.20 per Loan Funded Share. The 1,500,000 unvested Loan Funded Shares held by each of Ms Falk and Mr Kalbassi would vest in accordance with the following vesting schedule, provided that they remain an employee of, or engaged by, the PSC Group at the applicable vesting date:

- 25% of Loan Funded Shares on 28 February 2025 (375,000 Loan Funded Shares each);
- 25% of Loan Funded Shares on 28 February 2026 (375,000 Loan Funded Shares each);
- 25% of Loan Funded Shares on 28 February 2027 (375,000 Loan Funded Shares each); and
- 25% of Loan Funded Shares on 28 February 2028 (375,000 Loan Funded Shares each).

The Board has resolved to accelerate the vesting of all unvested Loan Funded Shares, as set out in Section 10.2. Accordingly, each of Ms Falk and Mr Kalbassi will be receiving a benefit if the Scheme proceeds, in the sense that if the Scheme becomes Effective, the vesting of their Loan Funded Shares will be accelerated. All amounts owing by Ms Falk and Mr Kalbassi to PSC in respect of their Loan Funded Shares (being the balance of the loan amount outstanding and any accrued, unpaid interest) will be deducted from the aggregate Cash Consideration payable to them upon implementation of the Scheme.

## Cancellation of Options

The Options held by Tony Robinson have an exercise price of \$6.50 per Option. As this exercise price is greater than the Cash Consideration, it is a requirement of the SID that these Options are cancelled for nil consideration before the Effective Date. Accordingly, Mr Robinson will not receive any benefit in connection with the Scheme in respect of his Options.

See Section 10.4.1 for further details of the interests of PSC Directors and Section 10.2 for the proposed treatment of all PSC Equity Incentives.

## 1.3 Rollover Shareholders

It is a condition precedent to implementation of the Scheme that PSC Directors, Paul Dwyer, John Dwyer, Brian Austin, James Kalbassi and Tara Falk elect to receive Scrip Consideration in respect of a minimum proportion of their PSC Shares (held via a custodian or indirectly via entities that they Control), as set out in the table below (being their Relevant Shares). Each of these PSC Directors (directly or via their associated PSC Shareholders) have made a valid Election in respect of their Relevant Shares so as to satisfy this Condition. This Condition was included in the SID given the importance to The Ardonagh Group of the continued involvement of these PSC Directors in the management of PSC's business and its integration into The Ardonagh Group's business, and Ardonagh's desire to align their interests with other members of its senior management.

In addition, under the SID, PSC and Rosedale Bidco agreed that certain other PSC Shareholders would be given the option to receive some of their Scheme Consideration as Scrip Consideration. Since the date of the SID, an entity Controlled by Tony Robinson, Managing Director, (along with five other members of PSC senior management (or their Controlled entities)) has made an Election to receive a specified proportion of its Scheme Consideration in the form of Scrip Consideration.

The six PSC Directors named above and the other five senior managers referred to above (or entities they Control or their custodian) are the **Rollover Shareholders** for the purposes of this Scheme Booklet. The Rollover Shareholders will receive a portion of their Scheme Consideration in the form of Scrip Consideration with the balance to be received as Cash Consideration. See the table below for the Scheme Consideration to be received by the PSC Directors associated with Rollover Shareholders.

The type of Scrip Consideration to be received (that is, Ardonagh D Shares or Loan Notes which will roll up into Tara D Shares) is dependent on the tax residency of the Rollover Shareholder. See below and Section 7.6 for further details. All other PSC Shareholders who are not Rollover Shareholders (being the **General Shareholders**), including other PSC Shareholders who are members of management or employees of the PSC Group, will receive only the Cash Consideration and are not entitled to make an Election for Scrip Consideration.



## 1. IMPORTANT INFORMATION REGARDING PSC DIRECTORS' RECOMMENDATION (continued)

PSC Director and place of residence	Number of PSC Shares subject to an Election to receive Scrip Consideration <sup>1</sup>	Percentage of PSC Director's net Scheme Consideration to be received in the form of Scrip Consideration <sup>2</sup>	Percentage of total PSC Shares on issue subject to an Election to receive Scrip Consideration	Scheme Consideration to be received (following roll up of Loan Notes) <sup>4</sup>
Paul Dwyer (Australian-resident)	13,121,629	22.95%	3.60%	\$272,689,453 cash and 8,549,520 Ardonagh D Shares <sup>5</sup>
Brian Austin (Australian-resident)	5,487,254	17%	1.51%	\$165,834,506 cash and 3,575,271 Ardonagh D Shares <sup>5</sup>
John Dwyer (Australian-resident)	7,934,125	22.95%	2.18%	\$164,884,429 cash and 5,169,553 Ardonagh D Shares <sup>5</sup>
Tony Robinson (Australian-resident)	247,173	6.87%	0.07%	\$20,749,604 cash and 161,047 Ardonagh D Shares <sup>5</sup>
Tara Falk <sup>3</sup> (UK-resident)	1,553,686	20%	0.43%	\$38,469,262 cash and 1,012,318 Tara D Shares
James Kalbassi <sup>3</sup> (UK-resident)	1,328,963	20%	0.36%	\$32,905,131 cash and 865,898 Tara D Shares
<b>Total</b>	<b>29,672,830</b>		<b>8.14%</b>	

### Notes:

- PSC Directors Mr P Dwyer, Mr J Dwyer, Mr Austin and Mr Robinson are not Rollover Shareholders personally but via PSC Shareholders that they Control.
- The aggregate holdings of the PSC Directors Mr P Dwyer, Mr J Dwyer, Mr Austin and Mr Robinson include all PSC Shareholders which they respectively Control or are associates of. In the case of Ms Falk and Mr Kalbassi, these percentages are calculated net of amounts owing on their Loan Funded Shares which will be set off against their Cash Consideration.
- The PSC Shares held by Ms Falk and Mr Kalbassi are held on their behalf via a custodian, HSBC Custody Nominees (Australia) Limited ACN 003 094 568, but they are receiving Scrip Consideration directly.
- Assuming no dividends are paid prior to the Implementation Date and there are no adjustments to the implied price of a Tara D Share or Ardonagh D Shares as a result of any material transactions undertaken by Ardonagh prior to implementation (see Section 5.6 for further details of adjustment events) and, in the case of UK-resident Rollover Shareholders, no election is made to receive Ardonagh D Shares as part of the roll-up of the Loan Notes as described in Section 7.6.1.
- Includes all entities which the relevant PSC Director Controls or is an associate of.

The Scrip Consideration is in the form of HoldCo Securities, being non-voting D shares in Ardonagh Holdco (the sub-Holding Company of Ardonagh) (i.e. Ardonagh D Shares) for Australian-resident Rollover Shareholders and Loan Notes to ultimately be converted into non-voting D ordinary shares in Tara Topco (the ultimate Holding Company of Ardonagh) (i.e. Tara D Shares) for UK-resident Rollover Shareholders (unless an election is made to receive Ardonagh D Shares as part of the roll up of the Loan Notes). The form of HoldCo Securities to be issued to the PSC Directors or entities that they Control is set out in the last column in the table above.

The Scrip Consideration was calculated on the basis of the same price per PSC Share as the Cash Consideration (see Section 5.6 for further detail). The Independent Expert has concluded that **"the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share** based on its review and analysis of certain confidential information provided by The Ardonagh Group". However, the value of the Scrip Consideration may well change (up or down) prior to and after implementation of the Scheme as a result of a range of factors including the underlying performance of The Ardonagh Group, the level of leverage and further acquisitions or disposals undertaken by it (having regard to its track record of making acquisitions since its launch in 2017). See Sections 5.4 to 5.6 and Sections 7.6 and 7.7 for further details of the Scrip Consideration.

As the rights of Rollover Shareholders under the Scheme are different from those of the General Shareholders, the Rollover Shareholders will constitute a separate class of members for the purpose of voting on the Scheme. This means General Shareholders will have the opportunity to vote independently and in a separate class from the Rollover Shareholders. See Section 4 for further details about the two voting classes.

#### 1.4 Transaction bonuses and retention payments

In recognition of the significant roles played by a number of senior PSC employees (including one PSC Director) in connection with the Scheme and the additional personal efforts required by those individuals to successfully implement the Scheme, certain employees will be paid a one-off transaction bonus by PSC if the Scheme is implemented (each a **Transaction Bonus**). These Transaction Bonuses, being approximately \$2.3 million in aggregate, will be payable by PSC or Ardonagh on or shortly after the Implementation Date.

Additionally, in order to incentivise certain key employees of the PSC Group to remain with the business under the ownership of The Ardonagh Group, Ardonagh will make a number of retention payments totalling approximately \$37.8 million to certain PSC employees (including two PSC Directors) (each a **Retention Payment**). Ardonagh presently intends to pay the Retention Payments to such recipients on or around one month following the Implementation Date and deduct from such payments amounts equal to income tax and national insurance contributions (where applicable). A recipient will be required to repay the Retention Payment in full (including any applicable income tax and national insurance contributions that had been deducted) if the recipient or their employing entity gives notice to terminate their employment or if their employment should otherwise end (unless they are a 'good leaver' within the meaning of the Ardonagh retention bonus terms) within 24 months of the date the Retention Payment is paid.

To this end, payments will be made to certain PSC Directors as follows:

- Tony Robinson will be paid a Transaction Bonus of \$400,000 by PSC;
- Tara Falk will be paid a Retention Payment of £1.5 million (being approximately \$2,846,300<sup>7</sup> by Ardonagh; and
- James Kalbassi will be paid a Retention Payment of £1.5 million (being approximately \$2,846,300<sup>7</sup> by Ardonagh.

These PSC Directors are associated with Rollover Shareholders. Certain of the other Rollover Shareholders (who are not, and are not associated with, PSC Directors) will be paid Retention Payments of approximately \$5.2 million<sup>7</sup> in aggregate. No other PSC Directors or Rollover Shareholders will be paid Transaction Bonuses or Retention Payments.

#### 1.5 Co-operation Deeds

In conjunction with signing the SID, Rosedale Bidco required that co-operation deeds be entered into with PSC Directors James Kalbassi, Tara Falk, Paul Dwyer, John Dwyer and Brian Austin and certain of their Controlled entities (**Co-operation Deeds**). The Co-operation Deeds include call options over a total of 19.99% of PSC Shares (**Option Shares**) in favour of Rosedale Bidco, at an exercise price equal to the Cash Consideration. The call options can be exercised if there is a public announcement of a Competing Proposal or Rosedale Bidco becomes aware of a Competing Proposal and Rosedale Bidco determines that the Competing Proposal is bona fide and could result in the Scheme not being implemented.

Additionally pursuant to the terms of the Co-operation Deeds, the parties to them cannot sell or dispose of a relevant interest in their Option Shares or vote their Option Shares in favour of or otherwise support a Competing Proposal (and must vote their Option Shares against any such Competing Proposal) unless it is a Superior Proposal and PSC has complied with its obligations under the Matching Right. See Section 10.5.3 for details of Rosedale Bidco's Matching Right.

The Co-operation Deeds (and the restrictions and call options granted under them) terminate if the SID is terminated. See Section 10.7 for a more detailed summary of the Co-Operation Deeds.

7. Calculated using the exchange rate 1 AUD = 0.5270 GBP, being the exchange rate published by the Reserve Bank of Australia on 26 June 2024.

## 2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

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## 2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

This Section sets out the reasons why the PSC Directors consider that you should vote in favour of the Scheme. Whilst the PSC Directors acknowledge that there may be reasons for you to vote against the Scheme (see Section 2.2 titled 'Reasons why you may vote against the Scheme'), they believe that the reasons to vote in favour of the Scheme outweigh the reasons to vote against the Scheme.

### 2.1 Reasons that you might vote FOR the Scheme

This Section sets out the reasons why the PSC Directors consider that you should vote in favour of the Scheme.

#### 2.1.1 PSC's Independent Directors and full PSC Board have considered the advantages and disadvantages of the Scheme, and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>8</sup> Subject to those same qualifications, the PSC Independent Directors and full PSC Board will be voting their own PSC Shares, and the PSC Shares that they Control, in favour of the Scheme

The PSC Independent Directors and full PSC Board unanimously recommend that PSC Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>8</sup> Note that the PSC Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares, the PSC Board does not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.

The PSC Independent Directors and full PSC Board have reached this recommendation having regard to the reasons to vote in favour of the Scheme, and the reasons to vote against the Scheme, as set out in this Scheme Booklet. The PSC Independent Directors and full PSC Board considered the market position of PSC and the outlook for the PSC business in determining whether to recommend the Scheme. The views held by the PSC Independent Directors and full PSC Board are supported by their deep industry knowledge, particularly in insurance.

The PSC Independent Directors and full PSC Board have undertaken an extensive process to reach this outcome, including a substantive number of board meetings and the formation of the IBC to assess and evaluate developments in relation to The Ardonagh Group's proposal. The decision to recommend the Scheme to PSC Shareholders was made independently by the IBC and in the absence of any conflict of interest.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders, each PSC Independent Director and the full PSC Board intends to vote all of their PSC Shares, and the PSC Shares that they Control, in favour of the Scheme.

#### 2.1.2 The Independent Expert has concluded that the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'

PSC appointed FTI Consulting (Australia) Pty Limited to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of the PSC Shareholders.

**The Independent Expert concluded that the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.**

The basis for this conclusion is that the Scheme consideration of \$6.19 per PSC Share is within the valuation range (as concluded by the Independent Expert) of **\$5.69 to \$6.65** per PSC Share on a controlling interest basis.

The Independent Expert has also concluded that **"the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share based on its review and analysis of certain confidential information provided by The Ardonagh Group"**. Note that the Independent Expert has not given any further opinion with respect to the Scrip Consideration, because Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares.

8. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

## 2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE (continued)

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 3 of this Scheme Booklet. PSC Shareholders should carefully review the Independent Expert's Report in its entirety.

### 2.1.3 The Cash Consideration of \$6.19 cash presents attractive multiples for PSC

The Cash Consideration of \$6.19 cash per PSC Share, which will be paid to Scheme Shareholders if the Scheme is approved and implemented implies:

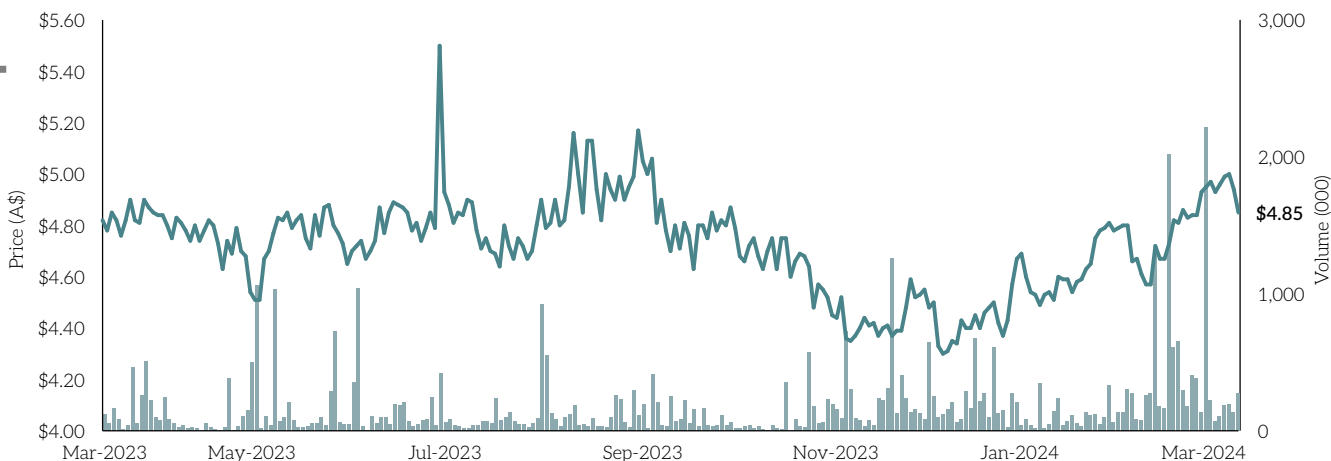
- a 20.8x<sup>9</sup> multiple of EV/EBITDA for the last 12 months;
- a 18.7x – 19.4x<sup>10</sup> multiple based on PSC's FY24 EBITDA guidance; and
- a P/E multiple for the last 12 months of 28.1x.

The EBITDA multiple is considered by the PSC Board to compare favourably to the average of comparable listed companies, and within the EBITDA range, on a controlling interest basis, of the comparable companies referenced by the Independent Expert's Report in respect of PSC's FY24 EBITDA guidance.

### 2.1.4 The Cash Consideration of \$6.19 per PSC Share represents an attractive premium to PSC's historical trading prices

If the Scheme is implemented, PSC Shareholders will receive \$6.19 in cash per PSC Share held on the Scheme Record Date (other than in respect of the portion of PSC Shares held by Rollover Shareholders for which they have elected to receive Scrip Consideration). The cash price of \$6.19 per PSC Share represents an attractive premium to the Last Undisturbed Closing Price (being the closing price of a PSC Share on the ASX on 12 March 2024 of A\$4.85, which was the last trading day for PSC Shares prior to market speculation about a potential control transaction was published) as per below:

- 27.6% premium to the Last Undisturbed Closing Price; and
- 32.7% premium to PSC's undisturbed three-month VWAP of A\$4.66 per share up to and including 12 March 2024.



In the twelve months to and including 12 March 2024, the PSC Share price increased 0.6% to close on 12 March 2024 at \$4.85.

### 2.1.5 The Scheme provides the opportunity to receive certain cash value for your investment in PSC

The offer is a 100% cash offer to General Shareholders and Rollover Shareholders will receive the same cash consideration in respect of the majority of their PSC Shares. If implemented, the Scheme provides a high degree of certainty of value, in cash, at a premium to PSC's recent trading benchmarks as set out in Section 6.7 of this Scheme Booklet.

9. Based on underlying 31 December 2023 LTM EBITDA of A\$116.5m.

10. Based on FY24 underlying EBITDA guidance of A\$125-130m.



More specifically, if the Scheme is implemented, Scheme Shareholders will receive \$6.19 in cash for each PSC Share held by them at the Scheme Record Date (currently expected to be 7:00pm (AEST) on 4 October 2024, to be paid on or about the Implementation Date, which is currently expected to be 11 October 2024) (except for that portion of the PSC Shares held by Rollover Shareholders for which they have elected to receive the Scrip Consideration).

### **2.1.6 As at the date of this Scheme Booklet, no Superior Proposal has emerged since the announcement of the Scheme**

The PSC Board is, at present, not aware of any Competing Proposal. Moreover, the PSC Board considers that the possibility of a Competing Proposal that could give rise to a Superior Proposal emerging in the foreseeable future is low. Since the announcement of the Scheme on 8 May 2024, no Competing Proposal has emerged to the knowledge of the PSC Board, and no PSC Director has received any approaches which could cause him or her to believe that a Competing Proposal is likely to emerge.

As set out in Section 10.5.3, under the SID, PSC is bound by customary exclusivity obligations, including in relation to Competing Proposals. In addition, as noted in Section 1.5 certain PSC Directors have granted call options over an aggregate of 19.9% of PSC's share capital in favour of Rosedale Bidco, which may deter Competing Proposals.

### **2.1.7 PSC's share price may fall if the Scheme is not implemented and no Superior Proposal emerges**

The closing price for PSC Shares on 12 March 2024 was \$4.85, being the last trading day prior to the publication of an article by the Australian Financial Review speculating that PSC was involved in a potential transaction.

The closing price for PSC Shares on 8 May 2024, prior to the announcement of the Scheme, was \$5.74.

If the Scheme is not implemented, and in the absence of a Superior Proposal, the price of PSC Shares on the ASX may fall, including to a price that is significantly below the Cash Consideration or below the Last Undisturbed Closing Price of \$4.85 per PSC Share and below the price at which PSC Shares have traded prior to the announcement of the Scheme on 8 May 2024.

The PSC Directors are unable to predict the price at which PSC Shares will trade in the future, but consider that if the Scheme does not proceed and in the absence of a Superior Proposal, the price of PSC Shares may fall.

### **2.1.8 If the Scheme does not proceed, you will continue to be subject to the risks associated with PSC's business and general market risks**

The PSC Board considers that PSC has a number of growth opportunities as an independent listed company on the ASX. Nevertheless, these initiatives will take time to fully implement and carry execution risk. Furthermore, PSC continues to face competition from rivals, which may disrupt PSC's strong market position.

If the Scheme does not proceed, PSC Shareholders will continue to be subject to these risks, as well as other specific risks inherent in PSC's business, including those summarised in more detail in Section 8 of this Scheme Booklet.

In addition, if the Scheme does not proceed, PSC Shares will continue to remain quoted on the ASX and will continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions and the demand for listed securities. The price that PSC Shareholders will be able to realise for their PSC Shares will necessarily be uncertain and subject to a number of other risks including those outlined in Section 8 of this Scheme Booklet. There is no guarantee that, in the foreseeable future (or otherwise), PSC Shareholders will be able to realise a price equal to, or greater than, the Cash Consideration of \$6.19 per PSC Share.

The Scheme removes these risks for PSC Shareholders and allows shareholders to exit their investment in PSC for Cash Consideration that the PSC Directors consider to be fair and reasonable, in the absence of a Superior Proposal.

### **2.1.9 No brokerage or stamp duty should be payable by you on the transfer of your PSC Shares if the Scheme proceeds**

You will not incur any brokerage and should not be liable for any stamp duty on the transfer of your PSC Shares to Rosedale Bidco under the Scheme.

If you sell your PSC Shares on the ASX rather than disposing of them via the Scheme, you may incur brokerage charges and potentially GST on those charges.

## 2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE (continued)

### 2.2 Reasons why you might vote AGAINST the Scheme

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

The PSC Independent Directors and the full PSC Board unanimously consider that these disadvantages and risks are outweighed by the advantages of the Scheme (as set out in Section 2.1), and that the Scheme is in the best interests of PSC Shareholders, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders. The PSC Independent Directors and the full PSC Board unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>11</sup> The Independent Expert has concluded that the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'. However, there may be reasons which lead you to consider voting against the Scheme, including those set out below.

#### 2.2.1 You may disagree with the opinion of the Independent Expert and the recommendation of the PSC Independent Directors and full PSC Board

Notwithstanding the unanimous recommendation of the PSC Independent Directors and full PSC Board that you vote in favour of the Scheme and the Independent Expert's conclusion that the Scheme is in the best interests of PSC Shareholders, you may hold a different view.

You are not obliged to follow the recommendation of the PSC Independent Directors and full PSC Board and may not agree with the Independent Expert's conclusion.

#### 2.2.2 There is a risk that the value of the Scrip Consideration being received by the Rollover Shareholders in respect of part of their shareholdings may exceed the value of the Cash Consideration

The Scrip Consideration was calculated on the basis of the same price per PSC Share as the Cash Consideration (see Section 5.6 for further detail). While the Independent Expert has concluded that "the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share based on its review and analysis of certain confidential information provided by Ardonagh" the value of the Scrip Consideration may well change (up or down) prior to and after implementation of the Scheme as a result of a range of factors including the underlying performance of The Ardonagh Group, the level of leverage and further acquisitions or disposals undertaken by it (having regard to its track record of making acquisitions since its launch in 2017).

It is therefore possible that the Rollover Shareholders will receive additional value in respect of part of their shareholdings by receiving the Scrip Consideration instead of the Cash Consideration. However, this should be considered in light of the fact that the Scrip Consideration will be highly illiquid and the other terms of the Scrip Consideration as summarised in Sections 5.6 and 7.7.

#### 2.2.3 You may consider that there is the potential for a Superior Proposal to emerge for PSC in the foreseeable future

It is possible that, if PSC were to continue as an independent listed entity, a corporate control proposal for PSC could materialise in the future, such as a takeover bid with a higher price.

Implementation of the Scheme will mean that PSC Shareholders will not receive the benefit of any such proposal. However, since PSC's announcement of the entry into the SID to the ASX on 8 May 2024 and up to the date of this Scheme Booklet, no Superior Proposal has emerged, and the PSC Board is not currently aware of any Competing Proposal, nor are the PSC Directors aware of any intention of a party to make a Competing Proposal.

11. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

#### **2.2.4 You may consider that the Scheme does not capture PSC's long-term potential and you may wish to participate in the future financial performance of the PSC business**

If the Scheme is approved and implemented, you will cease to be a PSC Shareholder in or around October 2024. However, you may consider that PSC has stronger long-term growth, particularly in light of PSC's strategic initiatives outlined in Section 6. In light of this, you may believe the Cash Consideration of \$6.19 per PSC Share does not fully reflect your views on long-term value. You may therefore prefer to retain your PSC Shares and realise the value of them over the longer term. However, there is no guarantee as to PSC's future performance or value as with all investments in listed securities.

#### **2.2.5 You may wish to maintain your current investment in PSC as an ASX-listed company**

You may prefer to keep your PSC Shares to preserve your investment in a listed company with the specific characteristics of PSC.

You may consider that PSC may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

PSC Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of PSC and they may incur transaction costs in undertaking any new investment.

#### **2.2.6 The tax consequences of the Scheme may not suit your current financial position**

Implementation of the Scheme may trigger taxation consequences for PSC Shareholders. A general summary of the Australian taxation implications of the Scheme in respect of the Cash Consideration to be received by PSC Shareholders is set out in Section 9.

This summary is expressed in general terms only and PSC Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

### **2.3 Additional considerations relating to the Scheme**

You should also consider the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

#### **2.3.1 The Scheme may be implemented even if you vote against the Scheme or do not vote at all**

You should be aware that if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of PSC Shareholders, the Scheme is approved by the Court, and if the other Conditions are satisfied or waived (where capable of waiver). If this occurs, your Scheme Shares will be transferred to Rosedale Bidco and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme at the relevant Scheme Meeting.

#### **2.3.2 Conditionality of the Scheme**

Implementation of the Scheme is subject to the Conditions summarised in Section 10.5.1 and set out in full in clause 3.1 of the SID. If the Conditions are not satisfied or waived (where capable of waiver), the Scheme will not become Effective and PSC Shareholders will not receive the Scheme Consideration.

#### **2.3.3 Warranty by Scheme Shareholders about their Scheme Shares**

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

- all of their Scheme Shares are fully paid, free from all Encumbrances and restrictions on transfer of any kind;
- they have full power and capacity to sell and transfer their Scheme Shares (together with any rights attaching to those Scheme Shares) to Rosedale Bidco pursuant to the Scheme; and
- they have no existing right to be issued any PSC Shares or any other securities by PSC.

## 2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE (continued)

### 2.3.4 Exclusivity

The SID includes certain exclusivity arrangements that PSC has made in favour of The Ardonagh Group. These include customary “no-shop”, “no-talk” and “no-due diligence” obligations (noting that the “no-talk” and “no due-diligence” obligations are subject to a fiduciary carve-out), as well as obligations of notification of actual, proposed or potential Competing Proposals and to provide a Matching Right to Rosedale Bidco in the event that a Superior Proposal is received by PSC. These exclusivity arrangements are described in further detail in Section 10.5.3 and set out in full in clause 14 of the SID.

### 2.3.5 Reimbursement Fee

PSC must pay the Reimbursement Fee to Rosedale Bidco in certain circumstances as summarised in Section 10.5.4 and set out in full in clause 15 of the SID.

### 2.3.6 Recommendation in relation to Scrip Consideration

In considering the Scheme and reaching its recommendation, the PSC Directors have only considered the Cash Consideration payable to Scheme Shareholders. The PSC Directors do not make any recommendation in respect of the Scrip Consideration including, as the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares, any recommendation in relation to whether the Rollover Shareholders should have elected to receive the Scrip Consideration.

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# 3.

## FREQUENTLY ASKED QUESTIONS



## 3. FREQUENTLY ASKED QUESTIONS

This Scheme Booklet contains detailed information on the proposed Scheme. The following Section provides summary answers to some basic questions you may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet.

Question	Answer	Section references
An overview of the Scheme		
1. <b>What is the Scheme?</b>	The Scheme is the process by which The Ardonagh Group will acquire PSC. If implemented, the Scheme will result in Rosedale Bidco acquiring all of the Scheme Shares in exchange for the Scheme Consideration.	Section 5.2
2. <b>Why have I received this Scheme Booklet?</b>	This Scheme Booklet has been sent to you because you are a PSC Shareholder. All PSC Shareholders are being asked to vote on the Scheme Resolution to approve the Scheme. The Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution.	Section 4
3. <b>Who is the Bidder/ Rosedale Bidco?</b>	Rosedale Bidco is the 'bidder' under the Scheme. It is a special purpose acquisition vehicle that has been incorporated by The Ardonagh Group for the purposes of the Scheme. Rosedale Bidco is a wholly owned subsidiary of The Ardonagh Group.	Section 7.2.4
4. <b>What is a scheme of arrangement and why has this transaction been structured as a scheme of arrangement?</b>	A scheme of arrangement is a way of implementing an acquisition of shares under the Corporations Act and is commonly used in transactions in Australia that may result in a change of ownership or control of a public company such as PSC.  Effecting the transaction via this Scheme is believed to be the most efficient structure to implement the sale of PSC Shares.	
5. <b>Who is entitled to participate in the Scheme?</b>	Each person who is a PSC Shareholder as at the Scheme Record Date will be entitled to participate in the Scheme.	Section 4.11
6. <b>What is the timetable for the transaction?</b>	If PSC Shareholders approve the Scheme and Court approval is obtained, the Scheme is expected to be implemented on 11 October 2024. This is based on the current scheduled timetable of key dates set out on page 3 of this Scheme Booklet, which is subject to change for example if there is a delay in obtaining the regulatory approvals required for the Scheme.	Page 3
7. <b>What are my options?</b>	You may: <ol style="list-style-type: none"> <li>(a) vote for or against the Scheme Resolution to approve the Scheme;</li> <li>(b) sell your PSC Shares on-market before the Effective Date or off-market before the Scheme Record Date; or</li> <li>(c) abstain or do nothing, in which case:               <ol style="list-style-type: none"> <li>(i) if the Scheme becomes Effective, your PSC Shares will be transferred to Rosedale Bidco and you will receive the Scheme Consideration for all of your PSC Shares held on the Scheme Record Date; and</li> <li>(ii) if the Scheme does not become Effective, you will continue to hold your PSC Shares.</li> </ol> </li> </ol>	Sections 4 and 5

Question	Answer	Section references
An overview of the Scheme		
8. What should I do?	<p>You should read this Scheme Booklet carefully in its entirety and then vote by attending the General Scheme Meeting (or, if you are a Rollover Shareholder, the Rollover Shareholders Scheme Meeting) or by appointing a proxy, corporate representative to attend the relevant Scheme Meeting on your behalf, or by submitting a direct vote in accordance with the instructions set out on the applicable Proxy Form. For more information on why there are two meetings, refer to the question “Why are there two meetings in relation to the Scheme?”</p> <p>PSC strongly encourages PSC Shareholders to consider lodging a directed proxy or submitting a direct vote in accordance with the instructions set out on the applicable Proxy Form before the relevant Scheme Meeting in the event that they are not able to participate in the relevant Scheme Meeting.</p>	Section 4

Question	Answer	Section references
The Scheme Consideration		
9. What will I receive if the Scheme becomes Effective and is implemented?	If the Scheme is implemented and you are a Scheme Shareholder, you will receive the Scheme Consideration.	Section 5.3
10. What is the Scheme Consideration?	<p>The Scheme Consideration consists of:</p> <p>(a) in respect of General Shareholders (i.e. all Scheme Shareholders other than Rollover Shareholders), cash consideration of \$6.19 per PSC Share (being the Cash Consideration);<sup>12</sup> and</p> <p>(b) in respect of the Rollover Shareholders (a mixture of Cash Consideration and Scrip Consideration, depending on the Election made).</p>	Section 5.3
11. What premium is being offered?	<p>The Cash Consideration of \$6.19 cash per Scheme Share represents a significant premium of:</p> <p>(a) 27.6% premium to the Last Undisturbed Closing Price on 12 March 2024 of A\$4.85, being the last trading day for PSC Shares prior to market speculation about a potential control transaction was published; and</p> <p>(b) 32.7% premium to PSC’s undisturbed three-month VWAP of A\$4.66 per share up to and including 12 March 2024.</p>	Section 2.1.4

12. The A\$6.19 per share consideration will be reduced by the amount per share of any future dividend or capital return declared or paid by PSC. No further dividends are currently intended to be paid.

### 3. FREQUENTLY ASKED QUESTIONS (continued)

Question	Answer	Section references
<b>The Scheme Consideration</b>		
<b>12. When will I receive the Scheme Consideration?</b>	<p>If the Scheme becomes Effective, the Scheme Consideration will be paid to Scheme Shareholders on the Implementation Date.</p> <p>If the Scheme is not approved by the Requisite Majorities of PSC Shareholders at each Scheme Meeting and approved by the Court, or the SID is otherwise terminated, the Scheme will not proceed and the Scheme Consideration will not be paid.</p>	Section 5.3
<b>13. Will any further dividends be paid?</b>	<p>As at the date of the Scheme Booklet, it is not the intention of the PSC Directors to pay any further dividends before the Effective Date. If a dividend is paid before the Scheme becomes Effective, the amount of the dividend will directly reduce the amount of the Scheme Consideration.</p> <p>The PSC Directors retain the discretion to declare a dividend in circumstances where the Scheme does not proceed.</p>	Section 5.3
<b>Rollover Shareholders</b>		
<b>14. Who are the Rollover Shareholders and what is the Election?</b>	<p>The Rollover Shareholders comprise 6 PSC Directors and 5 senior managers of the PSC Group (or entities they Control or their custodian).</p> <p>The Rollover Shareholders are the only PSC Shareholders entitled to make an election to receive some of their Scheme Consideration as Scrip Consideration (being an Election). Prior to the date of this Scheme Booklet, the Rollover Shareholders have collectively made Elections to receive Scrip Consideration for 30.4 million PSC Shares in aggregate.</p>	Sections 1.3 and 5.4
<b>15. Why are the Rollover Shareholders being offered Scrip Consideration?</b>	<p>The continued involvement of the Rollover Shareholders in the management of PSC's business and its integration into The Ardonagh Group's business is of importance to Ardonagh, and equity ownership forms an essential part of The Ardonagh Group's remuneration and management structure. Accordingly, the Rollover Shareholders are being offered Scrip Consideration as The Ardonagh Group wishes to ensure that there is alignment and incentivisation across the merged group.</p>	Section 5.4
<b>16. What is the Scrip Consideration?</b>	<p>The Scrip Consideration comprises HoldCo Securities (being securities in The Ardonagh Group). The type of security issued under the Scheme will be different for Australian-resident and UK-resident Rollover Shareholders. The Australian-resident Rollover Shareholders will be issued Ardonagh D Shares, being non-voting shares in the capital of Ardonagh Holdco, the sub-Holding Company of Ardonagh, and UK-resident Rollover Shareholders will be issued Loan Notes to ultimately be converted into Tara D Shares, being non-voting ordinary shares in the capital of Tara Topco, the ultimate Holding Company of Ardonagh (unless they make an election to receive Ardonagh D Shares).</p>	Sections 5.3.2, 5.4 and 7.6

Question	Answer	Section references
Questions about The Ardonagh Group		
<b>17. Who is The Ardonagh Group and what are its intentions for PSC?</b>	<p>The Ardonagh Group is one of the world's largest independent insurance distribution platforms and a top 20 broker globally. The Ardonagh Group is a collection of best-in-class entrepreneurial and specialist brands with a workforce of over 8,000 professionals across more than 150 offices globally. Across its portfolio, The Ardonagh Group offers a highly diversified range of insurance-related products and services across the full insurance value chain globally.</p> <p>It is the present intention of The Ardonagh Group:</p> <p>(a) to transfer and integrate the PSC Group's Australia and New Zealand operations with the Envest Group (of which Ardonagh is a majority shareholder, having acquired that holding in February 2023), becoming one of Australia's largest privately owned insurance distribution platforms; and</p> <p>(b) to merge PSC's UK operations into 'Ardonagh Specialty' and 'Ardonagh Advisory', further building The Ardonagh Group's position as one of the leading players in UK wholesale and retail broking.</p>	Section 7
<b>18. How is The Ardonagh Group funding the Cash Consideration?</b>	The Ardonagh Group intends to fund the aggregate amount of the Cash Consideration through cash on balance sheet from recently drawn term loans and funding from its existing shareholders to be raised prior to the Scheme being implemented, as described in Section 7.5 of this Scheme Booklet.	Section 7.5
Voting considerations		
<b>19. What am I being asked to vote on at the relevant Scheme Meeting?</b>	<p>You are being asked to vote on whether or not to approve the Scheme by voting at the relevant Scheme Meeting.</p> <p>The text of the Scheme Resolution is set out in the Notice of General Scheme Meeting at Annexure 1 (for General Shareholders) and the Notice of Rollover Shareholders Scheme Meeting at Annexure 2 (for Rollover Shareholders).</p>	Annexure 1 and Annexure 2
<b>20. What do the PSC Directors recommend?</b>	<p>The PSC Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>13</sup></p> <p>Note that the PSC Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares, the PSC Board does not make any recommendation in relation to the Scrip Consideration.</p> <p>The reasons for the PSC Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 2.</p>	Section 1.1
<b>21. How do the PSC Directors intend to vote?</b>	Each PSC Director intends to vote the PSC Shares he or she holds or Controls in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.	Section 2.1.1

13. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

### 3. FREQUENTLY ASKED QUESTIONS (continued)

Question	Answer	Section references
Voting considerations		
22. Do any of the PSC Directors have additional interests in the Scheme?	<p>Certain of the PSC Directors (or entities they Control or their custodian) are Rollover Shareholders and therefore will receive the Scrip Consideration in respect of a portion of their PSC Shares. Rollover Shareholders will however receive the majority of their Scheme Consideration as Cash Consideration, on the same terms as the General Shareholders.</p> <p>The vesting of the Loan Funded Shares held by James Kalbassi and Tara Falk will be accelerated such that all of their unvested Loan Funded Shares will vest on the Scheme becoming Effective.</p> <p>Tony Robinson will receive a Transaction Bonus of \$400,000 (to be paid by PSC), and James Kalbassi and Tara Falk will receive Retention Payments of £1.5 million each (to be paid by Ardonagh), if the Scheme is implemented.</p>	Section 1
23. What is the IBC and what does it recommend?	<p>The IBC is an independent board committee that was established by PSC to consider acquisition proposals in respect of PSC, given the different consideration offered to certain of the PSC Directors or entities they Control under the proposal presented by The Ardonagh Group. At the date of this Scheme Booklet the IBC comprises the Independent Directors, Melvyn Sims and Joanne Dawson (being the PSC Directors who are not receiving any Scrip Consideration as they are not, and do not Control, Rollover Shareholders).</p> <p>The IBC unanimously recommends that PSC Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders. The IBC makes no recommendation on the Scrip Consideration, as the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares.</p>	Section 1.1
24. What is the Independent Expert's conclusion?	<p>The Independent Expert has concluded that the Scheme is 'in the best interests' of PSC Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.</p> <p>The Independent Expert has assessed the value of PSC at between \$5.69 and \$6.65 per PSC Share on a controlling interest basis. The Cash Consideration of \$6.19 per PSC Share is above the mid-point of this range.</p> <p>A complete copy of the Independent Expert's Report is annexed at Annexure 3. You are encouraged to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme.</p> <p>The Independent Expert has also concluded that "the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share based on its review and analysis of certain confidential information provided by The Ardonagh Group". Note that the Independent Expert has not further opined on whether the Scheme is fair and reasonable and in the best interests of the Rollover Shareholders to the extent that they have elected to receive Scrip Consideration, because the Rollover Shareholders have already made their Elections which constitute binding contractual commitments to acquire the Scrip Consideration if the Scheme is approved and becomes Effective. Accordingly, as at the date of this Scheme Booklet, Rollover Shareholders have already formed their view of the merits of the Scrip Consideration.</p>	Section 2.1.2 and Annexure 3



Question	Answer	Section references
<b>Voting considerations</b>		
<b>25. Why should I vote in favour of the Scheme?</b>	Section 2.1 sets out some of the reasons why the PSC Directors consider that you should vote in favour of the Scheme.	Section 2.1
<b>26. Why might I consider voting against the Scheme?</b>	Section 2.2 sets out some of the reasons which may lead you to consider voting against the Scheme.	Section 2.2
<b>27. What can I do if I oppose the Scheme?</b>	<p>If you, as a PSC Shareholder, oppose the Scheme, you may:</p> <p>(a) vote against the Scheme Resolution at the General Scheme Meeting or the Rollover Shareholders Scheme Meeting (as applicable to you); and/or</p> <p>(b) if PSC Shareholders pass the Scheme Resolution at the Scheme Meetings and you wish to appear and be heard at the hearing on the Second Court Date, you must lodge a notice of intention to appear at such hearing and indicate opposition to the Scheme. You should seek professional advice as to how to do this.</p>	Section 4
<b>The Scheme Meetings and voting details</b>		
<b>28. When and where will the Scheme Meetings be held?</b>	<p>The General Scheme Meeting is currently expected to be held at 9:30am (AEST) on 26 September 2024, in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and online via the online meeting platform at <a href="https://meetings.linkgroup.com/psischeme24">https://meetings.linkgroup.com/psischeme24</a>.</p> <p>The Rollover Shareholders Scheme Meeting will be held after the General Scheme Meeting at 11:00am (AEST) on 26 September 2024 in person at the same location and online via the online meeting platform at <a href="https://meetings.linkgroup.com/psiroll24">https://meetings.linkgroup.com/psiroll24</a>.</p>	Section 4.1 Annexure 1 and Annexure 2
<b>29. Why are there two meetings in relation to the Scheme?</b>	<p>There are two meetings in relation to the Scheme because the Rollover Shareholders are being offered a different form of consideration to the General Shareholders. Therefore, their rights under the Scheme are different from those of the General Shareholders such that they constitute a separate class of members for the purposes of voting on the Scheme.</p> <p>This means that the Rollover Shareholders will not be permitted to vote at the General Scheme Meeting and will instead vote at the Rollover Shareholders Scheme Meeting.</p> <p>Equally, the General Shareholders will not be permitted to vote at the Rollover Shareholders Scheme Meeting.</p>	Sections 1.1 and 4
<b>30. Am I entitled to vote?</b>	Each PSC Shareholder who is registered on the Register at 7:00pm (AEST) on the Meeting Record Date (currently expected to be 24 September 2024), is entitled to vote at the relevant Scheme Meeting. If you are not registered on the Register on such date, for example, because you sold all of your PSC Shares, you will not be entitled to vote at the relevant Scheme Meeting.	Section 4.9 Annexure 1 and Annexure 2 set out further details on voting eligibility

### 3. FREQUENTLY ASKED QUESTIONS (continued)

Question	Answer	Section references
The Scheme Meetings and voting details		
<b>31. How do I vote?</b>	<p>You can vote on the Scheme Resolution:</p> <p>(a) in person or online, by attending the General Scheme Meeting or Rollover Shareholders Scheme Meeting (as applicable) in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 or virtually via the online meeting platform by entering the following URL <a href="https://meetings.linkgroup.com/psischeme24">https://meetings.linkgroup.com/psischeme24</a> (for the General Scheme Meeting) or <a href="https://meetings.linkgroup.com/psiroll24">https://meetings.linkgroup.com/psiroll24</a> (for the Rollover Shareholders Scheme Meeting) into a web browser on your computer, tablet or smartphone;</p> <p>(b) by appointing a proxy (including by completing and returning the Proxy Form or lodging your proxy in accordance with the instructions set out on the applicable Proxy Form before 9:30am (AEST) on 24 September 2024 for the General Scheme Meeting or 11:00am (AEST) on 24 September 2024 for the Rollover Shareholders Scheme Meeting) or an attorney to participate on your behalf. You may also vote by corporate representative if that option is available to you; or</p> <p>(c) by direct vote prior to the relevant Scheme Meeting, by lodging your vote in accordance with the instructions set out on the applicable Proxy Form at any time between the date of this Scheme Booklet and 9:30am (AEST) on 24 September 2024 for the General Scheme Meeting or 11:00am (AEST) on 24 September 2024 for the Rollover Shareholders Scheme Meeting.</p>	<p>Section 4</p> <p>Annexure 1 and Annexure 2 contain further details on how to vote</p>
<b>32. Is voting compulsory?</b>	<p>No. Voting is not compulsory. However, PSC Directors believe that the Scheme is important for all PSC Shareholders and the PSC Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>14</sup></p>	<p>The reasons for the PSC Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Sections 1 and 2</p>
<b>33. What voting majority is required to approve the Scheme?</b>	<p>The Scheme needs to be approved by the Requisite Majorities of PSC Shareholders at each of the Scheme Meetings, which are:</p> <p>(a) at least 75% of the total number of votes cast on the respective Scheme Resolution (either in person or virtually, or by proxy, corporate representative or attorney), where each PSC Share carries one vote; and</p> <p>(b) a majority in number (more than 50%) of PSC Shareholders present and voting (in person or virtually, or by proxy, corporate representative or attorney) at the relevant Scheme Meeting.</p> <p>The Court has the discretion to waive the second of these requirements if it considers it appropriate to do so. If the Scheme is not approved by the Requisite Majorities of PSC Shareholders at each of the Scheme Meetings and the Court has not exercised its discretion to waive the second requirement, the Scheme will not proceed.</p>	<p>Section 4.2</p>

14. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

Question	Answer	Section references
<b>The Scheme Meetings and voting details</b>		
<b>34. When will the result of the Scheme Meetings be known?</b>	<p>The result of each Scheme Meeting will be available shortly after the conclusion of that Scheme Meeting and will be announced to ASX as soon as practicable.</p> <p>PSC Shareholders should note that, even if the Scheme Resolution is passed at both Scheme Meetings, the Scheme remains subject to approval of the Court and satisfaction or waiver (if permitted) of all other Conditions.</p>	Section 5.8
<b>Implementation of the Scheme</b>		
<b>35. Are there conditions that need to be satisfied before the Scheme can proceed?</b>	<p>Yes. Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions. These Conditions are summarised in Section 10.5.1 and set out in full in clause 3.1 of the SID and include foreign investment approval and approval from the UK's Financial Conduct Authority and the ACCC.</p> <p>As at the date of this Scheme Booklet, the PSC Directors are not aware of any reason why any Condition will not be satisfied or waived (if capable of waiver).</p> <p>If the Scheme is approved by the Requisite Majorities of PSC Shareholders at the Scheme Meetings and the other Conditions are satisfied or waived, PSC will apply to the Court for approval of the Scheme.</p>	Section 10.5.1
<b>36. When will the Scheme become Effective?</b>	<p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> <li>(a) the Scheme is approved by the Requisite Majorities of PSC Shareholders at both Scheme Meetings;</li> <li>(b) the Court approves the Scheme on the Second Court Date; and</li> <li>(c) all other Conditions are satisfied or waived (as applicable).</li> </ul> <p>Subject to the above, the Scheme will become Effective on the Effective Date, which is currently expected to be 2 October 2024.</p>	Section 5.8
<b>37. What happens if the Scheme is not approved?</b>	<p>If the Scheme is not approved by the Requisite Majorities of PSC Shareholders at both Scheme Meetings and approved by the Court, the Scheme will not proceed.</p> <p>If the Scheme does not proceed:</p> <ul style="list-style-type: none"> <li>(a) Rosedale Bidco will not acquire the Scheme Shares;</li> <li>(b) Scheme Shareholders will not receive the Scheme Consideration;</li> <li>(c) PSC will continue to be listed on ASX; and</li> <li>(d) PSC Shareholders will retain their PSC Shares and continue to share in any benefits and risks of PSC's ongoing business.</li> </ul> <p>If the Scheme does not proceed, and no Superior Proposal emerges, PSC Shareholders will continue to be exposed to the general market risks and the risk factors relating to the business and operations of PSC set out in Section 8.</p>	Section 5.9

### 3. FREQUENTLY ASKED QUESTIONS (continued)

Question	Answer	Section references
Implementation of the Scheme		
38. What happens if the Conditions are not satisfied or the SID is terminated?	<p>If each Condition is not satisfied or waived (where capable of waiver) or the SID is otherwise terminated, the Scheme will not proceed.</p> <p>The SID can be terminated by PSC or Rosedale Bidco (as applicable) in limited circumstances which are customary for a transaction of this nature. The circumstances in which PSC or Rosedale Bidco (as applicable) can terminate the Scheme are summarised in Section 10.5.6 of this Scheme Booklet and set out in full in clauses 3.9 and 18 of the SID.</p> <p>Depending on the reasons for the SID being terminated, PSC may be liable to pay the Reimbursement Fee to Rosedale Bidco, or Rosedale Bidco may be liable to pay the Reverse Reimbursement Fee to PSC. The Reimbursement Fee will not be payable merely because PSC Shareholders do not approve the Scheme.</p>	Section 10.5.6
39. Do PSC Shareholders need to do anything if the Scheme becomes Effective?	If the Scheme becomes Effective, no further action is required on the part of PSC Shareholders in order to implement the Scheme. Under the Scheme, PSC is given authority to effect a valid transfer of all Scheme Shares to Rosedale Bidco and to enter the name of Rosedale Bidco in the Register as holder of all the Scheme Shares and Scheme Shareholders will receive the Scheme Consideration.	Sections 5.2 and 5.10
40. When is the Exclusivity Period and what exclusivity arrangements are in place?	<p>The SID includes exclusivity arrangements which apply from the date of the SID until the earlier of:</p> <p>(a) the date that the SID is terminated;</p> <p>(b) the End Date, being 8 February 2025; and</p> <p>(c) the Effective Date, being the date on which the Scheme becomes Effective,</p> <p>(being the <b>Exclusivity Period</b>).</p> <p>During the Exclusivity Period, PSC may generally not solicit, discuss or provide any due diligence materials to third parties with respect to Competing Proposals for PSC or its business.</p>	Section 10.5.3
41. What happens if a Superior Proposal for PSC emerges?	If PSC receives a Superior Proposal from a third party, there are certain steps that must be taken by PSC in respect of that proposal. PSC must notify Rosedale Bidco of any Competing Proposal, and Rosedale Bidco has a right to match any Competing Proposal that is or would be reasonably likely to lead to a Superior Proposal, in accordance with the SID (the Matching Right).	Section 10.5.3
42. What are the prospects of receiving a Superior Proposal?	<p>The PSC Board considers the prospects of receiving a Superior Proposal to be low, as PSC appointed Goldman Sachs to advise the PSC Board on potential strategic options for PSC including identifying potential acquirers in December 2023, and since the SID was announced on 8 May 2024 neither the PSC Board nor any of PSC's Advisers has received any Competing Proposal from a third party and there are no third party discussions underway with PSC (or its Advisers) in relation to any Competing Proposal.</p> <p>PSC Shareholders should note that PSC has agreed to certain exclusivity and break fee provisions in favour of Rosedale Bidco under the SID which may reduce the likelihood of a Competing Proposal emerging. Please also see the question below titled "Are the Co-operation Deeds an impediment to Competing Proposals?"</p>	Section 2.1.6

Question	Answer	Section references
<b>Implementation of the Scheme</b>		
43. What are the Co-operation Deeds?	<p>Rosedale Bidco has entered into Co-operation Deeds with certain PSC Directors (and entities they Control). The Co-operation Deeds include call options over the Option Shares, being 19.99% of PSC Shares, in favour of Rosedale Bidco, at an exercise price equal to the Cash Consideration.</p> <p>Under the Co-operation Deeds, the PSC Directors (and their relevant Controlled entities) cannot sell or dispose of a relevant interest in their Option Shares or vote in favour of or otherwise support a Competing Proposal unless it is a Superior Proposal and PSC has complied with its obligations under the Matching Right.</p>	Sections 1.5 and 10.7
44. Are the Co-operation Deeds an impediment to Competing Proposals?	<p>Yes. The call options can be exercised if there is a public announcement of a Competing Proposal or Rosedale Bidco becomes aware of a Competing Proposal and Rosedale Bidco determines that the Competing Proposal is bona fide and could result in the Scheme not being implemented.</p> <p>Rosedale Bidco can therefore acquire 19.99% of PSC Shares if a Competing Proposal were to emerge. Accordingly, Rosedale Bidco can effectively obtain a blocking stake, which may deter other proponents from making a Competing Proposal.</p>	Sections 1.5 and 10.7
45. What is the Reimbursement Fee and when is it payable to The Ardonagh Group?	The Reimbursement Fee is \$22,600,000, being approximately 1% of the equity value of PSC implied by the Cash Consideration. This fee is payable by PSC to Rosedale Bidco in certain circumstances, including if during the Exclusivity Period, subject to certain exceptions, any PSC Director withdraws, adversely changes or qualifies their support of the Scheme or recommends, supports or endorses a Competing Proposal.	Section 10.5.4
46. What is the Reverse Reimbursement Fee and when is the Reverse Reimbursement Fee payable to PSC?	The Reverse Reimbursement Fee is \$22,600,000. Rosedale Bidco is required to pay PSC the Reverse Reimbursement Fee in certain circumstances including if PSC has terminated the SID for Rosedale Bidco's material breach of the SID or if the Scheme becomes effective but Rosedale Bidco does not pay or procure the provision of the Scheme Consideration.	Section 10.5.5
<b>Question</b>		
<b>Answer</b>		
<b>Section references</b>		
<b>Other</b>		
47. Can I keep my PSC Shares?	If the Scheme becomes Effective, all Scheme Shares will be transferred to Rosedale Bidco. This will happen even if you did not vote or if you voted against the Scheme at the relevant Scheme Meeting. If the Scheme does not become Effective, you will continue to hold your PSC Shares.	Section 5.2
48. When will PSC Shares cease trading on ASX?	PSC Shares are expected to cease trading from the close of trading on ASX on the Effective Date, which is currently expected to be 2 October 2024 based on the current scheduled timetable of key dates set out on page 3 of this Scheme Booklet.	Page 3

### 3. FREQUENTLY ASKED QUESTIONS (continued)

Question	Answer	Section references
Other		
49. Can I sell my PSC Shares on the ASX before the Scheme becomes Effective?	<p>Yes. You can sell your PSC Shares on market at any time up to close of trading on ASX on the Effective Date (however the price may vary from the Cash Consideration). You will not be able to sell your PSC Shares on market after the Effective Date, as this will be the last day of trading in PSC Shares on ASX before trading is suspended. You may however seek to sell your PSC Shares off-market after the Effective Date but before the Scheme Record Date.</p> <p>If you sell your PSC Shares before the Scheme Record Date, you:</p> <ul style="list-style-type: none"> <li>(a) may receive the proceeds from the sale of your PSC Shares sooner than you would receive payment under the Scheme (however your sale proceeds may vary from the Cash Consideration);</li> <li>(b) may incur brokerage costs if you sell your PSC Shares on market; and</li> <li>(c) will not be able to participate in the Scheme and receive the Scheme Consideration.</li> </ul>	Sections 4.11 to 4.13
50. Will I have to pay brokerage fees or stamp duty?	No, you will not have to pay brokerage and should not be liable for stamp duty if your PSC Shares are acquired under the Scheme.	Section 9.5
51. What are the tax implications of the Scheme?	<p>If the Scheme becomes Effective, there may be tax consequences for Scheme Shareholders which may include tax being payable on any gain on disposal of PSC Shares. For further general information about the Australian tax consequences of the Scheme for certain PSC Shareholders in respect of the Cash Consideration, see Section 9.</p> <p>The tax treatment may vary depending on your individual circumstances. PSC encourages you to seek independent professional taxation advice in relation to your particular circumstances.</p>	Section 9
52. What if I have further questions about the Scheme?	If PSC Shareholders have any questions in relation to the Scheme or require further information they should call the Scheme Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.30pm (AEST).	

# 4.

## DETAILS OF THE SCHEME AND HOW TO VOTE

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## 4. DETAILS OF THE SCHEME AND HOW TO VOTE

### 4.1 Details of Scheme Meetings

The notice convening the General Scheme Meeting is attached at Annexure 1 to this Scheme Booklet and the Notice of Rollover Shareholders Scheme Meeting is attached at Annexure 2 to this Scheme Booklet.

The General Scheme Meeting is expected to be held on Thursday, 26 September 2024 at 9:30am (AEST) in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and virtually through the online meeting platform at <https://meetings.linkgroup.com/psischeme24>.

The Rollover Shareholders Scheme Meeting is expected to be held after the General Scheme Meeting on Thursday, 26 September 2024 at 11:00am (AEST), in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and virtually through the online meeting platform at <https://meetings.linkgroup.com/psiroll24>.

Instructions on how to ask questions during the relevant Scheme Meeting are outlined in the Notice of General Scheme Meeting in Annexure 1 and Notice of Rollover Shareholders Scheme Meeting in Annexure 2 (as applicable).

### 4.2 Voting majorities required

As the rights of Rollover Shareholders under the Scheme are different from those of the General Shareholders, the Rollover Shareholders will constitute a separate class of members for the purpose of voting on the Scheme. The General Shareholders will vote at the General Scheme Meeting and the Rollover Shareholders will vote at the Rollover Shareholders Scheme Meeting.

The Scheme needs to be approved by the Requisite Majorities of PSC Shareholders at each of the Scheme Meetings, which is:

- 4.2.1 at least 75% of the total number of votes cast on the respective Scheme Resolution by PSC Shareholders present and voting (in person or virtually, or by proxy, corporate representative or attorney); and
- 4.2.2 a majority in number (more than 50%) of PSC Shareholders present and voting (in person or virtually, or by proxy, corporate representative or attorney) at the relevant Scheme Meeting.

The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.

If the Scheme is not approved by the Requisite Majorities of PSC Shareholders and approved by the Court, the Scheme will not proceed.

### 4.3 Your choices as a PSC Shareholder

As a PSC Shareholder, you have the following choices:

- 4.3.1 you can vote for or against the Scheme at the relevant Scheme Meeting yourself, by attorney, by proxy or, in the case of corporate shareholders, by corporate representative or by submitting a direct vote;
- 4.3.2 you can elect not to vote at the relevant Scheme Meeting;
- 4.3.3 you can sell your PSC Shares on market at any time before the close of trading on the ASX on the Effective Date;
- 4.3.4 you can sell your PSC Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5:00pm on the Scheme Record Date; or
- 4.3.5 you can do nothing, in which case:
  - (a) if the Scheme becomes Effective and is implemented, your Scheme Shares will be transferred to Rosedale Bidco and you will receive the Scheme Consideration; or
  - (b) if the Scheme does not become Effective and is not implemented, you will continue to hold your PSC Shares.

You should be aware that even if you do not attend the Scheme Meeting, or do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by Scheme Shareholders by the Requisite Majorities, is approved by the Court, and becomes unconditional. If this occurs, any PSC Shares that you hold on the Scheme Record Date will be transferred to Rosedale Bidco and you will receive the Scheme Consideration for those Scheme Shares, even though you did not vote on, or voted against, the Scheme.

#### 4.4 How to vote in person

To vote in person at the General Scheme Meeting or the Rollover Shareholders Scheme Meeting, Scheme Shareholders must physically attend the General Scheme Meeting or Rollover Shareholders Scheme Meeting (as applicable). A Scheme Shareholder will be admitted to the applicable Scheme Meeting upon providing evidence of his or her name and address at the point of entry to the applicable Scheme Meeting.

#### 4.5 How to vote online

Scheme Shareholders may vote online at the General Scheme Meeting or Rollover Shareholders Scheme Meeting (as applicable): via <https://meetings.linkgroup.com/psischeme24> (for the General Scheme Meeting) or <https://meetings.linkgroup.com/psiroll24> (for the Rollover Shareholders Scheme Meeting), (see below for details).

How to attend and vote online:

- 4.5.1 Scheme Shareholders can watch and participate in the General Scheme Meeting or Rollover Shareholders Scheme Meeting (as applicable) online via the online platform at <https://meetings.linkgroup.com/psischeme24> (for the General Scheme Meeting) or <https://meetings.linkgroup.com/psiroll24> (for the Rollover Shareholders Scheme Meeting) on your smartphone, tablet or computer. Please ensure your browser is compatible.
- 4.5.2 Please refer to the relevant Virtual Meeting Online Guide available at <https://events.miraql.com/psc-scheme> for further information about how to log in, vote and ask questions online.
- 4.5.3 Log in to the portal using your full name, mobile number, email address and participant type. Rollover Shareholders will receive a passcode to use to log in to the portal.
- 4.5.4 You will need to register to vote:
  - (a) If you are an individual or joint shareholder you will need to register and provide validation by entering your shareholder number (your SRN/HRN) and postcode registered on your holding (or country of residence if outside of Australia).
  - (b) If you are an appointed proxy, you will enter the proxy number issued by Link in the PROXY DETAILS section.

Participation in the General Scheme Meeting or Rollover Shareholders Scheme Meeting (as applicable) online enables Scheme Shareholders to view the General Scheme Meeting or Rollover Shareholders Scheme Meeting (as applicable) live, ask questions and cast votes at the appropriate times during the meetings.

#### 4.6 How to vote by attorney or corporate representative

Persons who are attending a Scheme Meeting as an attorney must provide a certified copy of the power of attorney to the Share Registry by no later than 48 hours before the start of the applicable Scheme Meeting.

Persons who are attending a Scheme Meeting as a corporate representative for a corporation must provide evidence of their appointment. The appointment must comply with section 250D of the Corporations Act and must be lodged with the Share Registry by no later than 48 hours before the start of the General Scheme Meeting. You should contact the Share Registry on how to lodge the authority to act as a corporate representative.

#### 4.7 How to vote by proxy

All Proxy Forms, together with any power of attorney or authority under which the Proxy Form is signed, must be received no later than 48 hours before the start of the applicable Scheme Meeting. Proxy votes received after this time will be invalid.

Your appointment of a proxy does not preclude you from personally attending and voting at the relevant Scheme Meeting (online or in person). The appointment of your proxy is not revoked merely by your attendance to, and participation in, the relevant Scheme Meeting. However if you vote on the Scheme Resolution, any vote made by your proxy on your behalf will not be counted.

## 4. DETAILS OF THE SCHEME AND HOW TO VOTE (continued)

You can vote by proxy by completing and lodging the Proxy Form with the Share Registry in any of the following ways:

<b>Online (General Shareholders only)</b>	<a href="https://investorcentre.linkgroup.com">https://investorcentre.linkgroup.com</a>
<b>Mail</b>	Post the signed Proxy Form to: PSC Insurance Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
<b>Fax</b>	Fax the signed Proxy Form to: +61 2 9287 0309
<b>Hand delivery</b>	Deliver during business hours (Monday to Friday, 9:00am – 5:00pm (AEST)) to the Share Registry at Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150.
<b>All enquiries to:</b>	Telephone: 1800 774 615; Overseas: +61 1800 774 615

### 4.8 How to vote by direct vote prior to the Scheme Meeting

To vote by direct vote, you must lodge your vote by no later than 9:30am (AEST) on 24 September 2024 for the General Scheme Meeting or 11:00am (AEST) on 24 September 2024 for the Rollover Shareholders Scheme Meeting by following the instructions available on the relevant Proxy Form. If you lodge a direct vote you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf.

### 4.9 Eligibility to vote

The time for determining eligibility to vote at the Scheme Meetings is the Meeting Record Date, currently expected to be 7:00pm on 24 September 2024. Only those PSC Shareholders entered on the Register at that time will be entitled to attend and vote at the Scheme Meetings.

### 4.10 How to ask questions

PSC Shareholders can submit questions when attending the Scheme Meeting (in person or online). It may not be possible to respond to all questions raised during the relevant Scheme Meeting, therefore it is encouraged that PSC Shareholders lodge questions prior to the Scheme Meeting. More information regarding how to lodge questions and participate in the relevant Scheme Meeting (including virtual participation and how to ask questions online during a Scheme Meeting) is set out in the Notices of Meeting set out at Annexure 1 and Annexure 2 (as applicable).

### 4.11 Scheme Record Date

Those Scheme Shareholders on the Register on the Scheme Record Date, being 7:00pm (AEST) on the second business day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at the Scheme Record Date.

### 4.12 No trading on ASX after Effective Date

After the Scheme becomes Effective, PSC will apply for suspension of trading in Scheme Shares. The last date for trading Scheme Shares on the ASX will be the Effective Date.

#### 4.13 Determination of entitlement to Scheme Consideration

For the purposes of establishing the PSC Shareholders entitled to receive the Scheme Consideration, dealings in Scheme Shares will only be recognised if:

- 4.13.1 in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before 7:00pm (AEST) on the Scheme Record Date; and
- 4.13.2 in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5:00pm (AEST) on the Scheme Record Date at the Share Registry.

Subject to the Corporations Act, Listing Rules and PSC's constitution, PSC must register transmission applications or transfers which the Share Registry receives by 5:00pm on the Scheme Record Date. PSC will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Scheme Shares received after that time.

#### 4.14 Further information

Please refer to the Notice of General Scheme Meeting set out in Annexure 1 and the Notice of Rollover Shareholders Scheme Meeting set out in Annexure 2 (as applicable) for further information on voting procedures and details of the Scheme Resolution to be voted on at the relevant Scheme Meeting (including who is entitled to vote on the Scheme Resolution).



# 5.

## OVERVIEW OF THE SCHEME

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## 5. OVERVIEW OF THE SCHEME

### 5.1 Background

On 8 May 2024, PSC announced that it had entered into the SID with Rosedale Bidco (being a wholly owned subsidiary of The Ardonagh Group) under which it is proposed that Rosedale Bidco will acquire 100% of PSC Shares under a scheme of arrangement. The Scheme is subject to a number of Conditions including regulatory approvals, approvals by PSC Shareholders, and Court approval. The SID contains terms and conditions that are standard for these types of agreements, including (but not limited to) in relation to the parties' obligations to implement the Scheme and PSC's obligation to conduct its business in the ordinary course during the Scheme process.

The key terms of the SID are summarised in Section 10.5. A full copy of the SID is attached to PSC's ASX announcement on 8 May 2024, which can be obtained from ASX's website (<https://www.asx.com.au/>).

At the same time as the SID was entered into, certain PSC Directors and entities they Control entered into the Co-operation Deeds which, amongst other things, include a call option for Rosedale Bidco to acquire an aggregate of 19.99% of the PSC Shares on issue at date of the SID in the event of a Competing Proposal. See Section 10.7 for a summary of the terms of the Co-operation Deeds.

Having carefully considered Rosedale Bidco's proposal, the PSC Directors and the IBC unanimously recommend that PSC Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that, in respect of the Cash Consideration, the Scheme is in the best interests of the PSC Shareholders.<sup>15</sup> Subject to those same qualifications, each of the PSC Directors intend to vote all the PSC Shares held or controlled by them in favour of the Scheme. In forming their unanimous recommendation in respect of the Cash Consideration, the PSC Directors and the IBC carefully considered the expected advantages of the Scheme and potential reasons to vote against the Scheme. These considerations are discussed in Section 2.

Note that the PSC Directors and the IBC make this recommendation only in respect of the Cash Consideration, as the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares.

### 5.2 What will happen under the Scheme?

If the Scheme is approved by PSC Shareholders and the Court (as discussed in Sections 4.2 and 5.8) and subject to the satisfaction or waiver of the other Conditions in accordance with the terms of the SID, all Scheme Shareholders who hold PSC Shares as at the Scheme Record Date will participate in the Scheme even if they did not vote or voted against the Scheme.

If the Scheme becomes Effective:

5.2.1 at the close of trading on the Effective Date, PSC Shares will cease trading on ASX;

5.2.2 on the Implementation Date:

- (a) all Scheme Shares will be transferred to Rosedale Bidco (without any need for action by Scheme Shareholders); and
- (b) each Scheme Shareholder will receive the relevant Scheme Consideration in exchange for each Scheme Share held by that Scheme Shareholder on the Scheme Record Date; and

5.2.3 PSC will be removed from the official list of ASX.

The detailed terms of the Scheme are set out in the SID and the attachments to it. In support of its obligations to provide or procure the provision of the Scheme Consideration under the SID, Rosedale Bidco, AGHL, Ardonagh Holdco and Tara Topco have executed the Deed Poll in favour of PSC Shareholders, a copy of which is attached at Annexure 5.

If the Scheme is not approved, then the Scheme will not be implemented, and PSC will continue as a stand-alone entity listed on ASX.

### 5.3 Scheme Consideration

If the Scheme is implemented:

5.3.1 each General Shareholder and each Rollover Shareholder (in respect of the portion of their PSC Shares for which they have not elected to receive Scrip Consideration) will receive the Cash Consideration of \$6.19 for each PSC Share held by that PSC Shareholder as at the Scheme Record Date; and

15. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

## 5. OVERVIEW OF THE SCHEME (continued)

5.3.2 each Rollover Shareholder will (in respect of the portion of their PSC Shares for which they have elected to receive Scrip Consideration pursuant to an Election) receive the Scrip Consideration being:

- (a) for Australian-resident Rollover Shareholders, 0.6515594 Ardonagh D Shares for each PSC Share; and
- (b) for UK-resident Rollover Shareholders, Loan Notes to the value of £3.257797 for each PSC Share (which will ultimately be exchanged for 0.6515594 Tara D Shares in accordance with the Post-implementation Agreements, assuming no election is made to receive Ardonagh D Shares),

subject to any adjustment as described in Section 5.6.

Further details of the Scrip Consideration are set out in Section 7.6. The Scheme Consideration (both the Cash Consideration and the Scrip Consideration) will be reduced by the amount of any dividend declared by PSC prior to the Implementation Date, however no such dividends are currently contemplated by PSC.

The Scheme Consideration will be paid or issued to Scheme Shareholders on the Implementation Date.

All payments will be made in AUD by electronic funds transfer to an Australian bank account nominated by the PSC Shareholder in accordance with that election. If no Australian bank account has been nominated and no other arrangements have been agreed with PSC, a cheque for the relevant amount in Australian currency will be dispatched by prepaid post to that PSC Shareholder's Registered Address.

For PSC Shares held in joint names, the relevant payment will be made and the cheque will be sent to the holder whose name appears first in the Register as at the Scheme Record Date.

PSC may cancel a cheque if it is returned to PSC or has not been presented for payment within six months after the date on which the cheque was sent, and the *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' under that Act.

If a Scheme Meeting is adjourned or the Effective Date is otherwise delayed, payments of the Scheme Consideration to PSC Shareholders described above may also be delayed.

Under the terms of the Scheme, Rosedale Bidco is required to deposit (or procure the deposit of) an amount equal to the aggregate amount of the Cash Consideration (less any amounts owing in respect of Loan Funded Shares) into an Australian dollar denominated trust account, operated by PSC as trustee for the PSC Shareholders, by no later than the business day before the Implementation Date. Then, on the Implementation Date, PSC must procure the payment from the trust account of the Cash Consideration (less amounts owing in respect of Loan Funded Shares) to each PSC Shareholder in accordance with the above procedure.

### 5.4 The Rollover Shareholders

As set out in Section 1.3, it is a Condition of the SID that five PSC Directors, Paul Dwyer, John Dwyer, Brian Austin, James Kalbassi and Tara Falk elect to receive Scrip Consideration in respect of a minimum proportion of their PSC Shares (held via a custodian, or directly or indirectly via entities that they Control). In addition, under the SID, PSC and Rosedale Bidco agreed that certain other PSC Shareholders would be given the option to receive some of their Scheme Consideration as Scrip Consideration. Since the date of the SID, Tony Robinson, Managing Director and five other members of senior management of the PSC Group (or entities they Control), have made an Election to receive a specified proportion of their Scheme Consideration in the form of Scrip Consideration. The decision as to whether to elect to receive Scrip Consideration was a decision made by each such individual member of senior management.

These PSC Shareholders are the Rollover Shareholders for the purposes of this Scheme Booklet. The Rollover Shareholders will receive a portion of their Scheme Consideration in the form of Scrip Consideration with the balance to be received as Cash Consideration. The type of Scrip Consideration to be received is dependent on where the Rollover Shareholder is based (see Sections 1.3 and 7.6 for further details). All other PSC Shareholders (being the General Shareholders), including other PSC Shareholders who are members of management or employees of the PSC Group, will receive only the Cash Consideration and are not entitled to make an Election.

The Rollover Shareholders have Elected to receive Scrip Consideration for 30.4 million PSC Shares in aggregate (being 8.4% of total PSC Shares on issue as at the date of this Scheme Booklet).



## 5.5 Reasons for the Scrip Consideration only being offered to the Rollover Shareholders

As set out above, it is a Condition that certain PSC Shareholders associated with PSC Directors, Paul Dwyer, John Dwyer, Brian Austin, James Kalbassi and Tara Falk make an Election to receive a portion of their Scheme Consideration as Scrip Consideration for in aggregate 29,425,657 PSC Shares. This Condition has now been satisfied. Had the Election not been made, these PSC Shareholders would not have been entitled to be paid the Cash Consideration under the Scheme in respect of those PSC Shares. This requirement was included in the SID given the importance to The Ardonagh Group of the continued involvement of these PSC Directors in the management of PSC's business and its integration into The Ardonagh Group's business, and Ardonagh's desire to align their interests with other members of senior management in Ardonagh.

An additional six PSC Shareholders, being PSC Managing Director, Tony Robinson, and five other members of senior management (or entities they Control), are also receiving Scrip Consideration and have therefore become Rollover Shareholders following discussions between them and PSC since the date of the SID.

As set out in Sections 5.3 and 7.6, the Scrip Consideration comprises (or will be exchanged into) unlisted shares in either a Jersey or Cayman Islands incorporated private company, being Ardonagh D Shares and Tara D Shares, respectively (being collectively the **Ardonagh Consideration Shares**). The Ardonagh Consideration Shares are non-voting shares. The Rollover Shareholders will individually and as a collective hold (or represent) a very small percentage of the issued capital of the ultimate Holding Company of The Ardonagh Group.

As small minority shareholders in a private-equity backed company, the Rollover Shareholders will have very few rights which they are able to personally exercise over their Ardonagh Consideration Shares, and a significant number of decisions in respect of their Ardonagh Consideration Shares may be made by the Equity Investors or other shareholders. Additionally, as set out in Section 7.7, liquidity for Ardonagh Consideration Shares is primarily driven by the Equity Investors, and there is no certainty as to when and on what terms a liquidity event will be available to the Rollover Shareholders. The Rollover Shareholders can be forced to exit their investment in The Ardonagh Group at the same time and on substantially the same terms as the Equity Investors including under certain "drag along" provisions. The Rollover Shareholders cannot sell their Ardonagh Consideration Shares except in very limited circumstances or with the consent of the Equity Investors. Accordingly, the Ardonagh Consideration Shares are highly illiquid securities.

Additionally, the constituent documents which govern the rights attaching to the Ardonagh Consideration Shares to be held by the Rollover Shareholders are lengthy and complex documents.

Ardonagh only proposed to offer the Scrip Consideration to a small number of senior management PSC Shareholders, in line with its equity ownership structure. Given this, coupled with the significant risks associated with holding these illiquid, non-voting shares (particularly compared to current listed PSC Shares), the PSC Board agreed that the Scrip Consideration was not appropriate to be offered to all PSC Shareholders.

## 5.6 Pricing of the Scrip Consideration

The number of Ardonagh Consideration Shares to ultimately be issued to the Rollover Shareholders will be calculated using the same price per PSC Share as the Cash Consideration (that is, \$6.19 per PSC Share), an implied price of £5 per Ardonagh Consideration Share and the AUD-GBP exchange rate on the Business Day prior to the date of the SID. The implied price of £5 per Ardonagh Consideration Share was agreed between PSC and The Ardonagh Group based on an indicative equity value of The Ardonagh Group as at June 2024 calculated by The Ardonagh Group.

The number of Ardonagh Consideration Shares will be adjusted if, prior to implementation of the Scheme, there is a 'Qualifying Transaction', being:

- an issue of shares by certain members of The Ardonagh Group raising at least £175 million;
- an issue of shares by certain members of The Ardonagh Group as consideration for the acquisition of any material business or asset from a third party with an implied value of at least £175 million (in respect of the shares issued);
- an issue of shares by certain members of The Ardonagh Group upon conversion of any instruments issued by a member of The Ardonagh Group after the date of the SID with an implied value of at least £175 million; or
- a transfer of shares in certain members of The Ardonagh Group representing at least 5% of the issued capital of the relevant member of The Ardonagh Group,

at a price, or which implies a price, which is less than £5 per Tara D Share. In this event, the number of Ardonagh Consideration Shares will be adjusted using that lesser issue price. There is no adjustment to the number of Ardonagh Consideration Shares that will be issued if there is a transaction at a price higher than £5 per Tara D Share prior to implementation of the Scheme.

## 5. OVERVIEW OF THE SCHEME (continued)

As set out in Section 7.5, The Ardonagh Group intends to fund part of the Cash Consideration by way of funding from the Equity Investors. As at the Last Practicable Date, the terms of that funding (including pricing) have not been finalised.

While the intention was and is that the Rollover Shareholders receive Ardonagh Consideration Shares to the same value as the Cash Consideration in respect of the portion of their holding being exchanged for Ardonagh Consideration Shares and there is to be no net benefit given to the Rollover Shareholders in respect of the Scrip Consideration, the actual value of the Ardonagh Consideration Shares is very difficult to quantify given:

- the particular terms and rights attaching to the shares, including no voting rights nor any rights to appoint directors – which would ordinarily warrant a substantial minority discount;
- there will be no public market for trading in Ardonagh Consideration Shares, there are restrictions on transfer of Ardonagh Consideration Shares, the timing and form of an exit event is unknown and Rollover Shareholders will not be in a position to determine the outcome of any decision relating to the timing and terms of any exit – which would ordinarily warrant a substantial marketability discount;
- no dividends have been paid on any Tara D Shares to the date of this Scheme Booklet; and
- The Ardonagh Group is likely to make further acquisitions on an ongoing basis, so the value of Ardonagh Consideration Shares will likely vary over time.

The Independent Expert has, however, concluded that “**the indicative value of the Tara D Shares or Ardonagh D Shares to be issued to the Rollover Shareholders per PSC Share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC Share** based on its review and analysis of certain confidential information provided by The Ardonagh Group”.

### 5.7 PSC employee incentives

PSC has a LTIP in place to assist in the reward, retention and motivation of certain employees of the PSC Group and PSC Directors. PSC has granted a number of Loan Funded Shares and Options under the LTIP to eligible participants.

As at the date of this Scheme Booklet, 17,537,607 Loan Funded Shares are unvested under the terms of their grants (although, as at the Last Practicable Date, 270,500 of which have been forfeited in accordance with the LTIP Rules, and are intended to be bought back and cancelled by PSC prior to the Scheme becoming Effective). In accordance with its discretion under the LTIP Rules, the Board has resolved to accelerate the vesting of all unvested Loan Funded Shares if the Scheme becomes Effective. All amounts owing by holders of Loan Funded Shares (being the balance of the loan amount outstanding and any accrued, unpaid interest) will be deducted from the aggregate Cash Consideration payable to those PSC Shareholders upon implementation of the Scheme.

The only outstanding Options on issue at the date of this Scheme Booklet are those held by Tony Robinson as set out in Sections 1.2 and 10.2 which have an exercise price of \$6.50 per Option. As this exercise price is greater than the Cash Consideration, it is a requirement of the SID that these Options are cancelled for nil consideration before the Effective Date.

Full details of the proposed treatment of all PSC Equity Incentives are set out at Section 10.2.

## 5.8 Key steps to implement the Scheme

The key steps to implement the Scheme are:

<b>First court approval</b>	On 21 August 2024, the Court ordered that PSC convene the Scheme Meetings for the purposes of the PSC Shareholders considering the Scheme.
<b>Scheme Meetings</b>	<p>General Shareholders will have an opportunity to vote to approve the Scheme at the General Scheme Meeting, and Rollover Shareholders will have an opportunity to vote to approve the Scheme at the Rollover Shareholders Scheme Meeting. The Scheme Meetings are currently expected to be held on 26 September 2024.</p> <p>The Scheme needs to be approved by the Requisite Majorities of PSC Shareholders at each of the Scheme Meetings, which are:</p> <ol style="list-style-type: none"> <li>at least 75% of the total number of votes cast on the respective Scheme Resolution (either in person or virtually, or by proxy, corporate representative or attorney), where each PSC Share carries one vote; and</li> <li>a majority in number (more than 50%) of PSC Shareholders present and voting (in person or virtually, or by proxy, corporate representative or attorney) at the relevant Scheme Meeting.</li> </ol> <p>The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.</p>
<b>Conditions</b>	As set out in Section 10.5.1, there are several Conditions which must be satisfied (or waived, although some are not able to be waived) before the Scheme can become Effective. These include approval by PSC Shareholders (at the Scheme Meetings) and approval by the Court (at the Second Court Hearing), as well as various regulatory approvals including FIRB Approval, ACCC clearance and approval by the UK's Financial Conduct Authority.
<b>Second court approval (at the Second Court Hearing)</b>	<p>If the Scheme is approved by PSC Shareholders by the Requisite Majorities at each Scheme Meeting and the Conditions (other than Court approval) have been satisfied or waived (to the extent able to be waived) PSC will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Second Court Date is currently expected to be 1 October 2024, although this may be delayed if there is any delay in satisfying the Conditions.</p> <p>The Court has discretion as to whether to grant orders approving the Scheme (even if it is approved by PSC Shareholders by the Requisite Majorities at each Scheme Meeting).</p> <p>If the Court approves the Scheme, PSC will take the necessary steps required for the Scheme to be implemented including lodging a copy of the Court order approving the Scheme with ASIC. The Scheme will become Effective upon lodgement of the Court order with ASIC, being the Effective Date, and this will be the last day for trading of PSC Shares on the ASX.</p>
<b>Scheme Record Date</b>	<p>Those PSC Shareholders who are recorded on the Register on the Scheme Record Date, being 7:00pm (AEST) on the second business day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at that time (as recorded on the Register).</p> <p>Dealings in Scheme Shares prior to the Scheme Record Date will only be recognised if:</p> <ul style="list-style-type: none"> <li>in the case of dealings of the type to be effected by CHES, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before 7:00pm (AEST) on the Scheme Record Date; and</li> <li>in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5:00pm (AEST) on the Scheme Record Date at the Share Registry.</li> </ul>
<b>Implementation</b>	If the Scheme becomes Effective, the Scheme will be implemented on the Implementation Date (expected to be three business days after the Scheme Record Date). On the Implementation Date, Rosedale Bidco will acquire all the Scheme Shares from Scheme Shareholders and Scheme Shareholders will be paid and issued (as applicable) the Scheme Consideration.

## 5. OVERVIEW OF THE SCHEME (continued)

### 5.9 Implications if the Scheme does not become Effective

If the Scheme is not implemented:

- each Scheme Shareholder will continue to hold PSC Shares and will be exposed to general risks as well as risks specific to PSC, including those set out in Section 8;
- PSC Shareholders will not receive the Scheme Consideration;
- a Reimbursement Fee of \$22,600,000 may become payable by PSC to Rosedale Bidco under certain circumstances. Further information on the Reimbursement Fee is set out in Section 10.5.4. A Reverse Reimbursement Fee of \$22,600,000 may also be payable by Rosedale Bidco to PSC under certain circumstances set out in Section 10.5.5;
- PSC will continue as an ASX-listed entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to 8 May 2024, being the date of the announcement of the Scheme to ASX; and
- the price of a PSC Share on ASX will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

### 5.10 Warranty by PSC Shareholders

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

- 5.10.1 all of their Scheme Shares are fully paid, free from all Encumbrances and restrictions on transfer of any kind;
- 5.10.2 they have full power and capacity to sell and transfer their Scheme Shares (together with any rights attaching to those Scheme Shares) to Rosedale Bidco pursuant to the Scheme; and
- 5.10.3 they have no existing right to be issued any PSC Shares or any other securities by PSC.

### 5.11 Delisting of PSC

Following the implementation of the Scheme, PSC will apply for the termination of official quotation of PSC Shares on ASX and for PSC to be removed from the official list of ASX.

# 6.

## INFORMATION ON PSC

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## 6. INFORMATION ON PSC

### 6.1 Overview of PSC

#### 6.1.1 Overview and history

PSC is a diversified insurance services group with an international insurance platform with operations in Australia, the United Kingdom, Hong Kong, New Zealand, Ireland, Bermuda and Vietnam, providing insurance broking and underwriting services.

PSC was founded in 2006 and has grown to service over 200,000 clients, with over 900 employees, across 39 offices.

Listed on the ASX in December 2015 (ASX:PSI), the company is headquartered in East Melbourne, Victoria.

PSC Directors collectively own approximately 39.62% of PSC Shares, which creates alignment between the decision making of the PSC Board and PSC Shareholders.

#### 6.1.2 Current operations

PSC operates a decentralised business structure with 39 offices, each with a dedicated manager and principal. This structure allows brokers autonomy and accountability within manageable units. Supporting each of PSC's businesses is a centralised administration, compliance, IT and finance function. The business operations can be summarised within three distinct operating segments, which are supported by the group function:

- (i) **Distribution:** Insurance broking and adjacent services – providing direct insurance broking services and solutions to customers across Australia and New Zealand. Operates through 3 key sub-segments:
- **Corporate Broking:** focused on middle-market corporate and SME broking providing general insurance offerings across most industries, including construction, agriculture, healthcare, logistics and professional services;
  - **Broking Networks:** authorised representative network (non-employee individuals or entities authorised to sell and manage general insurance products) with support and services provided by PSC; and
  - **Adjacent Services:** provision of services in agencies and ancillary services such as claims management, workers compensation consulting, life risk broking and trade credit risk.

#### PSC Distribution Brands

Corporate Broking	Broking Networks	Adjacent Services
 	 	   

- (ii) **Agency:** provides insurance underwriting services with specialism in construction, healthcare, accommodation, hospitality and travel. Operates through 4 key sub-segments:
- **Chase Underwriting:** insurance products for the construction sector in Australia and the UK;
  - **Medisure:** insurance products for the healthcare and allied health sector;
  - **Travel:** specialist insurance products for domestic and international travel, sold online and via affinity groups; and
  - **Breeze Underwriting:** underwriting services to the hospitality, accommodation and equipment hire industries, with insurance products delivered across Australia.

PSC Agency Brands

Chase Underwriting	Medisure	Travel	Breeze Underwriting

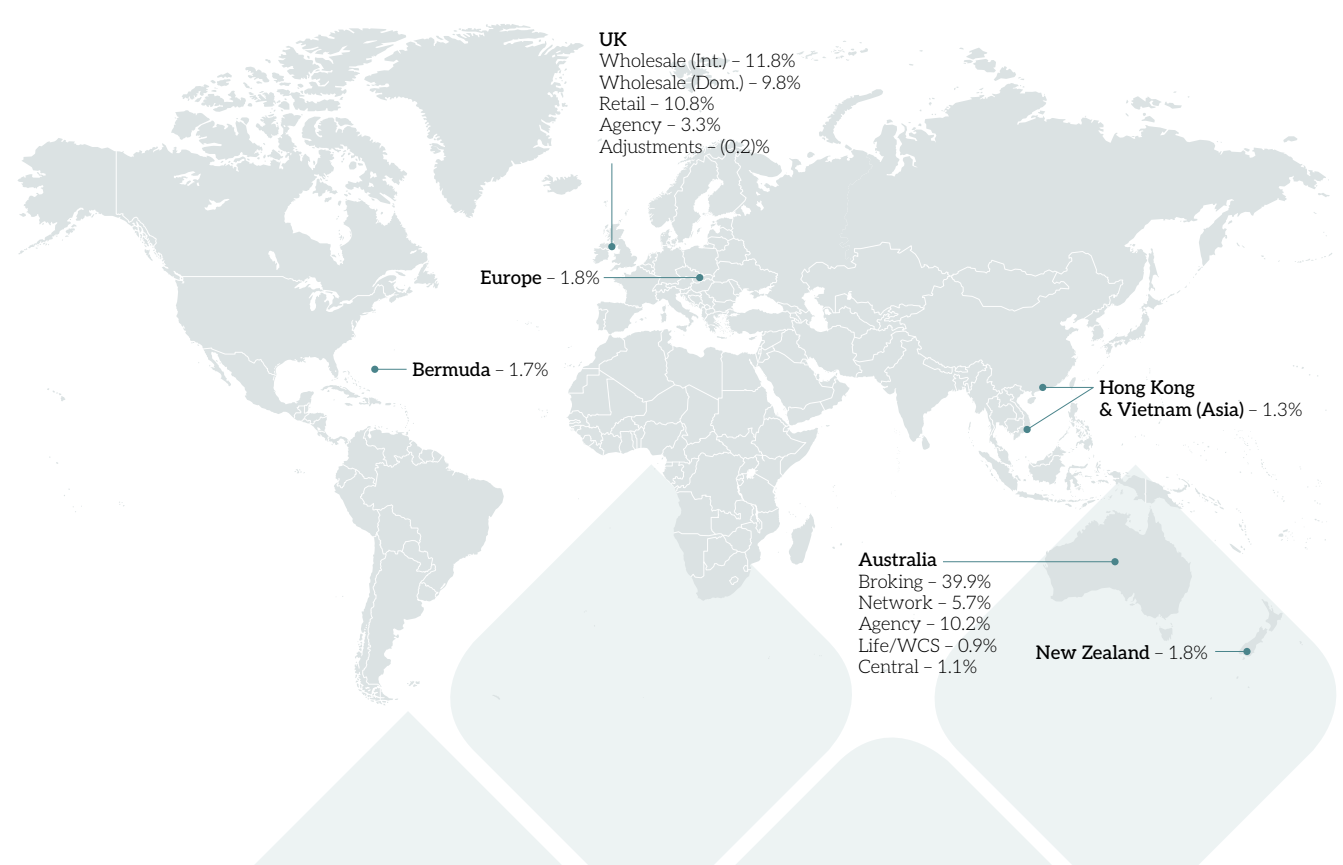
(iii) **UK & International:** Comprised of wholesale broking, retail broking, underwriting agencies and PSC's broking businesses in Hong Kong and Vietnam:

- **Paragon:** independent Lloyd's and London Market international wholesale broker;
- **Carrolls:** independent Lloyd's and London Markets wholesale broker focused on UK and Australian business;
- **PSC UK Insurance Brokers:** UK retail broker for commercial businesses and life pensions for clients;
- **Underwriting agencies:** services the UK construction and real estate industries; and
- **Asia Businesses:** insurance broking for commercial businesses in Hong Kong and Vietnam.

PSC UK & International Brands

United Kingdom	Asia

EBITDA (%) by Region (as at 30 April 2024)



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## 6. INFORMATION ON PSC (continued)

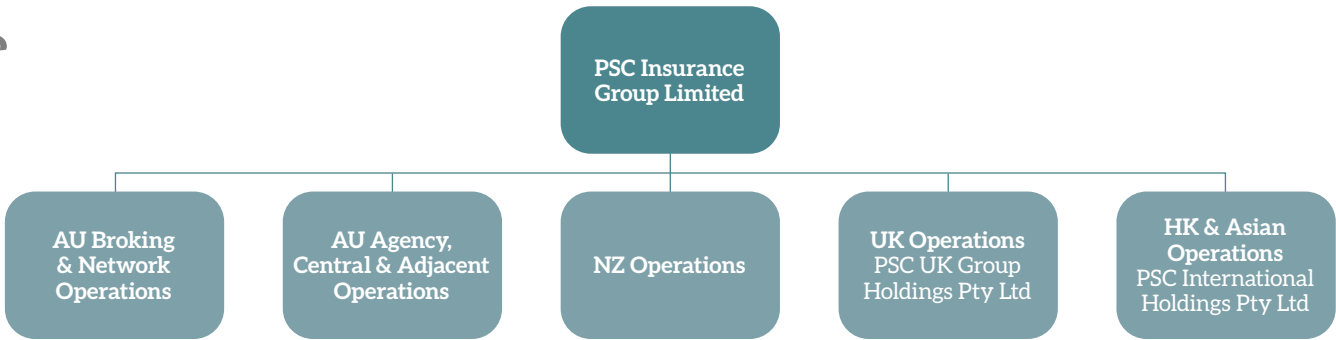
### 6.1.3 PSC Group structure

PSC has over 100 subsidiaries across its three segments.

Upon implementation of the Scheme, a restructure will be undertaken by The Ardonagh Group (the Post-implementation Restructure), whereby the PSC structure will be split as set out in Section 7.4.2.

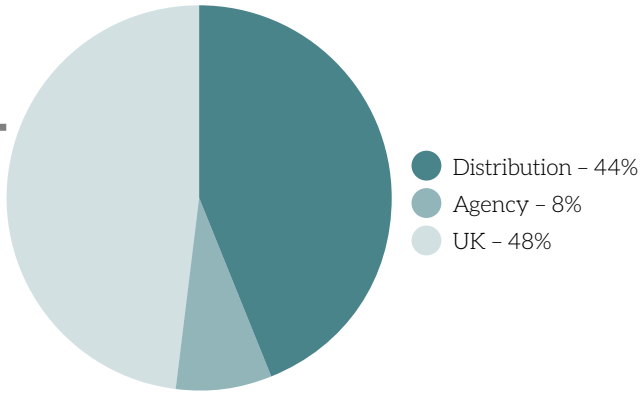
#### Organisation

The basic group structure of PSC is depicted below:

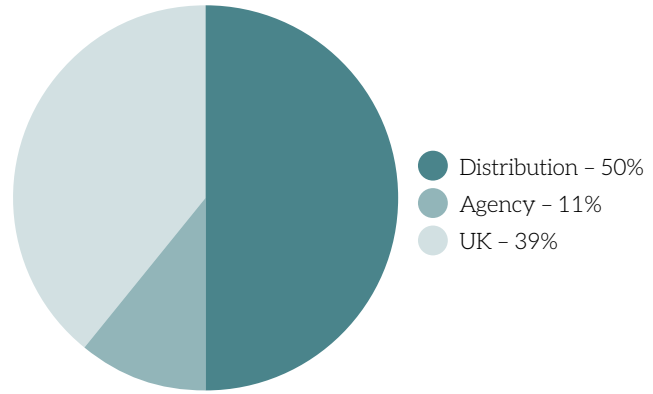


#### PSC Summary Segment Breakdown

Revenue by Segment LTM to 31-Dec-23



EBITDA by Segment LTM to 31-Dec-23



### 6.2 PSC Strategic Direction

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

PSC has a successful track record of identifying opportunities to improve its financial performance. This success is demonstrated by the substantial growth both organically and by acquisition from a single general insurance broking business in 2006 to a diversified insurance intermediary group with underlying revenue of \$319.8 million in the LTM to 31 December 2023.

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**PSC Strategic Priorities:****(a) Organic Growth**

PSC has a growth centric and entrepreneurial culture with a focus on delivering the highest quality service to its clients and driving organic growth through deep client relationships and new client wins. PSC is also focused on continued delivery of operating efficiencies and improved client outcomes as evidenced by the build out of the APEX system.

The APEX platform is an automated system for generating multiple quotes from insurers and allows PSC to capture more proprietary data while making operations less resource intensive. The APEX platform currently has five key products: Private motor, Home, Landlords, Commercial motor and Business Pack. As of 31 December 2023, APEX has facilitated placement of ~\$136m in GWP over 81,500 individual policies.

**(b) M&A Opportunities**



Mergers and acquisitions are a core part of PSC's strategy, targeting core acquisitions with compelling growth potential, robust business models and strong management teams. PSC also invests in early stage and start-up opportunities where there are clear strategic benefits or the potential to unlock significant future value.

PSC has substantial execution and integration expertise, completing 42 acquisitions over the past 3 years, as well as multiple start-up investments and businesses.





**(c) Talent**



Alignment of key personnel is crucial for PSC to execute its business strategy. PSC is committed to attracting and retaining talented and entrepreneurial industry operators to add to the leadership of the group. PSC has supported a deep bench of talent to rise through the organisation and provide the foundation for the business' next phase of growth.

**6.3 Directors and senior management****6.3.1 Directors**


Name and role	Experience
 <p><b>Paul Dwyer</b> Non-Executive Chairman</p>	<p>Paul Dwyer, Non-Executive Chairman, was appointed to the Board on 10 December 2010. Prior to founding PSC, Mr Dwyer held a senior executive position with OAMPS Insurance Brokers Limited and previous to that role was a Regional Underwriter with CGU. Mr Dwyer's focus is the strategic direction of the entity, exploring acquisition and organic growth opportunities and to manage and work with the executive and staff within the entity to continually improve business operations.</p>
 <p><b>Brian Austin</b> Non-Executive Deputy Chairman</p>	<p>Brian Austin, Independent Non-Executive Deputy Chairman, was appointed to the Board on 10 December 2010. With over 40 year's industry experience, Mr Austin has held senior executive positions in the insurance industry, including Chief Executive Officer of OAMPS Insurance Brokers Limited. 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 entity to be pursued with much confidence. Mr Austin is Chairman of ASX listed AMA Group Limited.</p>

## 6. INFORMATION ON PSC (continued)





Name and role	Experience
	<p>Antony Robinson, Managing Director, was appointed to the Board on 13 July 2015.</p> <p>Mr. Robinson has significant experience in wealth management and insurance, including Managing Director of Centrepoint Alliance Limited, IOOF Holdings Ltd, WealthPoint and OAMPS Limited.</p> <p>Mr. Robinson's appointment carries with it the responsibility to ensure that finances and decision-making are robust and the business is aligned to the growth strategy of the Board. Mr. Robinson is Chairman of ASX listed Pacific Current Group Limited.</p>
<p><b>Antony Robinson</b> <i>Managing Director</i></p>	<p>John Dwyer, Executive Director, was appointed to the Board on 10 December 2010.</p> <p>Mr Dwyer has over 30 years' experience in the insurance industry, spending time with QBE as a Regional Underwriting Manager, commencing a joint venture with OAMPS Insurance Brokers Limited and eventually becoming Eastern Region Manager (NSW &amp; ACT). As Director of Broking across the PSC Group, Mr Dwyer brings specialist business integration and practical operational skills pivotal to a growing business.</p>
	<p><b>John Dwyer</b> <i>Executive Director</i></p>
	<p>Melvyn Sims, Independent Non-Executive Director, was appointed to the Board on 8 August 2016.</p> <p>Mr Sims is a highly regarded London based corporate lawyer with extensive experience in the insurance industry gained during his 30 years as a partner in the international law firm DLA Piper and since July 2015 as a partner in the international law firm DWF Law LLP. Over the course of Mr Sims' career he has held senior management roles, including managing DLA Piper Offices and practice groups in the Middle East and advised businesses in commercial and transactional matters often with an international perspective and in diverse markets ranging from general retail, aviation, sport and leisure through to regulated financial services businesses. Mr Sims has extensive Board experience having served as a board member of the Towergate Insurance Group and latterly Global Risk Partners.</p>
<p><b>Melvyn Sims</b> <i>Non-Executive Director</i></p>	<p>Tara Falk, Executive Director, was appointed to the Board on 1 October 2019.</p> <p>Ms Falk has over 30 years' experience in the insurance industry and is co-founder and co-CEO of Paragon International Insurance Brokers Ltd, which PSC acquired in 2019. Ms Falk has extensive experience in all operations of running a specialist Lloyd's Insurance Broker, working with leading insurers in Lloyd's, Europe, Bermuda and the United States. Ms Falk is involved with the placement of complex insurance programmes for many large professional service firms around the world and is also on the Board of the London &amp; International Insurance Brokers' Association.</p>
	<p><b>Tara Falk</b> <i>Executive Director</i></p>

Name and role	Experience
 <p><b>James Kalbassi</b> Executive Director</p>	<p>James Kalbassi, Executive Director, was appointed to the Board on 15 June 2021.</p> <p>Mr Kalbassi has more than 30 years' experience in the insurance industry and as co-Founder and co-CEO of Paragon International Insurance Brokers Ltd, leading and building a specialist Lloyd's and International Insurance Broker. Mr Kalbassi's strategic and operational experience has helped to drive the company's success, representing some of the world's largest professional service firms and listed corporate clients. Mr Kalbassi has recently served as a Chairman of the UniBA Partners Global Independent Broker network.</p>
 <p><b>Joanne Dawson</b> Non-Executive Director</p>	<p>Jo Dawson, Independent Non-Executive Director and Chair of the Audit and Risk Management Committee, was appointed to the Board on 15 June 2021.</p> <p>Ms Dawson has deep experience in highly regulated customer facing service businesses and a long history of corporate transactions. Her prior roles include senior positions at Deloitte and National Australia Bank, and Chair of EL&amp;C Baillieu Ltd. Her current Non-Executive Directorships include Centuria Capital Group (ASX: CNI), AMA Group Ltd (ASX: AMA), Pacific Current Group Limited (ASX: PAC), Vision Super, Bank First Ltd and PetSure (Australia) Pty Ltd.</p>

### 6.3.2 PSC senior management

Name and role	Experience
 <p><b>David Hosking</b> Chief Executive Officer - Australia, NZ and Asia</p>	<p>David Hosking, Chief Executive Officer of PSC Insurance Australia, New Zealand and Asia, joined PSC in April 2021. David is responsible for leading the growth and strategic direction of the key divisions within these key geographies. He is a proven and well-respected leader in the insurance industry, and at PSC he supports a strong executive team to achieve significant growth targets whilst ensuring the necessary frameworks are in place across all the businesses</p> <p>Mr Hosking has developed a deep understanding of the insurance industry holding senior roles in Australia and Asia with nearly 30 years' insurance experience, most recently focusing on insurance broking and intermediary markets. His previous roles included Chief Financial Officer and subsequently Chief General Manager (Broker and Agency) at Allianz, where he demonstrated his financial, business and commercial acumen overseeing the growth of the Division. Prior to Allianz, he held senior roles at IAG.</p>
 <p><b>Joshua Reid</b> Chief Financial Officer</p>	<p>Joshua Reid, Chief Financial Officer, joined PSC in January 2015, with over 25 years' experience in the banking, finance and insurance industries. Prior to PSC, the majority of Mr Reid's career was with Macquarie Bank where he was involved with acquisition and growth finance, with a specialisation in insurance, held senior risk management roles and had extensive experience with principal transactions. Mr Reid has been CFO of the PSC Group since prior to its listing in 2015 and plays a lead role in executing on the long term strategic goals of PSC, including leading the Finance Team, acquisition due diligence, business planning and ensuring a sound funding structure.</p>

## 6. INFORMATION ON PSC (continued)

Name and role	Experience
 <p><b>Julia Mitchell</b> Group Manager – Legal, Governance and Compliance</p>	<p>Julia Mitchell, Group Manager – Legal, Governance and Compliance, joined PSC in 2012, with her role spanning over 6 regulatory jurisdictions. In addition to providing legal counsel to the company, Julia is responsible for regulatory compliance, governance and risk related affairs. She provides advice to the Board of Directors and Senior Leadership Team and Co Chair's the ESG Steering Committee.</p> <p>Julia has over 25 years' experience working in the insurance industry. She has significant capability in legal and regulatory matters and her career includes working in private practice as a solicitor and working with local and international insurers.</p>
 <p><b>Stephen Abbott</b> Company Secretary</p>	<p>Stephen Abbott, Company Secretary, was appointed on 18 May 2015, having joined PSC in March 2012. Mr Abbott has over 40 years' experience in accounting and finance both within industry and commerce and professional services firms with over 15 years' in insurance broking.</p>
 <p><b>Noel Lenihan</b> CEO, PSC United Kingdom</p>	<p>Noel's career started in the property underwriting room of a multi-national reinsurer in the late 80's before making the leap into broking in 1993. Noel held the position of Managing Director of Lloyd's broker Carroll &amp; Partners Ltd for 10 years and in 2012 was instrumental in selling the business to PSC Insurance Group. Towards the end of 2017, Noel took on a Group role as UK CEO for PSC and has overseen a number of acquisitions during that time. His focus remains on UK M&amp;A for the Group, alongside helping the existing businesses to meet their full growth potential.</p>
 <p><b>Angus McPhie</b> Managing Director, Paragon</p>	<p>Angus McPhie, Managing Director of Paragon International Insurance Brokers, was appointed to this role in January 2013, having joined Paragon as the Chief Financial Officer and Chief Operating Officer in November 2010. In his role, Mr McPhie is responsible for running the business which includes managing all of the team leaders. He reports to the Chairman and is accountable to the Board.</p> <p>Mr McPhie has almost three decades worth of experience in the insurance industry and performed a number of senior roles in Willis over a 12 year period. Prior to that Mr McPhie spent 4 years with Mazars and qualified as a chartered accountant in 1997. He has a Mechanical Engineering degree from Bath University with a further Post Graduate Diploma in Fluid Power Systems.</p>

## 6.4 Historical financial information

### 6.4.1 Basis of preparation

This section presents a summary of financial information in relation to PSC for the purpose of this Scheme Booklet. The information has been extracted from PSC's audited financial statements for the financial years ended 30 June 2021, 2022 and 2023, and the reviewed financial statements for the half year ended 31 December 2023.

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

Further details on PSC's financial performance including its:

- financial statements for FY23 set out in the 2023 Annual Report announced to the ASX on 23 August 2023; and
- financial statements for the half year ended 31 December 2023 announced to the ASX on 21 February 2024

can be found on the ASX website (<https://www.asx.com.au/>) or the PSC website (<https://pscinsurancegroup.com.au>).



## 6. INFORMATION ON PSC (continued)

### 6.4.2 Statement of Profit or Loss and Other Comprehensive Income

Set out below is PSC's statement of comprehensive income for the financial years ended 30 June 2021, 2022, 2023 and half year ended 31 December 2023.

(\$'000)	30-Jun-2021 Audited	30-Jun-2022 Audited	30-Jun-2023 Audited	31-Dec-2023 Reviewed
<b>Revenue and other income</b>				
Fee and commission income	203,625	251,146	289,574	151,742
Other Revenue	811	848	926	672
Interest Income	352	296	5,071	5,749
Share of equity accounted results	805	605	(251)	49
Gain/(loss) on financial instruments	17,943	(6,616)	16,987	10,910
Investment income	1,052	478	2,196	430
<b>Total Income</b>	<b>224,588</b>	<b>246,757</b>	<b>314,503</b>	<b>169,552</b>
<b>Expenses</b>				
Administration and other expenses	(24,735)	(38,903)	(49,172)	(20,264)
Depreciation expense - property, plant and equipment	(2,021)	(2,090)	(2,071)	(1,143)
Depreciation expense - right-of-use assets	(4,000)	(5,723)	(5,624)	(3,252)
Amortisation expense	(8,968)	(12,564)	(14,718)	(8,348)
Employee benefits expense	(102,259)	(121,217)	(138,659)	(79,944)
Finance costs	(8,947)	(8,038)	(8,983)	(5,961)
Finance costs - lease liabilities	(1,207)	(1,398)	(1,163)	(605)
Expected credit losses	(2,501)	(232)	(48)	(18)
Employee contractors	(3,022)	(2,863)	(3,296)	(1,554)
Information technology costs	(4,474)	(5,082)	(6,183)	(3,711)
Professional fees	(4,267)	(4,276)	(4,877)	(2,185)
<b>Total Expenses</b>	<b>(166,401)</b>	<b>(202,386)</b>	<b>(234,794)</b>	<b>(126,985)</b>
<b>Profit before income tax expense</b>	<b>58,187</b>	<b>44,371</b>	<b>79,709</b>	<b>42,567</b>
Income tax expense	(17,463)	(17,035)	(23,306)	(12,755)
<b>Net profit from continuing operations</b>	<b>40,724</b>	<b>27,336</b>	<b>56,403</b>	<b>29,812</b>
<b>Reconciliation to Underlying EBITDA</b>				
(+) Income tax expense	17,463	17,035	23,306	12,755
(+) Finance Costs	10,154	9,436	10,146	6,566
(+) Depreciation and Amortisation	14,989	20,377	22,413	12,743
(-) Non Operating Items	(6,685)	26,042	5,163	(3,922)
(-) AASB16 Adj	(5,207)	(7,121)	(6,787)	(3,857)
<b>Underlying EBITDA (AASB Adj)</b>	<b>71,438</b>	<b>93,105</b>	<b>110,644</b>	<b>54,097</b>

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### 6.4.3 Consolidated Statement of Financial Position

Set out below is PSC's statement of financial position as at 30 June 2021, 2022, 2023 and 31 December 2023.

(\$'000)	30-Jun-2021 Audited	30-Jun-2022 Audited	30-Jun-2023 Audited	31-Dec-2023 Reviewed
<b>Current assets</b>				
Cash and cash equivalents	47,824	106,110	71,370	66,822
Financial assets - trust cash	244,464	241,289	274,791	268,007
Receivables	8,446	10,264	11,547	12,174
Contract assets - broking	57,714	62,287	71,300	49,381
Financial assets - derivatives	519	-	1,049	707
Other assets	9,012	7,399	9,987	12,042
<b>Total current assets</b>	<b>367,979</b>	<b>427,349</b>	<b>440,044</b>	<b>409,133</b>
<b>Non-current assets</b>				
Receivables	1,461	1,022	707	1,046
Financial assets - investments in shares and unit trusts	50,567	44,755	60,359	75,566
Equity accounted investments	9,131	9,236	24,025	25,966
Property, plant and equipment	18,330	17,354	16,861	17,440
Intangible assets	420,880	457,295	519,892	547,652
Right-of-use assets	20,516	19,818	18,525	16,509
Financial assets - derivatives	-	-	52	-
<b>Total non-current assets</b>	<b>520,885</b>	<b>549,480</b>	<b>640,421</b>	<b>684,179</b>
<b>Total assets</b>	<b>888,864</b>	<b>976,829</b>	<b>1,080,465</b>	<b>1,093,312</b>

## 6. INFORMATION ON PSC (continued)

(\$'000)	30-Jun-2021 Audited	30-Jun-2022 Audited	30-Jun-2023 Audited	31-Dec-2023 Reviewed
<b>Current Liabilities</b>				
Payables	263,620	263,241	299,362	291,986
Borrowings	-	-	-	-
Provisions	4,600	5,461	6,413	6,947
Current tax billabilities	5,081	6,316	6,510	4,188
Financial liabilities derivatives	-	906	-	-
Lease liabilities	3,962	4,842	6,191	6,694
Contract liabilities – deferred revenue	5,169	7,653	12,291	11,814
Amounts payable to vendors	19,680	35,834	13,471	17,142
<b>Total current liabilities</b>	<b>302,112</b>	<b>324,253</b>	<b>344,238</b>	<b>338,771</b>
<b>Non-current liabilities</b>				
Payables	-	-	789	1,844
Borrowings	176,679	186,979	213,693	211,999
Provisions	613	541	691	797
Deferred tax liabilities	27,232	32,077	40,667	42,258
Financial liabilities derivatives	48	-	-	-
Lease liabilities	19,269	18,459	15,850	13,074
Contract liabilities – deferred revenue	354	360	412	404
Amounts payable to vendors	16,150	5,395	8,396	10,762
<b>Total non-current liabilities</b>	<b>240,345</b>	<b>243,811</b>	<b>280,498</b>	<b>281,138</b>
<b>Total liabilities</b>	<b>542,457</b>	<b>568,064</b>	<b>624,736</b>	<b>619,909</b>
<b>Net Assets</b>	<b>346,407</b>	<b>408,765</b>	<b>455,729</b>	<b>473,403</b>
<b>Equity</b>				
Share capital	331,174	411,661	425,981	449,181
Reserves	(37,250)	(46,890)	(25,392)	(30,668)
Retained earnings	51,368	42,157	53,074	52,720
<b>Equity attributable to owners of PSC Insurance Group Limited</b>	<b>345,292</b>	<b>406,928</b>	<b>453,663</b>	<b>471,233</b>
Non-controlling Interests	1,115	1,837	2,066	2,170
<b>Total Equity</b>	<b>346,407</b>	<b>408,765</b>	<b>455,729</b>	<b>473,403</b>

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#### 6.4.4 Consolidated Statement of Cash Flows

Set out below is PSC's statement of cash flows for the financial years ended 30 June 2021, 2022, 2023 and half year ended 31 December 2023.

(\$'000)	30-Jun-2021 Audited	30-Jun-2022 Audited	30-Jun-2023 Audited	31-Dec-2023 Reviewed
<b>Cash flow from Operating Activities</b>				
Receipts from customers	209,096	260,179	297,103	179,194
Payments to suppliers and employees	(144,462)	(169,999)	(193,388)	(114,981)
Trust distributions/dividends received	767	764	2,811	1,027
Interest received	293	244	5,031	5,745
Interest paid	(8,947)	(7,219)	(8,043)	(5,732)
Income tax paid	(12,106)	(14,903)	(20,783)	(14,389)
<b>Net cash provided by operating activities</b>	<b>44,641</b>	<b>69,067</b>	<b>82,731</b>	<b>50,864</b>
<b>Cash flow from investing Activities</b>				
Payments for deferred consideration/business acquisitions	(74,119)	(60,578)	(69,041)	(19,327)
Payment for property, plant and equipment	(2,695)	(1,262)	(1,291)	(1,270)
Proceeds from sale of financial assets	401	-	142	-
Payments for financial assets	(373)	(75)	(21)	(6,043)
Payments for other intangibles	(468)	(648)	(235)	(161)
Payments for equity investments	(938)	-	(16,335)	(3,882)
Proceeds from sale of equity investments	-	855	-	5,234
Net proceeds/payments from derivatives	406	404	(715)	645
<b>Net cash flow (used in) investing activities</b>	<b>(77,786)</b>	<b>(61,304)</b>	<b>(87,496)</b>	<b>(24,804)</b>
<b>Cash flow from financing activities</b>				
Proceeds from borrowings	15,481	98,740	20,000	-
Repayments of borrowings	-	(84,460)	-	-
Capital Issued	60,000	80,000	-	-
Capital Issuing costs	(1,313)	(1,487)	(54)	-
Dividend reinvestment underwrite shares issued	10,000	-	-	-
Proceeds from converted share options/LTIP	150	250	-	-
Capital issuing costs	-	-	-	(50)
Proceeds from employee share issues	-	-	-	1,580
Payment of lease liabilities	(4,627)	(6,700)	(6,394)	(3,773)
Dividends paid	(27,643)	(35,867)	(43,597)	(29,451)
Payment of related party loans and receivables	(123)	(289)	(1,531)	(40)
Repayments of related party loans and receivables	3,169	574	585	1,836
<b>Net cash (used in)/provided by financing activities</b>	<b>55,094</b>	<b>50,761</b>	<b>(30,991)</b>	<b>(29,898)</b>
<b>Reconciliation of cash</b>				
Cash at beginning of the year	25,973	47,824	106,110	71,370
Net (decrease)/increase in cash held	21,949	58,523	(35,754)	(3,838)
Effect of exchange rate fluctuation on cash held	(98)	(238)	1,015	(710)
<b>Cash at end of the year</b>	<b>47,824</b>	<b>106,109</b>	<b>71,371</b>	<b>66,822</b>

## 6. INFORMATION ON PSC (continued)

### 6.4.5 Material changes in PSC's financial position

PSC's 1H24 half-year results were released to ASX on 21 February 2024.

To the knowledge of the PSC Directors, the financial position of PSC has not materially changed since 31 December 2023, as reported in the half year financial report of PSC for that period, other than:

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

An electronic copy of the PSC FY23 Annual Report is available on the ASX's website [www.asx.com.au](http://www.asx.com.au) under ASX code 'PSI' or on PSC's website.

As at the Last Practicable Date, to the knowledge of the PSC Directors based on unaudited financial statements for FY24, PSC is on track to achieve its FY24 guidance range of underlying EBITDA of A\$125m to A\$130m.

PSC expects to release its audited financial statements for FY24 to ASX by the end of August. When these are finalised, they will also be provided to the Independent Expert to confirm its opinion.

## 6.5 Capital Structure

### 6.5.1 PSC securities on issue

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

Type of security	Number on issue
Ordinary Shares	364,404,674
Options expiring 31 March 2025 with exercise price \$6.50	2,000,000

The number of PSC Shares on issue may change as a result of any persons holding unvested Loan Funded Shares becoming 'bad leavers' under the LTIP following the date of this Scheme Booklet and prior to the Effective Date and their unvested Loan Funded Shares being bought back in accordance with the LTIP Rules. As at the Last Practicable Date, 270,500 Loan Funded Shares have been forfeited in accordance with the LTIP Rules, and are intended to be bought back and cancelled by PSC prior to the Scheme becoming Effective).

As set out in Sections 1.2 and 10.2, the Options are intended to be cancelled by PSC for nil consideration if the Scheme becomes Effective.

## 6.6 PSC Loan Funded Shares

Loan Funded Shares are PSC Shares issued under PSC's LTIP to certain employees of the PSC Group and PSC Directors. The recipient is provided with a loan from PSC to purchase those shares at a pre-determined price. The loan is interest free, with recourse limited to the value of the underlying shares. Loan Funded Shares require the executive to repay the loan at the end of the loan term, or earlier if certain events occur.

All Loan Funded Shares have employment related vesting periods of at least three years and some as long as six years from the date they are granted. The executives participating in the LTIP and receiving Loan Funded Shares are required to remain employees during the vesting period in order to realise the full value of Loan Funded Shares, focusing them on long term shareholder value creation. Loan Funded Shares have voting rights and accrue dividend benefits, consistent with other PSC Shares.

If the employment of a participant with the PSC Group is terminated before the vesting date for a particular tranche of Loan Funded Shares for any reason, all unvested Loan Funded Shares will be forfeited immediately unless otherwise determined by the Board.

As set out in Sections 1.2 and 10.2, the PSC Board intends to vest all unvested Loan Funded Shares on the Effective Date in accordance with its discretion under the LTIP Rules on the occurrence of a change of control event.

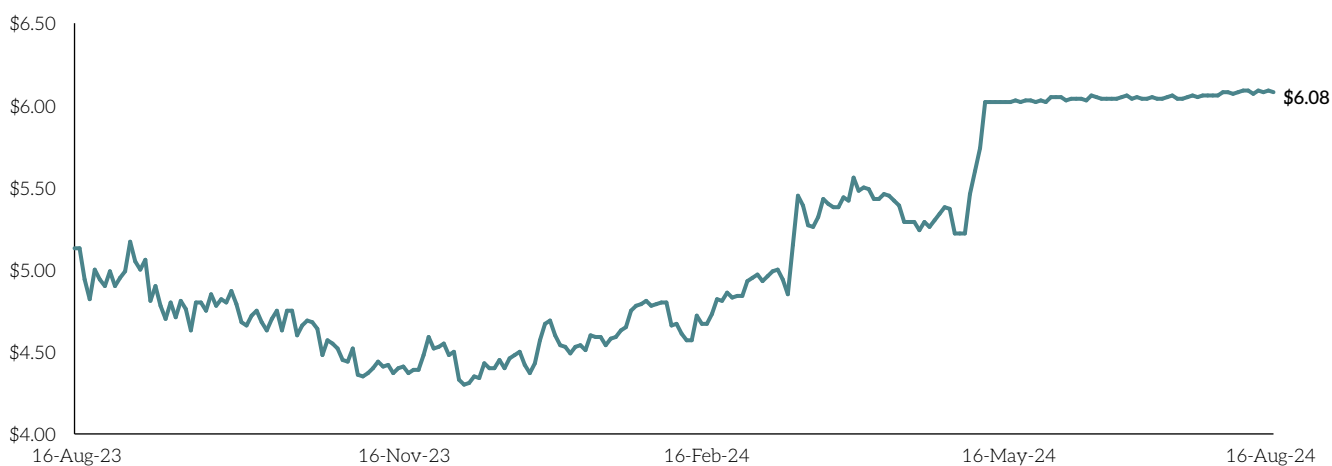
## 6.7 Recent PSC Share price performance

The closing price for PSC Shares on ASX on 12 March 2024 (being the last trading day before market speculation about a potential control transaction was published) was \$4.85 per share (being the Last Undisturbed Closing Price).

On the Last Practicable Date, 16 August 2024, the closing price of PSC Shares on ASX was \$6.08.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of PSC Shares on ASX were, respectively A\$6.09 and A\$5.22.

### PSC share price performance to Last Practicable Date



The chart above shows the closing PSC Share price during the twelve months ended 16 August 2024 (being the Last Practicable Date).

Set out is the VWAP of PSC Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
VWAP	\$6.07	\$6.08	\$6.07	\$6.01

The PSC Share prices given above should not be taken as being an indication of the likely PSC Share price if the Scheme does not become Effective and the PSC Shares remain listed on ASX.

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

## 6.8 Substantial PSC Shareholders

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

PSC Shareholder	Number of PSC Shares held	Percentage of issued PSC Shares
Paul Dwyer <i>Held by Mchalem No 2 Pty Ltd, Crathre Pty Ltd and P &amp; M Dwyer Super</i>	57,174,852	15.69%
John Dwyer <i>Held by Glendale Dwyer Pty Ltd and Cumnock Dwyer Pty Ltd</i>	34,571,351	9.49%
Brian Austin <i>Held by Austin Superannuation Pty Ltd</i>	32,277,966	8.86%

## 6. INFORMATION ON PSC (continued)

Rosedale Bidco is also technically considered to be a substantial shareholder of PSC by virtue of holding a relevant interest in 19.99% of the issued capital of PSC pursuant to the call options under the Co-operation Deeds as summarised in section 10.7.

### 6.9 PSC Directors' voting intentions

PSC's Independent Directors have considered the proposed Scheme and both the Independent Directors and the full PSC Board unanimously recommend that PSC Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of PSC Shareholders.<sup>16</sup> Subject to these same qualifications, each of the PSC Independent Directors and the full PSC Board intends to vote, or procure the voting of, all PSC shares that they hold or Control in favour of the Scheme. Note that the PSC Directors make this recommendation only in respect of the Cash Consideration. As the Rollover Shareholders have already elected to receive Scrip Consideration for a proportion of their holding of PSC Shares, the PSC Board does not make any recommendation in relation to whether the Rollover Shareholders should make an Election to receive Scrip Consideration.

The PSC Directors associated with Rollover Shareholders make their recommendation and declare their intention to vote in favour of the Scheme in the context of the Rollover Shareholders being expected to form a different class for the purposes of the Scheme.

### 6.10 Intentions regarding the continuation of PSC's business

If the Scheme is implemented, Ardonagh has stated that it intends to reconstitute the PSC Board as appropriate for an entity which is a subsidiary of Ardonagh.

It is for the reconstituted PSC Board to determine its intentions as to:

- (a) the continuation of the business of the PSC Group;
- (b) major changes, if any, to be made to the business of the PSC Group; or
- (c) any future employment of the present employees of the PSC Group.

The current intentions of The Ardonagh Group with respect to these matters are set out in section 7.4 of this Scheme Booklet.

If the Scheme is not implemented, the PSC Directors intend to continue to operate PSC in the ordinary course of business, including with respect to the matters set out above, and for PSC to remain listed on the ASX.

### 6.11 PSC's publicly available information for inspection

PSC is a disclosing entity for the purposes of the Corporations Act and is subject to periodic reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require PSC to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market.

Once PSC becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of a PSC Share, PSC must (subject to limited exceptions) immediately notify the ASX of that information.

Additionally, ASIC maintains a record of documents PSC has lodged with it, which may be obtained or inspected at any office of ASIC.

Publicly disclosed information about all ASX-listed entities, including PSC, is available on the ASX website at <https://www.asx.com.au>. PSC's annual and interim reports and public announcements are also available on the PSC website at <https://www.pscinsurancegroup.com.au/shareholder-meetings/>.

16. PSC Shareholders should consider this recommendation in light of the fact that certain PSC Directors may have differing interests from other PSC Shareholders as outlined in Section 1 of this Scheme Booklet.

# 7.

## INFORMATION ON THE ARDONAGH GROUP

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# 7. INFORMATION ON THE ARDONAGH GROUP

## 7.1 Introduction

This Section 7 forms part of the Ardonagh Information and has been prepared by, and is the responsibility of, Rosedale Bidco. This Section 7 contains information relating to The Ardonagh Group and Rosedale Bidco and outlines how Rosedale Bidco is funding the Scheme Consideration and its intentions in relation to the PSC Group.

## 7.2 Overview of The Ardonagh Group

### 7.2.1 Principal business, operations and history of The Ardonagh Group

The Ardonagh Group is one of the world's largest independent insurance distribution platforms and a top 20 broker globally. The Ardonagh Group is a collection of best-in-class entrepreneurial and specialist brands with a workforce of over 8,000 professionals across more than 150 offices globally. Across its portfolio, The Ardonagh Group offers a highly diversified range of insurance-related products and services across the full insurance value chain globally.

The Ardonagh Group's business is organised into three operating platforms that focus on distinct but complementary aspects of the insurance brokerage and services value chain: Ardonagh Advisory, Ardonagh Specialty and Ardonagh Global Partners.

The Ardonagh Group reported pro forma income for financial year 2023 of US\$1.9 billion and pro forma adjusted EBITDA of US\$695 million,<sup>17</sup> including completed and committed acquisitions to 20 March 2024, with annualised growth and savings initiatives, excluding Ardonagh Retail.

Since its launch in 2017, The Ardonagh Group has a long and successful track record investing in businesses across the world. It takes a highly selective approach to acquisitions, identifying strong management teams to support their ambitions and deliver equity value creation.

The Ardonagh Group places over £10 billion of premium globally on behalf of its clients, with key platforms including MDS Group, a leading broker and risk management adviser across Portugal and Latin America, and Arachas, one of the largest insurance brokers in Ireland.

The Ardonagh Group made its first acquisition in Australia in February 2021 with the purchase of Resilium Insurance Broking Pty Ltd. It subsequently acquired Brisbane-headquartered Envest Pty Ltd in February 2023 and merged both businesses into the Envest platform, resulting in The Ardonagh Group owning a majority shareholding in Envest Group. Since that time, The Ardonagh Group has supported the Envest Group in completing over 30 acquisitions, building gross written premium to more than A\$2.1 billion across Australia. The Envest Group has 28 Australian insurance brands, providing both insurance broking and MGA services, including the Aviso Group, Resilium and 14 specialist underwriting agencies. The merged entity, combining PSC's Australia and New Zealand operations with the Envest Group, will sit within Ardonagh Global Partners. The PSC Group's United Kingdom operations will sit within The Ardonagh Group's Specialty and Advisory platforms.

### 7.2.2 Board and senior management of The Ardonagh Group

The Ardonagh Group's Board and senior management are a highly experienced team with deep executive and investment expertise across global markets to deliver on the ongoing growth of its businesses, and are supported by the Ardonagh Advisory, Specialty and Global Partners management teams within each vertical.

#### (a) Board of Directors of AGHL

##### *John Tiner CBE (Chairman)*

With a career spanning over 40 years in financial services, from accounting through to his position as Chief Executive of the FSA, John has played a significant role in reforming the regulation of both the life and general insurance industries and improving consumers' understanding of personal finance.

John previously held Non-Executive Director roles on the Board of Credit Suisse Group and Tilney Group Limited. Prior to this, John was CEO of the Resolution Group, a private investment company which, through M&A, sponsored the formation of The Friends Life Group Plc, a FTSE 100 company prior to its acquisition by Aviva in 2015.

John is Chairman of The Ardonagh Group Board and its Risk & Nominations Committee. In addition to his Ardonagh role, John is also the founder and Chairman of The Salcombe Brewery Co. Limited.

<sup>17</sup> Based on an exchange rate at USD/GBP 1.25.

**Pat Butler (Independent Non-Executive Director)**

Pat brings extensive financial services experience to the Board, gained through both his executive and non-executive careers. He has previously served as a Non-Executive Director of Bank of Ireland Group PLC and Bank of Ireland (UK) PLC and was a partner at The Resolution Group, which conducts investment and restructuring activities in financial services. Pat has also chaired the Investment Committee of British Business Bank Investments Ltd, which is the commercial arm of the British Business Bank. Prior to that, he spent a number of years at McKinsey & Company Inc where he held senior roles, including leading the Europe, Middle East and Africa Retail Financial Services Practice.

In addition to his Ardonagh role, Pat is also Chairman of Aldermore Group plc and Non-Executive Director of Res Media Limited. Pat is a qualified accountant and a Fellow of the Institute of Chartered Accountants in Ireland.

**Martyn Scrivens (Independent Non-Executive Director)**

Martyn's career in audit, risk management and governance spans four decades, including operating at Board level in both the private and public sector. Martyn spent five years at Credit Suisse Group where he was Global Head of Internal Audit and prior to that he oversaw group audit functions at Lloyds Banking Group as Group Audit Director for nine years. Before joining Lloyds, Martyn spent 24 years at international professional services firm Arthur Andersen in the UK, Switzerland and Australia.

Martyn chairs the Group Audit Committee. In addition to his Ardonagh role, Martyn also serves on the Board of Somerset NHS Foundation Trust and director and Audit Committee chair of Hampshire Trust Bank.

He is a Fellow of the Institute of Chartered Accountants, where he chaired the Institute's Internal Audit Advisory Panel for 10 years.

**Scot French (Non-Executive Director, HPS Investment Partners)**

Mr. French is a Governing Partner of HPS Investment Partners and is the Portfolio Manager of the HPS Strategic Investment Partners Funds. Prior to joining HPS in 2007, Mr. French spent three years at Citigroup as a Managing Director and Head of Private Investments for Citigroup Global Special Situations, a credit-focused, on-balance sheet proprietary investment fund. Within Citigroup Global Special Situations, Mr. French managed a portfolio of private mezzanine and private equity investments in North America, Europe and Latin America. Prior to joining Citigroup, Mr. French worked in the Investment Banking Division at Goldman Sachs from 1999 to 2004 and in Mergers & Acquisitions at Salomon Brothers Inc. from 1994 to 1999. Mr. French began his career at Price Waterhouse from 1992 to 1994. Mr. French is a graduate of the University of Illinois.

**Vahe Dombalagian (Non-Executive Director, Madison Dearborn Partners)**

Vahe Dombalagian is a Managing Director and Co-Head of the MDP Financial Services team. Prior to joining MDP, he was with Texas Pacific Group and Bear, Stearns & Co. Inc. Vahe currently serves on the Boards of Directors of The Amynta Group, Ankura Consulting Group, The Ardonagh Group, Great Gray Trust Company, MoneyGram and Navacord, and formerly served on the Board of Directors of Cinemark, EVO Payments International, NFP Corp and L.A. Fitness International.

**David Ross (Chief Executive Officer)**

David Ross was appointed Chief Executive Officer of The Ardonagh Group in June 2017. This represented the culmination of a two-year process by shareholders and management to create the market leading independent distribution Group in the UK.

An Insead Alumnus, David's career has spanned 30 years in the insurance industry. This included a 25-year career at Arthur J Gallagher, most recently as the CEO of the International Division, during which time the company underwent a defining period of growth and expansion.

Throughout his career, David has worked to ensure the industry remains a force for good, supporting the creation of The Ardonagh Group's registered charity ACT, which together with our people has raised +£5.5 million. He was also instrumental in the creation of Ardonagh Academy, which is supporting development of the industry's next generation of leaders.

**Diane Cougill (Chief Financial Officer)**

Diane joined Ardonagh in June 2018 as CFO. Alongside David, Diane has led the transformation of the group, and driven a significant improvement in its financial strength and performance. Diane is a member of the Institute of Chartered Accountants and has significant industry and private equity experience, including previously being the CFO of the motoring and financial services group RAC which she sold to the Carlyle Group and then to GIC and CVC, and senior roles at global insurer Aviva.

## 7. INFORMATION ON THE ARDONAGH GROUP (continued)

### (b) Other members of the management team

#### **Geoff Gouriet (General Counsel)**

Geoff joined the management team in Towergate as General Counsel in March 2016 and worked on the turnaround and transformation of the business as well as on the formation of The Ardonagh Group throughout 2016 and 2017. Geoff has been Group General Counsel of The Ardonagh Group since its creation in June 2017 and is a member of its executive committee.

Geoff was previously a Partner in the corporate teams of City firms Stephenson Harwood LLP and Lawrence Graham LLP. He has more than 25 years of experience in advising on complex public and private company corporate transactions in a number of sectors and has also held senior management and executive committee positions during his time in private practice.

#### **Aurelio Cusaro (Chief Investment Officer)**

Aurelio is Chief Investment Officer of The Ardonagh Group. Prior to joining Ardonagh in 2022, he was involved in the creation and growth of The Ardonagh Group as Managing Director of HPS Investment Partners, one of the anchor investors in Ardonagh from inception. Prior to joining HPS in 2012, Aurelio was an Analyst in the Financial Institutions Group in the Investment Banking Division at Goldman Sachs and Citigroup. Aurelio holds a BS and an MS in Management Engineering from Politecnico di Milano.

#### **Sarah Dalgarno (Chief Risk Officer)**

Sarah has more than 37 years' industry experience and has served as The Ardonagh Group's Chief Risk Officer since June 2018. She joined Towergate in 2015 from Arthur J Gallagher International, where she spent nine years, latterly as CRO, responsible for all regulatory, compliance risk management and governance matters of the UK regulated entities and international operations. Prior to Arthur J Gallagher, Sarah worked at the FSA for six years.

### 7.2.3 Substantial shareholders

The Ardonagh Group's ultimate majority shareholders are funds and/or accounts managed, advised or controlled by each of Madison Dearborn Partners, LLC (**MDP**) and HPS Investment Partners, LLC (**HPS**) or their respective subsidiaries or affiliates.

MDP manages private equity funds that are focused on buyout and growth equity investments in established middle and upper-middle market companies.

Since MDP's formation in 1992, the firm has raised aggregate capital of more than US\$31 billion and has completed over 160 platform investments. MDP's objective is to invest in companies in partnership with outstanding management teams. MDP has four dedicated teams that have long and successful track records of investing in their respective sectors: Basic Industries; Technology & Government; Financial Services; and Health Care.

As at 31 March 2024, MDP had US\$18.5 billion in assets under management through MDP-managed private funds.

HPS is a leading global, credit-focused alternative investment firm that seeks to provide creative capital solutions and generate attractive risk-adjusted returns for its clients. HPS manages various strategies across the capital structure, including privately negotiated senior debt; privately negotiated junior capital solutions in debt, preferred and equity formats; liquid credit including syndicated leveraged loans, collateralized loan obligations and high yield bonds; asset-based finance and real estate. The scale and breadth of HPS's platform offers the flexibility to invest in companies large and small, through standard or customized solutions. At its core, HPS shares a common thread of intellectual rigor and discipline that enables it to create value for its clients, who have entrusted HPS with approximately \$114 billion of assets under management as of April 2024. HPS has fourteen offices globally<sup>18</sup> and has 201 investment professionals and 670+ employees globally.

On March 31, 2016, the senior executives of HPS acquired HPS and its subsidiaries from JPMorgan Asset Management Holdings Inc. (**JPMAM**) and Highbridge Capital Management, LLC (**HCM**) (the **HPS Transaction**).<sup>19</sup> Following the HPS Transaction, JPMAM retained a passive minority investment in HPS, which was subsequently redeemed in April 2022. In June 2018, affiliates of Dyal Capital Partners, a business unit of Blue Owl Capital Inc., made a passive minority investment in HPS. In February 2022, an affiliate of The Guardian Life Insurance Company of America made a passive minority investment in HPS.

18. Certain smaller, regional HPS office locations are not reflected above.

19. Prior to the HPS Transaction, HPS was a subsidiary of HCM, which is a subsidiary of JPMAM, which in turn is a subsidiary of JPMorgan Chase & Co. (together with its affiliates, **JPM**). Immediately following the closing of the HPS Transaction, the portfolio managers and other HPS employees responsible for the investment activities of HPS separated from JPM and continued to be employees of HPS. HPS is no longer deemed affiliated with JPM.

## 7.2.4 Bidder structure

### (a) Incorporation

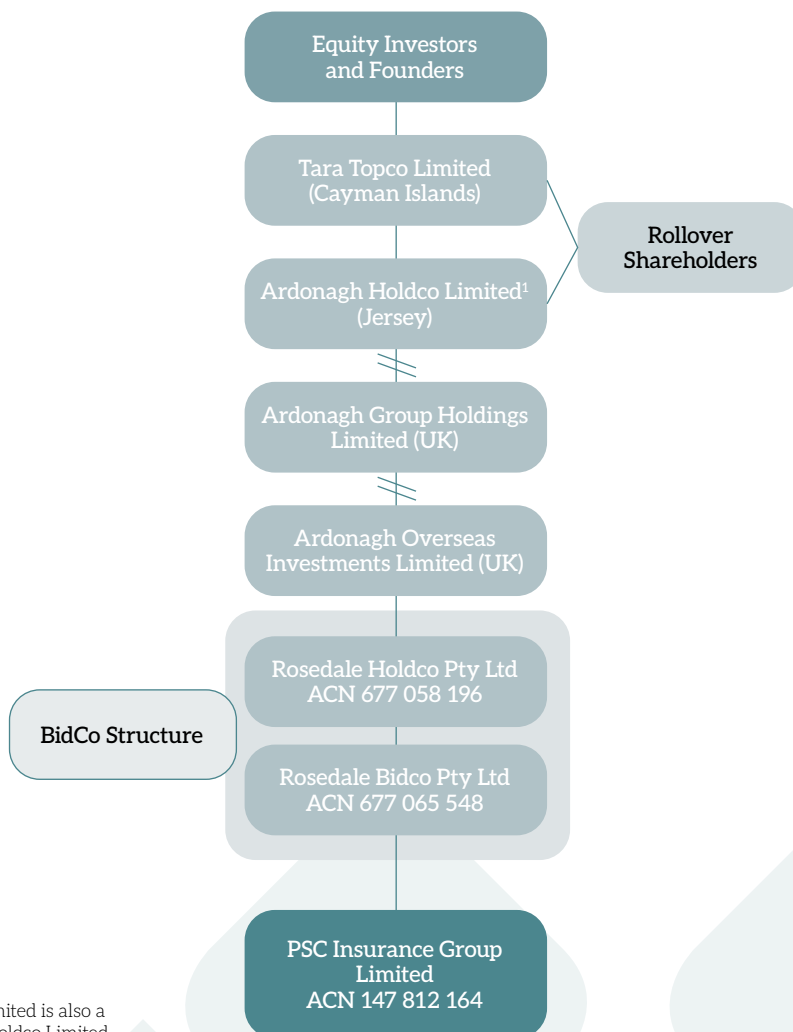
Rosedale Bidco is a special purpose company that was incorporated on 3 May 2024 for the purpose of acquiring (under the Scheme) and holding (following implementation of the Scheme) all of the shares in PSC. Rosedale Bidco is an unlisted Australian proprietary company that has not conducted business and does not own any assets or have any liabilities other than in connection with its incorporation, the entry into transaction documents in connection with the Scheme and Post-implementation Restructure and the taking of such other actions as are necessary to facilitate the implementation of the Scheme and Post-implementation Restructure.

### (b) Ownership structure

As at the date of this Scheme Booklet, Rosedale Bidco is a wholly-owned subsidiary of Rosedale Holdco. The ultimate Holding Company of Rosedale Bidco and Rosedale Holdco is Tara Topco, whose subsidiary, AGHL, oversees the activities of The Ardonagh Group.

Rosedale Bidco and Rosedale Holdco are each incorporated in Victoria, Australia.

If the Scheme becomes Effective, Rosedale Bidco will acquire all of the Scheme Shares on the Implementation Date. On the Implementation Date, the ownership structure will be as set out below in the simplified structure diagram. Following implementation, certain entities within the PSC Group will be transferred to other entities within The Ardonagh Group, as set out in Section 7.4.2.



1. Tara nominee Company Limited is also a shareholder in Ardonagh Holdco Limited.

## 7. INFORMATION ON THE ARDONAGH GROUP (continued)

### (c) Directors

As at the date of this Scheme Booklet, Mr. Paul Lynam and Mr. Gordon Wilkie are the directors of each of Rosedale Bidco and Rosedale Holdco.

#### **Paul Lynam**

Mr. Lynam is a seasoned insurance professional with over 30 years of experience in broking and underwriting sectors. Mr. Lynam is currently the Chairman of Envest, a leading insurance broking and underwriting group in Australia that is part of The Ardonagh Group. As the Chairman of Envest, Mr. Lynam oversees the strategic direction, growth, and performance of the Envest Group, as well as the merger and acquisition activities, start-up business opportunities, and business coaching. He also serves as a Trustee of Ardonagh Community Trust, the non-profit arm of The Ardonagh Group.

#### **Gordon Wilkie**

Mr. Wilkie is the Chief Financial Officer of Envest. As Chief Financial Officer, Mr. Wilkie is responsible for end-to-end financial management, shareholder returns and the delivery of a sustainable growth strategy.

Mr. Wilkie is a Chartered Accountant with over 15 years experience in both listed and non-listed corporate environments with several Chief Financial Officer positions across the Insurance and Healthcare sectors. He also held the roles of Executive Manager of Corporate Development and Bank Strategy at the Suncorp Group.

### 7.3 Rationale for proposed acquisition of PSC

The proposed acquisition of PSC by Rosedale Bidco represents a strategically attractive combination for The Ardonagh Group underpinned by complementary global footprints and capabilities. Key benefits for The Ardonagh Group if the Scheme is implemented are expected to include:

- strengthening The Ardonagh Group's existing presence across Australia, New Zealand and the United Kingdom across the retail, specialty and wholesale broking markets, which are key jurisdictions for The Ardonagh Group;
- enabling cross-sell opportunities underpinned by complementary product offering and client bases;
- access to talent with in-depth experience operating in the local markets to further enhance The Ardonagh Group's existing capabilities;
- leveraging combined product development, innovation, technology, and data capabilities to deliver enhanced service and value to clients, insurers, brokers and agencies; and
- delivering greater scale and efficiency benefits.

### 7.4 The Ardonagh Group's intentions for PSC if the Scheme is implemented

#### 7.4.1 Introduction

If the Scheme is implemented, Rosedale Bidco will acquire and hold all of the PSC Shares on issue and, accordingly, PSC will become a wholly owned subsidiary of Rosedale Bidco. This Section 7.4 sets out the intentions of The Ardonagh Group and Rosedale Bidco with respect to PSC if the Scheme is implemented.

The statements of intention made in this Section 7.4 are statements of present intention only. These intentions are based on the facts and information concerning PSC (including certain non-public information made available by PSC to Rosedale Bidco prior to the entry into the SID) and the general business environment that is known to Rosedale Bidco at the time of preparation of this Scheme Booklet. The Ardonagh Group and Rosedale Bidco do not currently have full knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation and financial implications of their current intentions. Final decisions on these matters will only be made by The Ardonagh Group and Rosedale Bidco after having conducted a detailed review of PSC's business after implementation of the Scheme. Accordingly, the statements set out in this Section 7.4 are statements of current intention only, which may change as new information becomes available or as circumstances change.

## 7.4.2 Business operations and Post-implementation Restructure

If the Scheme is implemented, The Ardonagh Group will:

- transfer and integrate the PSC Group's Australia and New Zealand operations with the Envest Group; and
- transfer and integrate PSC Group's United Kingdom operations into The Ardonagh Group's Specialty and Advisory divisions, with the Vietnam, Hong Kong, Bermudan and Irish operations to be generally integrated into Ardonagh Global Partners,

(being the **Post-implementation Restructure**).

The Post-implementation Restructure is expected to occur within one day of the Implementation Date.

Subject to the findings of the post-Implementation review referred to in Section 7.4.1 and the Post-implementation Restructure noted above, Rosedale Bidco's current intention is to continue to operate the business substantially in its current form in the near term. Any further decisions around the future of the PSC Group and intentions for the PSC Group will be made after, and be informed by, the results of the review.

## 7.4.3 PSC Board

If the Scheme is implemented, the PSC Board and some of its subsidiaries will be reconstituted with effect on and from the Implementation Date. PSC will initially become a wholly owned subsidiary within The Ardonagh Group but will subsequently be transferred to the Envest Group, which is majority owned by The Ardonagh Group.

## 7.4.4 Management team and employees

Following implementation of the Scheme, The Ardonagh Group will review the PSC Group's operations and organisational structure to ensure the combined group is well-positioned to deliver on its growth strategy. The knowledge and experience of the PSC Group's management team and employees are considered an integral part of its business and continued success under The Ardonagh Group.

## 7.4.5 Delisting

If the Scheme is implemented, it is intended that quotation of PSC Shares on ASX will be terminated and PSC will be removed from the official list of ASX on or around the Business Day immediately following the Implementation Date. It is also intended that Rosedale Bidco will apply to convert PSC from a public company to a proprietary company.

## 7.4.6 Constitution

Rosedale Bidco intends to replace PSC's constitution with a constitution appropriate for a proprietary company limited by shares (consistent with the intention expressed in Section 7.4.5 to convert PSC into a proprietary company limited by shares following implementation of the Scheme).

## 7.5 Funding of the Scheme Consideration

The Scheme Consideration to be provided to PSC Shareholders under the terms of the Scheme is to be comprised of Cash Consideration, which will be paid to both the General Shareholders and Rollover Shareholders (in respect of the portion of their shareholding for which they have not agreed to receive Scrip Consideration), and Scrip Consideration, which would be issued to the Rollover Shareholders only. The aggregate subscription or issue price for the Scrip Consideration is intended to be equivalent to the amount of Cash Consideration that would be paid to the Rollover Shareholders if they were to receive the Cash Consideration for that portion of their shareholding as set out in Section 5.6. The Scrip Consideration will be provided in the form of HoldCo Securities (being, as applicable, either shares in Ardonagh Holdco or Loan Notes which will ultimately be exchanged for Tara D Shares in accordance with the Post-implementation Agreements) as set out in further detail in Section 5.3.

As detailed below, Rosedale Bidco expects to fund the Cash Consideration through funding committed from the Equity Investors, as well as cash on balance sheet from recently drawn term loans.

## 7. INFORMATION ON THE ARDONAGH GROUP (continued)

### 7.5.1 Cash Consideration

#### (a) Funding from Equity Investors

Tara Topco, the ultimate Holding Company of Rosedale Bidco, has entered into a legally binding commitment letter with each of the Equity Investors who is committing funding, under which the Equity Investors agree to cause Tara Topco to receive, directly or indirectly, an aggregate amount of up to US\$665,000,000 if the Scheme becomes Effective (**Sponsor Funding**). Each Equity Investor has undertaken to Tara Topco in the commitment letter that subject to the terms of that commitment letter, it will have (or otherwise manages, controls or advises funds which have) sufficient undrawn capital commitments or funds available to enable it to cause Tara Topco to receive, directly or indirectly, its respective proportion of the Sponsor Funding in full for the purposes of paying the cash consideration under the Scheme.

The Sponsor Funding is to be provided for the sole purpose of paying the Cash Consideration pursuant to the Scheme. The commitment letter is expected to be superseded prior to the Second Court Hearing by more detailed agreements with Tara Topco on the same material terms contemplated by the commitment letter.

The provision of the Sponsor Funding by the Equity Investors is subject to certain limited conditions precedent which are customary for funding commitments of this kind, being that the Scheme becomes Effective and there having been no amendment or modification to the Scheme that is materially adverse to Rosedale Bidco or the Equity Investors except as consented to in writing by the Equity Investors.

Tara Topco has undertaken in favour of PSC to procure that any amounts received by it pursuant to the commitment letter will be provided directly or indirectly to Rosedale Bidco on or prior to the Business Day before the Implementation Date.

#### (b) Cash on balance sheet

On or around 12 August 2024, The Ardonagh Group drew down term loans in a USD equivalent amount of approximately US\$1.53 billion under its Senior Syndicated 2024 Facilities Agreement, of which a USD equivalent amount of approximately US\$1.51 billion has been funded as cash to the balance sheet of The Ardonagh Group net of related original issue discount (OID) and bank fees. The Ardonagh Group intends that part of the Cash Consideration under the Scheme will be paid from these funds.

As at 16 August 2024, The Ardonagh Group has total outstanding senior indebtedness in a USD equivalent amount of approximately US\$5.73 billion (translated at a foreign exchange rate of €1 to USD\$1.0735 as at 30 June 2024).

#### (c) Foreign exchange hedging

The Ardonagh Group has in place appropriate hedging arrangements to mitigate foreign exchange risk in respect of the Sponsor Funding and the cash on balance sheet to be applied towards funding the Cash Consideration which is denominated in currencies other than Australian Dollars.

#### (d) Issue of HoldCo Securities

Rosedale Bidco expects that the number of HoldCo Securities to be issued to Rollover Shareholders will be 17,641,175 Ardonagh D Shares (in the case of Australian-resident Rollover Shareholders) and, in the case of UK-resident Rollover Shareholders (and on the assumption that such persons do not elect to receive Ardonagh D Shares), Loan Notes of principal amount £10.9 million, which will be exchangeable for 2,180,962 Tara D Shares. This estimate assumes that no dividend or capital return has been declared or paid by PSC on or after the date of the SID and no adjustment to the number of HoldCo Securities is made pursuant to clause 5.3.3 of the Scheme (see Section 5.6).

Tara Topco, Ardonagh Holdco, Rosedale Bidco and AGHL have each entered into the Deed Poll to covenant in favour of Scheme Participants to perform their respective obligations in relation to the Scheme. One of those obligations is for Rosedale Bidco and Ardonagh Holdco to provide the Scheme Consideration to the Scheme Participants in accordance with the Scheme.

#### (e) Conclusion

On the basis of the arrangements described above, Rosedale Bidco believes it has reasonable grounds for holding the view, and it does hold the view, that it will be able to satisfy its obligations to fund the Cash Consideration as and when it is due under the terms of the Scheme.

The Ardonagh Group reserves the right to revise the funding sources and mix for the payment of the Cash Consideration prior to implementation of the Scheme. Any revision of funding sources and/or mix will have no impact on Rosedale Bidco's ability to satisfy its obligations to fund the Cash Consideration.



## Interests in PSC Shares

### 7.5.2 Interests in PSC Shares

As at the Last Practicable Date:

- Rosedale Bidco has a relevant interest in 72,844,492 PSC Shares arising from Rosedale Bidco's entry into the Co-operation Deeds;
- Rosedale Holdco, Tara Topco and the entities listed in Annexure A of the notice of initial substantial holder lodged by Rosedale Bidco on 8 May 2024 have a relevant interest in 72,844,492 PSC Shares arising from Rosedale Holdco owning all of the shares in Rosedale Bidco and Tara Topco indirectly controlling Rosedale Bidco; and
- MDP and HPS have a relevant interest in 72,844,492 PSC Shares arising from MDP and HPS each having voting power greater than 20% in Tara Topco.

The voting power of Rosedale Bidco and each entity noted above in PSC is 19.99%. The Co-operation Deeds under which the relevant interests and voting power arises are summarised at Section 10.7. A copy of each Co-operation Deed was released on the ASX Market Announcements Platform as Annexure B to the 'Form 603 - Notice of initial substantial holder' lodged by Rosedale Bidco on 8 May 2024.

### 7.5.3 Dealings in PSC Shares in the previous four months

During the four months before the date of this Scheme Booklet, other than pursuant to the SID, Scheme, Deed Poll or Co-operation Deeds, neither Rosedale Bidco nor any of its associates has agreed to provide consideration for any PSC Shares under any transaction or agreement.

### 7.5.4 Benefits given during previous four months

During the four months before the date of this Scheme Booklet, except as disclosed in Sections 1.4 and 1.5, none of Rosedale Bidco or any of its associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to vote in favour of the Scheme or dispose of PSC Shares, where the benefit was not offered to all PSC Shareholders.

### 7.5.5 Retirement benefits to current PSC Directors

None of Rosedale Bidco or its associates will be making any payment or giving any benefit to any current Directors or officers of the PSC Group as compensation for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

### 7.5.6 HoldCo Securities sold in previous three months

No HoldCo Securities were sold during the three months before the date of this Scheme Booklet.

## 7.6 Post-implementation Agreements

This Section 7.6 summarises the key documents which the Rollover Shareholders will enter into in connection with the issuance of their HoldCo Securities. The form of scrip will be different for the Australian-resident Rollover Shareholders and the UK-resident Rollover Shareholders.

### 7.6.1 UK-resident Rollover Shareholders

The HoldCo Securities issued upon Implementation to the UK-resident Rollover Shareholders will be the Loan Notes (issued by Rosedale Bidco). Immediately following Implementation, the Loan Notes will be rolled-up through the corporate chain into Tara D Shares, being shares issued by the ultimate Holding Company of The Ardonagh Group (unless the UK-resident Rollover Shareholders elect to instead receive Ardonagh D Shares as further detailed in Section 7.6.1(a) below).

## 7. INFORMATION ON THE ARDONAGH GROUP (continued)

### (a) Master Put and Call Option Deed

A master put and call option deed will be entered into between the UK-resident Rollover Shareholders and each entity in the corporate ownership chain from Rosedale Bidco to Tara Topco (the **Master Put and Call Option Deed**). The Master Put and Call Option Deed provides the legal mechanical framework for the roll-up of the Loan Notes by the UK-resident Rollover Shareholders into the Tara D Shares.

Under the Master Put and Call Option Deed, the UK-resident Rollover Shareholders will exchange the Loan Notes issued by Rosedale Bidco for loan notes issued by its immediate parent. This process is then repeated, until the UK-resident Rollover Shareholders hold loan notes issued by Ardonagh Holdco, a direct subsidiary of Tara Topco. In the final mechanical step of the process, the UK-resident Rollover Shareholders exchange the loan notes issued by Ardonagh Holdco for Tara D Shares.

The UK-resident Rollover Shareholders may elect to receive Ardonagh D Shares (rather than Tara D Shares) (any UK-resident Rollover Shareholder making such election being an **Electing Shareholder**). If such election is made, the process described in the paragraph immediately above will still apply, however the process will be repeated until the Electing Shareholder holds loan notes issued by Ardonagh New Midco 1 Limited, the immediate subsidiary of Ardonagh Holdco, and in the final mechanical step of the process, the Electing Shareholder will exchange the loan notes issued by Ardonagh New Midco 1 Limited for Ardonagh D Shares.

### (b) Loan Note instruments and Loan Note certificates

The Loan Notes and the subsequent loan notes issued by each entity through the corporate ownership chain (as part of the roll-up process) will be constituted by a loan note instrument. At each stage of the roll-up process, the relevant entity will provide a certificate to each of the UK-resident Rollover Shareholders evidencing ownership of the loan notes.

### (c) Call option notice/put option notice

In order to implement the exchange of loan notes at each stage of the roll-up process, either:

- the relevant entity will notify the exercise of its call option; or
- each UK-resident Rollover Shareholder may notify the exercise of their put option,

pursuant to the Master Put and Call Option Deed.

### (d) Loan Note transfer instrument

Following exercise of the call option or put option, the UK-resident Rollover Shareholders will each enter into a transfer instrument to transfer their loan notes to the subsequent entity in the corporate ownership chain as part of the roll-up process.

### (e) Subscription agreement for the Tara D Shares

Each UK-resident Rollover Shareholder will enter into a subscription agreement with Tara Topco (or, in the case of an Electing Shareholder, with Ardonagh Holdco), setting out the terms upon which Tara Topco will issue the Tara D Shares (or, in the case of an Electing Shareholder, Ardonagh Holdco will issue the Ardonagh D Shares) to the UK-resident Rollover Shareholder.

### (f) Deed of adherence to Shareholders' Agreement

The UK-resident Rollover Shareholders will enter into a deed of adherence to the shareholders' agreement in relation to Tara Topco and Ardonagh Holdco (the Shareholders' Agreement), under which they will agree to be bound by the terms of the Shareholders' Agreement.

### 7.6.2 Australian-resident Rollover Shareholders

The HoldCo Securities issued upon implementation to the Australian-resident Rollover Shareholders will be Ardonagh D Shares. Tara Topco is the ultimate Holding Company of The Ardonagh Group, and the Ardonagh D Shares are issued by a direct subsidiary of Tara Topco. The Ardonagh D Shares will be issued directly to holding entities controlled by the Australian-resident Rollover Shareholders. By contrast to the UK-resident Rollover Shareholders, there is no loan note roll-up mechanism.

#### (a) Subscription agreement for the Ardonagh Holdco Shares

Each Australian-resident Rollover Shareholder will enter into a subscription agreement with Ardonagh Holdco, setting out the terms upon which Ardonagh Holdco will issue the Ardonagh D Shares to the Australian-resident Rollover Shareholder.

#### (b) Deed of adherence to Shareholders' Agreement, entered into by Australian-resident Rollover Shareholders and their related individuals

The Australian-resident Rollover Shareholders will enter into a deed of adherence to the Shareholders' Agreement, under which they will agree to be bound by the terms of the Shareholders' Agreement.

To the extent that a Rollover Shareholder is not an individual, the individuals which Control the Rollover Shareholders will also enter into deeds of adherence to the Shareholders' Agreement in their personal capacity, under which they will agree to be bound by the terms of the Shareholders' Agreement.

## 7.7 Ardonagh Consideration Shares to be held by Rollover Shareholders

### 7.7.1 Overview

As described in Section 7.6, the form of scrip will be different for the Australian-resident Rollover Shareholders and the UK-resident Rollover Shareholders.

The Rollover Shareholders should seek professional advice from a solicitor, an accountant, a tax adviser or other independent and qualified professional advisers in respect of the Scrip Consideration and Post-implementation Agreements, including in relation to the nature of the Ardonagh D Shares or Tara D Shares (as applicable) (the **Ardonagh Consideration Shares**) or Loan Notes, the risk factors relating to holding Ardonagh Consideration Shares in light of their own personal circumstances, and the rights and obligations attached thereto.

The Tara D Shares to be issued to the UK-resident Rollover Shareholders will be part of an existing class of shares issued by Tara Topco. The Ardonagh D Shares to be issued to the Australian-resident Rollover Shareholders will constitute a new class of shares which will be created for this transaction, and whose terms seek to substantially mirror those of the Tara D Shares. Any holder of Ardonagh D Shares will have the right to exchange all their Ardonagh D Shares for Tara D Shares at any time by notice in writing to Tara Topco and the Equity Investors.

The rights attaching to the Ardonagh Consideration Shares to be held by the Rollover Shareholders are governed by:

- in the case of the Tara D Shares only, the articles of association of Tara Topco;
- in the case of the Ardonagh D Shares only, the articles of association of Ardonagh Holdco; and
- the Shareholders' Agreement.

### 7.7.2 Rights and obligations of the Ardonagh Consideration Shares

It is the intention that a Rollover Shareholder holding an Ardonagh D Share will have, as far as practicable, substantially the same rights and obligations as a Rollover Shareholder holding a Tara D Share. On or prior to the Implementation Date, amendments will have been made to the Shareholders' Agreement, the Ardonagh Holdco articles of association and the Tara Topco articles of association in order to put in place a structure which implements this alignment of rights and obligations.

The key rights and obligations attaching to the Tara D Shares and Ardonagh D Shares, as will be provided for by the Shareholders' Agreement and the articles of association of Tara Topco and Ardonagh Holdco (as applicable), are as follows:

<b>Voting rights</b>	The Tara D Shares and Ardonagh D Shares are non-voting shares.
<b>Dividend rights</b>	The Tara D Shares rank <i>pari passu</i> with the other ordinary share classes in Tara Topco for any dividends declared by Tara Topco. The Ardonagh D Shares are entitled to payments equivalent to those due on a Tara D Share on any dividend by Tara Topco.
<b>Rights on a winding up</b>	The Tara D Shares rank <i>pari passu</i> with the other ordinary share classes in Tara Topco for any distributions of capital on a winding up of Tara Topco. The Ardonagh D Shares are entitled to payments equivalent to those due on a Tara D Share on a winding up of Tara Topco.

## 7. INFORMATION ON THE ARDONAGH GROUP (continued)

### 7.7.3 Risks associated with Ardonagh Consideration Shares

#### (a) Risks associated with an investment in Ardonagh by the Rollover Shareholders post implementation of the Scheme

Risk factors that apply to an investment in Ardonagh Consideration Shares following implementation of the Scheme may be materially different from those that apply to the Rollover Shareholders' existing investment in PSC. For instance, certain risk factors applying to an investment in Ardonagh Consideration Shares (rather than the existing PSC Shares) following implementation of the Scheme will include that:

- (i) Tara Topco and Ardonagh Holdco are unlisted companies and there will be no public market for the trading of Ardonagh Consideration Shares, nor is there expected to be any such market in the near future. The ability to dispose of the Ardonagh Consideration Shares is also significantly restricted under the Shareholders' Agreement, which results in Ardonagh Consideration Shares being substantially illiquid and may also affect the value of Ardonagh Consideration Shares;
- (ii) as the ASX Listing Rules do not apply to Tara Topco or Ardonagh Holdco, investor protections currently available to Rollover Shareholders in respect of their PSC Shares under the ASX Listing Rules will not apply to the Ardonagh Consideration Shares;
- (iii) on the basis that the Rollover Shareholders elect to receive the Ardonagh Consideration Shares, the Rollover Shareholders will be minority shareholders in Tara Topco or Ardonagh Holdco (as applicable). As such, except as otherwise provided in the Post-implementation Agreements and the articles of association of each of Tara Topco and Ardonagh Holdco, the Rollover Shareholders will be subject to risks that are inherent in minority shareholdings with no substantial influence over a majority of decisions affecting Tara Topco or Ardonagh Holdco;
- (iv) there is no guarantee that distributions will be paid under the Ardonagh Consideration Shares, or if they are paid, the amount of such distributions;
- (v) the Rollover Shareholders may be compelled to sell or transfer their Ardonagh Consideration Shares pursuant to provisions of the Shareholders' Agreement and the articles of association of each of Tara Topco and Ardonagh Holdco (for example, under certain "drag along" provisions);
- (vi) there is no guarantee that the stated objectives or statements of current or future intent as described in Sections 7.3 and 7.4 will be achieved;
- (vii) the Shareholders' Agreement and the articles of association of each of Tara Topco and Ardonagh Holdco contain provisions which are common features of private-equity backed companies, including that liquidity is primarily driven by the Equity Investors. There is no guarantee that the Rollover Shareholders will be able to achieve an exit in respect of their Ardonagh Consideration Shares if a decision for exit is not made by the Equity Investors. Conversely, there is no guarantee that the Rollover Shareholders will want to exit their investment in Ardonagh Consideration Shares at the same time as the decision for exit is made by the Equity Investors; and
- (viii) as Tara Topco and Ardonagh Holdco are unlisted companies incorporated outside Australia, the Corporations Act will generally not apply to them, including matters such as restrictions on related party transactions. Except as provided under the Shareholders' Agreement, there will be fewer restrictions on persons in a position of influence such as related parties, or substantial holders, from entering into 'related party' transactions with Tara Topco or Ardonagh Holdco, and such transactions may not require shareholder approval.

This is a summary of certain risks associated with an investment in the Ardonagh Consideration Shares following implementation of the Scheme. It is not intended to be, and is not, an exhaustive list of the risks associated with such an investment.

#### (b) Risks specific to The Ardonagh Group and Ardonagh Consideration Shares post implementation of Scheme

Rollover Shareholders who have elected to receive the Ardonagh Consideration Shares should consider general risks relating to investing in shares in The Ardonagh Group. These risks may, individually or in combination, have a material adverse effect on any one or more of The Ardonagh Group's future financial performance, financial position, cash flows or distributions and a Rollover Shareholder's ability to dispose of Ardonagh Consideration Shares if they wish to do so and consequently, on the outcome of an investment in The Ardonagh Group and the value of Ardonagh Consideration Shares.

### 7.8 No other material information

Other than as disclosed in this Scheme Booklet, there is no information regarding Rosedale Bidco, or its intentions regarding the PSC Group, that is material to the making of a decision by a PSC Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Rosedale Bidco as at the date of this Scheme Booklet that has not previously been disclosed to PSC Shareholders.

## 8.

INVESTMENT RISK/  
WHAT IF THE SCHEME  
IS NOT IMPLEMENTED?

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## 8. INVESTMENT RISK/WHAT IF THE SCHEME IS NOT IMPLEMENTED?

### 8.1 Introduction

The Scheme presents a number of potential risks that PSC Shareholders should consider when deciding how to vote on the Scheme. In making your decision, you should carefully read this Scheme Booklet in its entirety. You should also carefully consider the risk factors outlined in this Section and your personal circumstances. This Section is general in nature only and does not take into account your individual objectives, financial situation, tax position or particular needs.

This Section outlines some of the:

- (i) risk factors relating to the business and operations of PSC, including your current investment in PSC Shares (see Sections 8.2 and 8.3); and
- (ii) Scheme-related risk factors which may prevent the Scheme from becoming Effective (see Section 8.4).

If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration and, from implementation of the Scheme, will cease to be PSC Shareholders and (except for the Rollover Shareholders who receive Scrip Consideration) will no longer be exposed to the risks set out in Sections 8.2 and 8.3. Rollover Shareholders should also be aware of the risks associated with holding Tara D Shares or Ardonagh D Shares as set out in Section 7.7.3, including exposure to the broader business of The Ardonagh Group.

If the Scheme is not implemented, PSC Shares will remain quoted on ASX and all PSC Shareholders will continue to be subject to the risks in Sections 8.2 and 8.3.

The outline of risks in this Section 8 is a summary only and should not be considered exhaustive. This Section 8 does not purport to list every risk that may be associated with an investment in PSC now or in the future or which may prevent the Scheme from becoming Effective or being implemented. The occurrence or consequences of some of the risks described in this Section 8 may be partially or completely outside the control of PSC and Rosedale Bidco or their respective directors and senior management teams.

The risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of PSC Shareholders. You should carefully consider the risk factors discussed in this Section 8, as well as the other information contained in this Scheme Booklet, before voting on the Scheme.

### 8.2 General investment risks

If the Scheme does not become Effective, PSC Shares and future distributions made to PSC Shareholders will be influenced by a number of macroeconomic factors including:

- (i) changes in investor sentiment and overall performance of the Australian, UK and international stock markets;
- (ii) changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, wage rates, property markets including rising building costs, house prices and residential supply and demand, population growth, retail sales and consumer demand;
- (iii) changes in government fiscal, monetary and regulatory policies, including foreign investment and immigration;
- (iv) the impact of rising rates of inflation globally;
- (v) natural disasters and catastrophes, whether on a global, regional or local scale;
- (vi) acts of war and hostilities (including the Russia-Ukraine conflict and the Israel-Hamas conflict which remain ongoing as at the date of this Scheme Booklet), acts of terrorism, civil disturbance and other force majeure risks; and
- (vii) accounting standards which affect the financial performance and position reported by PSC.

### 8.3 Specific risks for the PSC Business and operations

In considering the Scheme, you should be aware that there are a number of general risk factors, as well as risks specific to the industries in which PSC operates, which could materially and adversely affect the future operating and financial performance of PSC.

Many of these risks are currently relevant to PSC Shareholders and will continue to be relevant to PSC Shareholders if the Scheme does not become Effective and you retain your current investment in PSC.

While PSC has in place what it considers are appropriate policies and procedures to help manage these risks, there is no guarantee that PSC will be able to manage these risks completely. Furthermore, certain aspects of these risks (or PSC's ability to respond to and manage them) may be partially or wholly outside of PSC's control.

### 8.3.1 Reduction in commission rates and advice fees

PSC derives material income from commission and fees.

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

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.

### 8.3.2 PSC share price volatility

If the Scheme does not become Effective, PSC Shares will remain quoted on ASX and will continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions.

If the Scheme does not become Effective, the price at which PSC Shares trade may fall.

### 8.3.3 Employee and director departure risk

If the Scheme does not proceed, there is a risk that this will negatively impact staff morale. Employees and directors of the PSC Group may reconsider their role within the PSC Group as a standalone entity if the Scheme does not proceed, and may look for opportunities outside of PSC. PSC is heavily reliant on its employees across all aspects of its business. Any loss of employees, particularly senior employees and executives, may adversely impact PSC's ability to successfully execute against its business plan and its financial performance generally.

### 8.3.4 Competition risks

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

### 8.3.5 Licensing requirements

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

Any future legislative and regulatory changes may affect obligations, increasing compliance costs and adversely affect PSC's profitability. In addition, like all entities operating in the insurance or financial services sectors, PSC 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.

Insurance intermediary services are also highly regulated in the UK and the other jurisdictions where PSC operates. UK 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 UK-based insurance intermediaries in the PSC Group are authorised by and subject to the broad supervisory powers of the 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.



## 8. INVESTMENT RISK/WHAT IF THE SCHEME IS NOT IMPLEMENTED? (continued)

### 8.3.6 Lloyds appointments and approvals

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

### 8.3.7 Changes in insurance products provided

PSC earns a significant proportion of its revenue from the sale of insurance products both in Australia and in the UK.

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

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

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

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

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

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

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

### 8.3.9 Loss of capacity for underwriting agency business

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

### 8.3.10 Data, technology and cyber security breaches

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

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



### 8.3.11 Dependence on third parties and services

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

Furthermore, standard backup, restoration and recovery procedures are in place for PSC. However, despite these protections, any significant interruptions to PSC's information technology and communications systems could impair the ability of PSC to continue to provide its services (such as access to the online platforms), or the loss or corruption of data and may impact PSC's brand image and potentially loss of customers.

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

### 8.3.12 Foreign exchange risk

PSC generates a significant proportion of its revenue in British Pounds but incurs costs in other currencies including Australian dollars and other denominations. PSC does not currently have any hedging instruments to protect against exchange rate fluctuations and consequently will be at risk of any adverse movement in the applicable exchange rates.

### 8.3.13 Key personnel

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

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

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

### 8.3.14 Future capital requirements

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

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

### 8.3.15 Success of planned acquisitions

As part of its growth strategy, PSC will continue to identify and make further acquisitions of complementary businesses. Any such future potential transactions are accompanied by the risk that the transaction does not complete and costs incurred in conducting due diligence and negotiating acquisitions will be wasted. Further to this, completed acquisitions may not deliver the benefits expected or may incur additional costs and time being spent to integrate the businesses. Any of these matters may impact the growth plans of PSC.

### 8.3.16 Failure to manage growth

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

## 8. INVESTMENT RISK/WHAT IF THE SCHEME IS NOT IMPLEMENTED? (continued)

### 8.3.17 General risks relating to business and operations

The general risks outlined below may also affect PSC's financial performance, financial position, cash flows, distributions, growth prospects and share price:

- (i) litigation and claims;
- (ii) inability to pay dividends or make distributions; and
- (iii) equity dilution.

As at the Last Practicable Date, the PSC Directors are not aware of any current, impending or threatened litigation that may have a material impact on the PSC Group.

## 8.4 Scheme-related implications

### 8.4.1 Risks relating to implementing the Scheme

#### Satisfaction or waiver of Conditions

The Scheme is subject to various Conditions that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These Conditions are outlined in further detail in Section 10.5.1 and set out in full in clause 3.1 of the SID. The failure of a Condition to be satisfied or waived (if capable of waiver) may also give rise to a right of either PSC or Rosedale Bidco to terminate the SID.

The Conditions include, for example, approval by the Court, approval by PSC Shareholders, FIRB Approval, ACCC approval and FCA approval. There is a risk that the Court may not approve the Scheme, or may only be willing to approve the Scheme subject to conditions that PSC and Rosedale Bidco are not prepared to accept. There is also a risk that some or all of the aspects of the PSC Shareholder approval, Court approvals, FIRB Approval, ACCC approval and FCA approval required for the Scheme to proceed may be delayed.

If for any reason the Conditions to the Scheme are not satisfied or waived (where applicable) by the End Date and the Scheme is not implemented or the Scheme is delayed, the market price of PSC Shares may be adversely affected.

#### Termination rights

PSC and Rosedale Bidco each have the right to terminate the SID in the circumstances described in Section 10.5.6 of this Scheme Booklet. As such, there is no certainty that the SID will not be terminated before the Scheme is implemented.

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

#### A Superior Proposal for PSC may yet emerge

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

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

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

#### Reimbursement Fee

Under the SID, a liquidated amount (or break fee) of \$22,600,000 may become payable by PSC to Rosedale Bidco (**Reimbursement Fee**) in certain circumstances. More information about the Reimbursement Fee is set out in Section 10.5.4.

### Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for the Scheme Shareholders which may include tax being payable.

For further detail regarding the general Australian tax consequences of the Scheme, refer to Section 9 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. PSC Shareholders should seek professional taxation advice in this regard.

### Other risks

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

### 8.4.2 Implications for PSC and PSC Shareholders if Scheme is not implemented

If the Scheme does not become Effective, PSC Shareholders will not receive any form of Scheme Consideration and PSC will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on ASX.

Unless PSC Shareholders choose to sell their PSC Shares on ASX, PSC Shareholders will continue to hold PSC Shares and be exposed to both the risks (including those set out in this Section 8) and potential future benefits in retaining exposure to PSC's business and assets.

The PSC share price will also remain subject to market volatility and may fall in the absence of a Superior Proposal.



# 9.

## AUSTRALIAN TAX IMPLICATIONS OF THE SCHEME

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# 9. AUSTRALIAN TAX IMPLICATIONS OF THE SCHEME

## 9.1 Introduction

The following is a general summary of the Australian income tax, GST and stamp duty implications for Scheme Shareholders in respect of the disposal of PSC Shares solely for Cash Consideration under the Scheme.

This summary is general in nature only, should be read in conjunction with the rest of this Scheme Booklet, and is not intended to be an authoritative or complete analysis of the tax consequences arising from the Scheme. It is not intended to provide, and should not be relied on for, tax or legal advice. Scheme Shareholders are advised to seek professional tax advice in relation to their particular circumstances.

This summary is based on the provisions of the *Income Tax Assessment Act 1936* (Cth) (**ITAA 1936**) and the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**), the GST Law and the Australian state stamp duties legislation, as at the date of this Scheme Booklet. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities.

The information provided below is not applicable to all Scheme Shareholders. This tax summary applies to Australian tax resident and non-resident shareholders who hold their shares on capital account for income tax purposes. This summary will not apply to Scheme Participants who:

- are Rollover Shareholders, in respect of their PSC Shares for which they will receive any Scrip Consideration;
- hold their PSC Shares on 'revenue account' (such as share trading entities or entities who acquired their PSC Shares for the purposes of resale at a profit) or as 'trading stock' or entities, the investments of which are ordinarily subject to tax on revenue account;
- may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies, dealers in securities or shareholders who change their tax residency while holding their PSC Shares;
- have a functional currency for Australian tax purposes other than an Australian functional currency;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their PSC Shares; or
- are non-residents of Australia who hold their PSC Shares in carrying on a business at or through a permanent establishment in Australia.

PSC Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

This summary does not address the consequences of any dividend which may be paid by PSC prior to the Effective Date on the basis that it is not the intention of the PSC Directors to pay any further dividends prior to that date.

## 9.2 Australian tax resident PSC Shareholders

### 9.2.1 Capital gains tax (CGT) on disposal of PSC Shares

The disposal of PSC Shares will constitute a CGT event for Australian resident PSC Shareholders. The disposal will constitute a CGT event A1 for Australian CGT purposes for PSC Shareholders.

The time of the CGT event will be the Implementation Date.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain (after reduction by the CGT discount, if applicable) is included in assessable income and is subject to income tax at the taxpayer's marginal rate. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

### 9.2.2 Calculation of capital gain or capital loss

PSC Shareholders will make a capital gain on the disposal of their PSC Shares if the capital proceeds from the disposal of the PSC Shares are more than the cost base of those PSC Shares. Conversely, PSC Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those PSC Shares.

No capital gain or loss should arise where a PSC Shareholder's capital proceeds is more than their reduced cost base in the shares but less than their cost base.

## 9. AUSTRALIAN TAX IMPLICATIONS OF THE SCHEME (continued)

### 9.2.3 Cost base and reduced cost base

Generally, the cost base of any PSC Shares will be equal to the consideration paid to acquire the PSC Shares. Other incidental costs incurred by a PSC Shareholder for their acquisition or ownership of PSC Shares (such as brokerage) that are otherwise non-deductible to the PSC Shareholder may also be included in the cost base of their PSC Shares.

The reduced tax cost base of the PSC Shares of a PSC Shareholder will be determined in a similar manner to the cost base, although some differences in the calculations of reduced tax cost base may exist depending on the relevant PSC Shareholder's circumstances.

### 9.2.4 Capital proceeds

The capital proceeds received in respect of the disposal of each PSC Share should be the amount of the Scheme Consideration (i.e. \$6.19 per share unless a dividend or capital return is declared or paid). The PSC directors do not intend that PSC will pay a dividend or capital return on or before the Implementation Date.

### 9.2.5 CGT discount

An Australian resident PSC Shareholder who is an individual, the trustee of a trust (conditions apply) or a complying superannuation entity may be entitled to claim a CGT discount in calculating any capital gain if their PSC Shares were acquired at least 12 months before disposal under the Scheme. The CGT discount is not available for PSC Shareholders that are companies.

The CGT discount is applied to the capital gain after any available current year capital losses and prior year capital losses are applied.

The applicable CGT discount which would reduce a capital gain arising from the disposal of PSC Shares is 50% in the case of individuals and trusts, and 33⅓% in the case of Australian complying superannuation entities.

The ultimate availability of the CGT discount for beneficiaries of a trust will depend on the individual circumstances of the beneficiaries.

## 9.3 Non-resident PSC Shareholders

### 9.3.1 Capital gains tax (CGT) on disposal of PSC Shares

PSC Shareholders who are non-residents of Australia for income tax purposes are not generally subject to Australian CGT on the disposal of their PSC Shares. Australian CGT only applies to foreign resident PSC Shareholders if:

- the PSC Shareholder, together with their associates, owns 10% or more of the shares in PSC for any continuous 12-month period in the 24-month period before the Implementation Date; and
- the PSC Shares are an indirect Australian real property interest.

Based on the financial statements of PSC (reproduced at Section 6.4 of this Scheme Booklet), the PSC Shares should not be indirect Australian real property interests and no Australian CGT should be payable by foreign residents who dispose of their PSC Shares under the Scheme.

However, a non-resident individual PSC Shareholder who has previously been an Australian tax resident and chosen to disregard a capital gain or loss (i.e. CGT event I1) in respect of their PSC Shares on ceasing to be an Australian tax resident, or a PSC Shareholder who used their PSC Shares at any time in carrying on a business through a permanent establishment in Australia, may be subject to Australian CGT consequences on disposal of their PSC Shares.

### 9.3.2 Foreign resident CGT withholding

The foreign resident capital gains withholding regime may impose a 12.5% withholding obligation (calculated by reference to the Scheme Consideration) on Rosedale Bidco if Rosedale Bidco considers, or reasonably believes, that a PSC Shareholder is a foreign resident and Australian CGT applies to the disposal of PSC Shares. On the basis that the PSC Shares should not be indirect Australian real property interests, the foreign resident CGT withholding regime should not operate to require Rosedale Bidco to withhold any amount from the Scheme Consideration.

#### 9.4 GST

PSC Shareholders should not be liable to GST in respect of a disposal of those PSC Shares.

PSC Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Scheme) that relate to the Scheme. PSC Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for GST incurred on such costs, but should seek their own independent advice in relation to their individual circumstances.

#### 9.5 Stamp duty

PSC Shareholders should not be liable for any stamp duty on their disposal of the PSC Shares.

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# 10.

## ADDITIONAL INFORMATION

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## 10. ADDITIONAL INFORMATION

### 10.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the *Corporations Regulations 2001* (Cth) to be included in this Scheme Booklet, to the extent not covered elsewhere in this Scheme Booklet. This Section also includes additional information that the PSC Directors consider material to a decision on how to vote on the Scheme Resolution.

### 10.2 PSC Equity Incentives

PSC has the LTIP in place to assist in the reward, retention and motivation of certain employees of the PSC Group and PSC Directors. PSC has granted a number of Loan Funded Shares under the LTIP to eligible participants. Loan Funded Shares have typically been granted with vesting over 3 and up to 6 years. As at the date of this Scheme Booklet, a number of Loan Funded Shares are unvested (that is, the vesting conditions and/or performance hurdles applicable to those Loan Funded Shares awards have not been satisfied), as set out in the table below.

Number of unvested Loan Funded Shares	Amounts owing under unvested Loan Funded Shares	Amounts owing under all Loan Funded Shares (vested and unvested)
17,537,607	\$70,432,679	\$74,732,679

As at the Last Practicable Date, 270,500 Loan Funded Shares have been forfeited in accordance with the LTIP Rules, and are intended to be bought back and cancelled by PSC prior to the Scheme becoming Effective.

Under the rules of the LTIP the PSC Board has a discretion as to the vesting of Loan Funded Shares upon a 'change of control' event occurring. The Scheme will constitute a 'change of control event' within the meaning of the rules of the LTIP. Accordingly, the PSC Board has determined to exercise its discretion to vest all outstanding unvested Loan Funded Shares on the Effective Date.

Under the terms of the Scheme, the loan amounts owing to PSC by holders of Loan Funded Shares will be assumed by Rosedale Bidco on implementation of the Scheme, and the individual amounts owing at the Implementation Date by those holders will be deducted from the Cash Consideration which is payable to those holders. Accordingly, holders of Loan Funded Shares will effectively be required to repay their loans on the Implementation Date. If the Scheme does not become Effective, these Loan Funded Shares will not vest, and the amounts owing by participants in respect of them under the LTIP will remain owing on their existing terms.

The only other awards granted by PSC under the LTIP and which remain outstanding are 2,000,000 Options expiring 31 March 2025 and exercisable at \$6.50 held by PSC Director Tony Robinson. As the exercise price for these Options is greater than the Cash Consideration, it is a requirement of the SID that these Options are cancelled for nil consideration prior to the Scheme becoming Effective. PSC intends to enter into an option cancellation deed with Mr Robinson to effect such cancellation, subject to the Scheme becoming Effective. If the Scheme does not become Effective, these Options will remain on foot on their existing terms.

### 10.3 No relevant restrictions in the Constitution of PSC

There are no relevant restrictions on the right to transfer PSC Shares in PSC's constitution.

### 10.4 PSC Directors' interests

Except as set out below or otherwise disclosed in this Scheme Booklet:

- there are no marketable securities of PSC held by or on behalf of PSC Directors as at the date of this Scheme Booklet;
- no PSC Director holds, or has any interest in, marketable securities in Ardonagh; and
- there has been no dealing by any PSC Director in any marketable securities of PSC or Ardonagh in the 4 months prior to the Last Practicable Date other than the grant by certain PSC Directors (or entities which they Control) of the call options pursuant to the terms of the Co-operation Deeds described in Sections 1.5 and 10.7.

## 10. ADDITIONAL INFORMATION (continued)

### 10.4.1 PSC Shares and PSC Equity Incentives

The relevant interests of each PSC Director in PSC securities as at the Last Practicable Date are as set out in the table at Section 1.2.

As set out in Sections 1.2 and 10.2, the Options held by Mr Robinson will be cancelled for nil consideration subject to the Scheme becoming Effective, and the unvested Loan Funded Shares held by Mr Kalbassi and Ms Falk will be accelerated such that all unvested Loan Funded Shares will vest on the Effective Date.

PSC Directors, or entities Controlled by them or their custodians, who are Rollover Shareholders will vote on the Scheme at the Rollover Shareholders Scheme Meeting. The balance of the PSC Directors, being Melvyn Sims and Joanne Dawson, will vote (or cause the Shares held by entities Controlled by them to be voted) at the General Scheme Meeting, as these PSC Directors (or entities that they Control) will receive the Cash Consideration on the same terms and considerations as all other General Shareholders.

### 10.4.2 Retirement Benefits

Except as otherwise disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any PSC Director, secretary or executive officer as compensation for, or in connection with, his or her retirement from office in PSC or in any other member of the PSC Group.

### 10.4.3 Deeds of access, indemnity and insurance

PSC has entered into deeds of access, indemnity and insurance with the directors of the PSC Group, on market standard terms (DOAs). The DOAs include terms that provide for PSC to indemnify each of its directors against any liability incurred by such persons in their capacity as a director of the company to any person other than a member of the PSC Group.

PSC also pays a premium in respect of a directors' and officers' insurance policy for the benefit of the directors and officers of the PSC Group. If the Scheme is implemented, PSC undertakes to enter into an arrangement to effect and maintain directors' and officers' run-off insurance coverage for all current PSC Directors for seven years from the retirement date of each PSC Director on commercially reasonable terms. As at the Last Practicable Date, PSC expects that the premium for entry into such run-off arrangement will be approximately \$2,915,973.

### 10.4.4 Agreements and arrangements entered into by PSC Directors in connection with or conditional upon the Scheme

None of the PSC Directors, nor any of their associates, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any member of The Ardonagh Group, in connection with, or conditional upon, the outcome of the Scheme, except as set out below.

PSC Directors, James Kalbassi, Tara Falk, Paul Dwyer, John Dwyer and Brian Austin and, in respect of Mr P Dwyer, Mr J Dwyer and Mr Austin, PSC Shareholders Controlled by them, have each entered into a Co-operation Deed with Rosedale Bidco. Details of these agreements are set out in Sections 1.5 and 10.7.

Each of the Rollover Shareholders will also enter into the Post-implementation Agreements with respect to the Scrip Consideration and their holdings of Tara D Shares or Ardonagh D Shares. For more information, refer to Section 7.6.

### 10.4.5 Interests of PSC Directors in contracts of The Ardonagh Group

Other than as described in this Scheme Booklet, none of the PSC Directors have any interest in any contract entered into by The Ardonagh Group.

## 10.5 SID summary

PSC and The Ardonagh Group entered into the SID on 8 May 2024. The SID sets out the obligations of PSC and The Ardonagh Group in connection with the implementation of the Scheme. A full copy of the SID is attached to the PSC ASX announcement of 8 May 2024 which is available on the ASX website (<https://www.asx.com.au/>). The following is a summary of the key terms of the SID only and is qualified in its entirety by the full text of the SID.

### 10.5.1 Conditions

The obligations of the parties to implement the Scheme are subject to the conditions precedent summarised below being satisfied or waived (where capable of waiver on or before 8:00am on the Second Court Date), each being a Condition (clause 3.1 of the SID):

- (a) **FIRB Approval:** the Treasurer has provided notice for the purposes of FATA to the effect that the Australian Government does not object to Rosedale Bidco acquiring the Scheme Shares or The Ardonagh Group undertaking the Post-implementation Restructure, either unconditionally or on terms that are acceptable to Rosedale Bidco (acting reasonably), or the time period for objecting has expired;
- (b) **Authorisations from ASIC and ASX:** ASIC and ASX have provided all necessary authorisations which Rosedale Bidco and PSC agree are reasonably necessary to implement the Scheme and any such authorisations are not withdrawn, cancelled or revoked;
- (c) **ACCC Authorisation:** the ACCC has provided notice to the effect that it does not propose to intervene or seek to prevent the acquisition of the Scheme Shares by Rosedale Bidco or The Ardonagh Group undertaking the Post-implementation Restructure under the CCA, unconditionally or subject to such conditions or undertakings provided by Rosedale Bidco which are acceptable to Rosedale Bidco (acting reasonably);
- (d) **FCA Authorisation:** the FCA has given notice that it has approved Rosedale Bidco and any other person acquiring control (within the meaning of the FSMA) pursuant to the Scheme and the Post-implementation Restructure, unconditionally or subject to conditions, undertakings or requirements that Rosedale Bidco or any 'additional controller' (acting reasonably and in good faith) deems acceptable;
- (e) **Other authorisations:** PSC and Rosedale Bidco have obtained all other authorisations reasonably necessary to implement the Scheme and The Ardonagh Group undertaking the Post-implementation Restructure, any such authorisations are not withdrawn, cancelled or revoked;
- (f) **Court approval:** the Court approves the Scheme;
- (g) **Shareholder approval:** PSC Shareholders approve the Scheme at each Scheme Meeting by the Requisite Majorities;
- (h) **PSC Scheme Representations and Warranties true:** the PSC Scheme Representations and Warranties are true and correct in all material respects (other than the PSC Scheme Representations and Warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given at all times on and before 8:00am on the Second Court Date;
- (i) **Bidder Warranties true:** the Bidder Warranties are true and correct in all material respects (other than the Bidder Warranties qualified by materiality, which must be true and correct in all respects) as at the time they are given on or before 8:00am on the Second Court Date;
- (j) **No PSC Regulated Event:** no PSC Regulated Event occurs or becomes known to Rosedale Bidco or PSC between the date of the SID and 8:00am on the Second Court Date;
- (k) **No PSC Material Adverse Change:** no PSC Material Adverse Change occurs between the date of the SID and 8:00am on the Second Court Date;
- (l) **Post-implementation Agreements finalised and signed:** the forms of the Post-implementation Agreements have been finalised in accordance with terms agreed by PSC and Rosedale Bidco (acting reasonably), and Rosedale Bidco has caused to be duly adopted or executed (as applicable) those of the Post-implementation Agreements required to be adopted or executed prior to the Second Court Date;
- (m) **Rollover Shareholders have made Elections:** each Rollover Shareholder described in paragraphs (a) to (e) of the definition of 'Relevant Shareholder' in the SID has made a binding Election to receive HoldCo Securities for at least their respective Relevant Shares; and
- (n) **No restraints:** no restraint (including any order, law, regulation, injunction, prohibition or otherwise) issued by any applicable government authority (including by the Takeovers Panel) remains in effect as at 8:00am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion or implementation of any aspect of the Scheme.

As far as PSC is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which have caused or will cause any of the Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each Condition is to be satisfied, which for many of the Conditions is 8:00am on the Second Court Date.

## 10. ADDITIONAL INFORMATION (continued)

### 10.5.2 Conduct of business

Subject to certain exceptions, from the date of the SID until the Implementation Date, the PSC Group is required to comply with certain conduct of business requirements and notification requirements, which are summarised below but set out in full in clauses 7.1.1 and 7.1.2 of the SID. Among other things, PSC must do, and must procure that each member of the PSC Group does, the following:

- (a) conduct its business and operations in the ordinary and usual course and substantially consistent with the manner in which each business and operation was conducted prior to entry into the SID;
- (b) conduct its businesses and operations substantially in accordance with all applicable laws and regulations;
- (c) use reasonable endeavours to ensure that all material assets are maintained in the normal course consistent with past practice; and
- (d) complies in all material respects with certain material contracts to which any member of the PSC Group is party and does not agree to waive any material rights under, amend materially or terminate any such material contract.

In addition, there are a number of negative covenants which apply to each member of the PSC Group which are set out in full in clause 7.1.3 of the SID. These negative covenants prevent members of the PSC Group from taking certain actions including (but not limited to) incurring debt above prescribed thresholds, disposing of businesses and material assets, acquiring businesses or material assets or entering into partnerships or joint ventures without Rosedale Bidco's prior written consent (unless another exception applies). Additionally, PSC is required to ensure that no PSC Regulated Event occurs.

### 10.5.3 Exclusivity

The SID contains certain exclusivity arrangements in favour of Rosedale Bidco. These arrangements are set out in full in clause 14 of the SID, are in line with market practice, and are summarised below:

#### (a) No-shop

During the Exclusivity Period, PSC must not, and must ensure that each other member of the PSC Group does not, solicit, invite, initiate or encourage any enquiry, expression of interest, proposal or offer from any third party by the provision of any non-public information relating to PSC or any member of the PSC Group (or any of their respective businesses or operations), that could be reasonably be expected to encourage or lead to the making of an actual or proposed Competing Proposal, or communicate to any person any intention to do any of these things.

#### (b) No-talk

Subject to the "fiduciary out" (described below), during the Exclusivity Period, PSC must not, and must ensure that each other member of the PSC Group does not, negotiate, accept or enter into an agreement, arrangement or understanding with, or enter into any discussions with any third party in relation to, or which may reasonably be expected to lead to, an actual or proposed Competing Proposal or communicate to any person any intention to do any of these things.

#### (c) No-due diligence

Subject to the "fiduciary out" except with the prior consent of Rosedale Bidco, during the Exclusivity Period, PSC must not, and must ensure that each other member of the PSC Group and each authorised person of the PSC Group does not, make available to any third party, or cause or permit any third party to receive any non-public information relating to PSC or any member of the PSC Group that may be reasonably expected to assist such a third party in formulating, developing or finalising an actual or proposed Competing Proposal. Subject to the "fiduciary out", if PSC proposes that any non-public information be disclosed to a third party in connection with a proposed Competing Proposal, then before such information is disclosed, PSC must enter into a confidentiality agreement with that third party which contains obligations of confidentiality on the third party which are no less onerous than the obligations of confidentiality owed by Rosedale Bidco; and any non-public information disclosed to the third party must also be provided to Rosedale Bidco as soon as reasonably practicable after such disclosure (and in any event within 1 business day).

#### (d) Fiduciary out

The “fiduciary out” is an exception that applies where complying with a restriction could cause the PSC Directors to breach their fiduciary duties or statutory obligations.

The “no-talk” and “no-due diligence” restrictions do not apply to the extent they restrict the PSC Board from taking or refusing to take any action with respect to an actual or proposed Competing Proposal provided that the actual or proposed Competing Proposal is bona fide, the PSC Board has determined in good faith:

- (i) after consultation with PSC’s advisers, that the Competing Proposal is or would reasonably be expected to lead to a Superior Proposal; and
- (ii) after receiving written advice from PSC’s external legal adviser that failing to take the action or refusing to take the action with respect to the Competing Proposal would constitute or be likely to constitute a breach of the fiduciary obligations of the PSC Board,

and the actual or proposed Competing Proposal was not directly or indirectly brought about by a breach of the “no-shop” restriction.

#### (e) Notification of approaches

During the Exclusivity Period, PSC must as soon as possible (and in any event 24 hours) notify Rosedale Bidco or any other member of the PSC Group or a representative of PSC in writing if it becomes aware of any actual, proposed or potential Competing Proposal, including any negotiations or discussions or approach to initiate discussions in respect of an actual, proposed or potential Competing Proposal or provision by PSC or any other member of the PSC Group of non-public information concerning the PSC Group to any third party in connection with an actual, proposed or potential Competing Proposal relying on the “fiduciary out”. This notification must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Proposal, together with all material terms and conditions of the actual, proposed or potential Competing Proposal, to the extent known.

#### (f) Matching right

If, during the Exclusivity Period, the PSC Board determines that a Competing Proposal is or would be reasonably likely to lead to a Superior Proposal, Rosedale Bidco has the right, but not the obligation, to make a matching or superior proposal (**Bidder Counterproposal**) within 4 Business Days (**Matching Period**). If before expiry of the Matching Period, Rosedale Bidco makes a Bidder Counterproposal, PSC must procure that the PSC Board promptly considers that Bidder Counterproposal.

If the PSC Board determines that the Bidder Counterproposal would provide a superior outcome for the PSC Shareholders as a whole, PSC and Rosedale Bidco must use their best endeavours to agree to any amendments to the SID, the Scheme and the Deed Poll that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal.

If Rosedale Bidco does not make a Bidder Counterproposal before expiry of the Matching Period, or if the PSC Board does not consider that a Bidder Counterproposal made within the Matching Period would provide an equivalent or superior outcome for PSC Shareholders as a whole compared with the Competing Proposal, subject to the terms of the SID, PSC may enter into a legally binding agreement to undertake or give effect to the Competing Proposal.

Each successive material modification of any actual or proposed Competing Proposal will constitute a new Competing Proposal and the Matching Right will apply again.



## 10. ADDITIONAL INFORMATION (continued)

### 10.5.4 Reimbursement Fee

PSC must pay Rosedale Bidco the Reimbursement Fee (being a 'break fee' equal to approximately 1% of the implied equity value of PSC under the Scheme) in the circumstances described below. The PSC Directors consider that the Reimbursement Fee represents a genuine and reasonable pre-estimate of the costs that would be incurred by Rosedale Bidco in pursuing the Scheme, acknowledging that such costs are of a nature such that they cannot all be accurately ascertained, and that it is appropriate for PSC to agree to pay the Reimbursement Fee in the circumstances set out below, which are customary 'break fee' triggers for a transaction in the nature of the Scheme.

The Reimbursement Fee is payable if:

- (a) during the Exclusivity Period, one or more PSC Directors withdraws or adversely changes their support of the Scheme or their recommendation that PSC Shareholders vote in favour of the Scheme and Rosedale Bidco has terminated the SID unless:
  - (i) the Independent Expert concludes that the Scheme is not in the best interests of PSC Shareholders or withdraws the Independent Expert's Report that concludes that the Scheme is in the best interests of PSC Shareholders (except where that conclusion or withdrawal is due wholly or partly to the existence, announcement or publication of a Competing Proposal);
  - (ii) PSC is entitled to terminate the SID due to Rosedale Bidco's material and unremedied breach of the SID and issues a valid termination notice on that basis; or
  - (iii) the PSC Board's failure to recommend, or change its recommendation, is a result of a requirement of a court or other relevant authority;
- (b) during the Exclusivity Period one or more PSC Directors recommends that PSC Shareholders accept or vote in favour or, or otherwise supports or endorses, a Competing Proposal;
- (c) a Competing Proposal is announced during the Exclusivity Period and within 6 months of the date of such announcement, the third party completes a Competing Proposal of a kind referred to in any paragraphs (c), (d) or (e) of the definition of Competing Proposal; or
- (d) Rosedale Bidco has terminated the SID due to a material and unremedied breach of the SID by PSC and the Scheme does not complete.

### 10.5.5 Reverse Reimbursement Fee

A Reverse Reimbursement Fee (being a sum equal to the Reimbursement Fee) is payable by Rosedale Bidco to PSC if PSC has terminated the SID due to a material and unremedied breach of the SID by Rosedale Bidco or the Scheme becomes Effective but Rosedale Bidco does not pay or procure the provision of the Scheme Consideration in accordance with its obligations under the SID, the Scheme and the Deed Poll.

### 10.5.6 Termination

The SID will terminate if the Scheme does not become effective by the End Date, unless PSC and Rosedale Bidco agree otherwise in writing.

Either PSC or Rosedale Bidco may terminate the SID if there is an act, a failure to act, an event or an occurrence that would, does, or will prevent any of the Conditions being satisfied by the End Date, and the parties have not been able to reach an agreement within 10 Business Days:

- (a) in respect of a PSC Material Adverse Change occurring, on a reduction to the Scheme Consideration to reflect the reduction in EBITDA, net assets and/or revenue of the PSC Group (as applicable) in excess of the monetary thresholds set out in the definition of PSC Material Adverse Change; or
- (b) in respect of each other Condition, as to whether the Scheme may proceed by way of alternative means or methods or to extend the relevant time or date for satisfaction of the Condition or the End Date.

Rosedale Bidco may terminate the SID if:

- (a) PSC is in material and unremedied breach of the SID;
- (b) any PSC Director withdraws or adversely changes their statement in support of the Scheme or their recommendation to vote in favour of the Scheme or makes any public statement recommending a Competing Proposal or to the effect that the Scheme is no longer supported by them; or
- (c) PSC or a member of the PSC Group enters into a definitive agreement to give effect to a Competing Proposal.

PSC may terminate the SID if:

- (a) a majority of the PSC Board adversely change or withdraw or take action inconsistent with their statement in support of the Scheme or change their recommendation to vote in favour of the Scheme, make any public statement that the Scheme is no longer supported by them, or make any public statement to the effect they recommend a Competing Proposal, provided that such act is permitted under the SID and PSC has complied with the Matching Right provisions; or
- (b) Rosedale Bidco is in material and unremedied breach of the SID.

#### 10.5.7 Guarantee by AGHL

As Rosedale Bidco is a special purpose acquisition vehicle incorporated for the purposes of acquiring the Scheme Shares under the Scheme, AGHL has entered into the SID to irrevocably guarantee the due and punctual performance of Rosedale Bidco's obligations under the SID and the Deed Poll, and indemnifies PSC and each PSC Shareholder, respectively, in respect of any losses arising from any default by Rosedale Bidco under the SID or the Deed Poll.

#### 10.6 Deed Poll

Rosedale Bidco, AGHL, Tara Topco and Ardonagh Holdco have entered into the Deed Poll in favour of Scheme Shareholders under which Rosedale Bidco has undertaken to pay the Cash Consideration if the Scheme becomes Effective, and Rosedale Bidco, Tara Topco and Ardonagh Holdco have undertaken to issue the Scheme Consideration (or, in the case of Tara Topco, issue the Tara D Shares following the rollup of the Loan Notes as described in Section 7.6) to the Rollover Shareholders in accordance with terms of the Post-implementation Agreements if the Scheme becomes Effective. AGHL has entered into the Deed Poll in favour of Scheme Shareholders to guarantee the performance of the Deed Poll by Rosedale Bidco, as Rosedale Bidco is a special purpose acquisition vehicle incorporated by The Ardonagh Group for the purposes of being the acquiring entity of PSC Shares under the Scheme.

The Deed Poll may be relied upon by any Scheme Shareholder despite the fact that they are not a party to it and each Scheme Shareholder appoints PSC as its agent to enforce their rights under the Deed Poll against these members of The Ardonagh Group.

The Deed Poll is at Annexure 5 to this Scheme Booklet.





## 10. ADDITIONAL INFORMATION (continued)

### 10.7 Co-operation Deed summary

On 8 May 2024, Rosedale Bidco entered into the Co-Operation Deeds. The Co-Operation Deeds were released to ASX on 8 May 2024 and can be accessed on the ASX website (<https://www.asx.com.au/>). The Co-operation Deeds include call options over a total of 19.99% of PSC Shares (being the Option Shares) in favour of Rosedale Bidco, at an exercise price equal to the Cash Consideration. An additional amount is payable to the relevant grantor if Rosedale Bidco on-sells the Option Shares or acquires PSC for a price higher than the exercise price within 12 months of the exercise of the call option. Details of the parties to each Co-Operation Deed and the Option Shares is set out in the table below.

Other party	Number of Option Shares	Option Shares as percentage of outstanding PSC Shares <sup>1</sup>
McHalem No 2 Pty Ltd ACN 651 492 643 as trustee for the Paul Dwyer Family Trust (as registered holder of the relevant Option Shares)		
Paul Dwyer (as an individual who Controls such registered holder)	29,648,932	8.14%
Glendale Dwyer Pty Ltd ACN 163 644 200 as trustee for the Dwyer Family Trust (as registered holder of the relevant Option Shares)		
John Dwyer (as an individual who Controls such registered holder)	17,927,526	4.92%
Austin Superannuation Pty Ltd ACN 097 307 901 as trustee for the Brian Austin Superannuation Fund (as registered holder of the relevant Option Shares)		
Brian Austin (as an individual who Controls such registered holder)	16,738,254	4.59%
James Kalbassi (as beneficial owner of the relevant Option Shares)	3,973,556	1.09%
Tara Falk (as beneficial owner of the relevant Option Shares)	4,556,224	1.25%
<b>Total</b>	<b>72,844,492</b>	<b>19.99%</b>

**Note:**

1. On an undiluted basis (including unvested Loan Funded Shares).

The call options over the Option Shares can be exercised if:

- in respect of 50% of the Option Shares: there is a public announcement of a Competing Proposal or Rosedale Bidco becomes aware of a Competing Proposal and Rosedale Bidco determines, acting reasonably and in good faith after first consulting its financial adviser, that the Competing Proposal is bona fide and could result in the Scheme not being implemented; and
- in respect of the remaining 50% of the Option Shares, the above exercise condition is satisfied and Rosedale Bidco has obtained all required regulatory approvals to permit the acquisition of those Option Shares (including FIRB approval) (however certain disposal restrictions will apply pending receipt of regulatory approvals in the event that Rosedale Bidco provides an irrevocable undertaking to exercise the option on receipt of such approvals within 6 months of the date of the call option).

The Co-operation Deeds also contain standstill provisions pursuant to which the parties (other than Rosedale Bidco) must not:

- dispose of their relevant interest in their Option Shares;
- in respect of their Option Shares only, accept, vote in favour, or otherwise support a Competing Proposal (and, as a separate undertaking, must vote any Option Shares against a Competing Proposal), in each case, in the absence of that Competing Proposal being a Superior Proposal and after PSC and Rosedale Bidco having given effect to the Matching Right (see Section 10.5.3 for details of Rosedale Bidco's Matching Right); or
- enter into any derivative, swap or synthetic agreement, deed or other arrangement under which payments may be made that are referable (in whole or part) to the trading price, or the economic value, of PSC Shares.

If a change of control transaction does not occur within the 12 month period following the last exercise of the call option, the former holders of the Option Shares may require Rosedale Bidco to sell those Option Shares back to them at the original exercise price (i.e. the Cash Consideration).



The Co-Operation Deeds terminate on the earlier of:

- (i) the date of implementation of the Scheme;
- (ii) 8 May 2025;
- (iii) the date of termination of the SID; and
- (iv) the date on which PSC and Rosedale Bidco agree in writing to cease to pursue the Scheme, or Rosedale Bidco publicly announces that it does not intend to pursue the Scheme.

## 10.8 Disclosure of fees and other benefits

Each of the persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees in accordance with their normal basis of charging. PSC has certain obligations that are contingent upon successful implementation of the Scheme.

If the Scheme is implemented, PSC expects to pay an aggregate amount of approximately \$30.47 million (exclusive of GST) in transaction costs in connection with the Scheme (excluding the Transaction Bonuses). This includes advisory fees, the Independent Expert fees, Registry fees, Scheme Booklet design, printing and distribution costs and expenses associated with convening and holding the Scheme Meetings. Of this amount, approximately \$2.23m is expected to be payable by PSC irrespective of whether or not the Scheme is implemented (excluding the Reimbursement Fee that may be payable by PSC to Rosedale Bidco if the Scheme does not proceed). These amounts do not include the transaction costs that may be incurred by Rosedale Bidco or The Ardonagh Group in relation to the Scheme.

## 10.9 Consents and disclaimers

Each person named in this Section 10.9 has given its consent to the inclusion of a statement or being named in this Scheme Booklet, but:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than those statements which have been included in this Scheme Booklet with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to their name and any statements (including any report) which have been included in this Scheme Booklet with the consent of that person.

### 10.9.1 Independent Expert

FTI Consulting (Australia) Pty Ltd ACN 160 397 811 AFSL Authorised Representative # 001269325 (as Independent Expert) has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- (a) be named as the Independent Expert in the form and context in which it is named;
- (b) the inclusion of the Independent Expert's Report as Annexure 3; and
- (c) the inclusion in this Scheme Booklet of statements made by the Independent Expert, or said to be based on the Independent Expert's Report, and to all references to those statements, in the form and context in which they are respectively included.

### 10.9.2 The Ardonagh Group

Rosedale Bidco, Rosedale Holdco, AGHL, Ardonagh Holdco and Tara Topco has each given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- (a) be named in this Scheme Booklet in the form and context in which it is named; and
- (b) the inclusion in this Scheme Booklet of the Ardonagh Information in the form and context in which it appears.

## 10. ADDITIONAL INFORMATION (continued)

### 10.9.3 Advisers and Share Registry

Goldman Sachs Australia Pty Ltd has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as PSC's financial Adviser in the form and context in which it is named.

Maddocks has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as PSC's legal Adviser in the form and context in which it is named.

Ernst & Young has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as PSC's tax Adviser in the form and context in which it is named.

Link Market Services Limited ACN 083 214 537 has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as PSC's Share Registry in the form and context in which it is named.

### 10.10 Supplementary information

PSC will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; and/or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, PSC may circulate and publish any supplementary document including by:

- approaching the Court for a direction as to what is appropriate in the circumstances;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on PSC's website and the ASX; and
- making a public announcement by way of press release.

ASIC will be provided with an opportunity to review and comment on any supplementary documents prior to their issue by PSC.

### 10.11 Regulatory relief

#### 10.11.1 ASIC relief

Pursuant to regulation 5.1.01(b) and clause 8302(h) of Schedule 8 of the *Corporations Regulations 2001* (Cth), this Scheme Booklet is required to set out whether, within the knowledge of the PSC Directors, the financial position of PSC has materially changed since the date of the last balance sheet laid before the company in general meeting or sent to shareholders in accordance with section 314 or 317 of the *Corporations Act* (being 30 June 2023), as well as the full particulars of the changes.

ASIC granted PSC relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the PSC Directors, the financial position of PSC has materially changed since 31 December 2023 (being the last date of the period to which the financial statements for the six months ended 31 December 2023 relate).

PSC will provide a copy of the financial reports for the half year ended 31 December 2023 free of charge to anyone who requests a copy.

### 10.12 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, including in the Independent Expert's Report and the information that is contained in the attachments and appendices to this Scheme Booklet, so far as the PSC Directors are aware, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any PSC Director which has not been previously disclosed to PSC Shareholders.

# 11.

## GLOSSARY

For personal use only

# 11. GLOSSARY

## 11.1 Definitions

In this Scheme Booklet, unless the context otherwise requires, the following terms have the meanings shown below:

Term	Definition
<b>\$, A\$, AUD or AUD\$</b>	means the lawful currency for the time being of Australia.
<b>£ or GBP</b>	means the lawful currency for the time being of England and Wales.
<b>Advisers</b>	means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser, or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in connection, directly or indirectly, with the Scheme.
<b>ACCC</b>	means the Australian Competition and Consumer Commission.
<b>AEST</b>	means Australian Eastern Standard Time.
<b>AGHL</b>	means Ardonagh Group Holdings Limited, a company incorporated in England and Wales with company number 13789356.
<b>AFSL</b>	means an Australian Financial Services licence.
<b>Announcement Date</b>	means the date that PSC's entry into the SID was announced to the ASX by PSC, being 8 May 2024.
<b>Ardonagh Consideration Shares</b>	has the meaning given to that term in Section 7.7.1.
<b>Ardonagh D Share</b>	means a non-voting D share of £0.01 in the capital of Ardonagh Holdco.
<b>Ardonagh Information</b>	means Sections 1.4 in so far as it relates to Retention Payments only, Section 7 and FAQ questions 3, 17 and 18 of this Scheme Booklet.
<b>Ardonagh Holdco</b>	means Ardonagh Holdco Limited, a private par value limited liability company incorporated in Jersey with company number 139528.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
<b>Authority</b>	means any Australian or foreign: <ul style="list-style-type: none"> <li>(a) government, government department, government agency or government authority;</li> <li>(b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity or person carrying out any statutory authority or function; or</li> <li>(c) other entity or person (whether autonomous or not) having powers or jurisdiction under any statute, regulation, ordinance, by-law, order or proclamation, or the common law or the listing rules of any recognised stock or securities exchange,</li> </ul> including without limitation ACCC, ASIC, ASX, the FCA and the Treasurer with respect to FATA.
<b>Bidder Counterproposal</b>	has the meaning given in Section 10.5.3(f).
<b>Bidder Warranties</b>	means the representations and warranties given by Rosedale Bidco under the SID as set out in Schedule 3 of the SID.

Term	Definition
<b>Business Day</b>	means a day that is not a Saturday, Sunday, bank holiday or public holiday in Melbourne, Victoria, Australia. Note that where this term appears uncapitalised as 'business day', it has the meaning given in the Listing Rules.
<b>Cash Consideration</b>	means \$6.19 per PSC Share (less the amount of any dividend or return of capital declared or paid by PSC per PSC Share prior to the Effective Date).
<b>CCA</b>	means the <i>Competition and Consumer Act 2010</i> (Cth).
<b>CHESS</b>	means the clearing house electronic sub register system for the electronic transfer of securities operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.
<b>Competing Proposal</b>	is defined in clause 1.1 of the SID. It includes any proposal, offer, transaction or arrangement by a third party that, if entered into or substantially completed, would mean a person or two or more persons who are associates acquire: <ul style="list-style-type: none"> <li>(a) control of PSC;</li> <li>(b) a relevant interest in or become the holder of 10% or more of PSC Shares; or</li> <li>(c) all or substantially all of the business conducted by, or assets or property of, the PSC Group, or any proposal by PSC to implement a transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Scheme, or that would otherwise result in the Scheme not proceeding.</li> </ul>
<b>Condition</b>	means a condition precedent to the SID and the Scheme becoming effective as set out in clause 3.1 of the SID.
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act. For the purposes of this Scheme Booklet, a PSC Director will be taken to Control any entity in respect of which he or she is the legal or beneficial owner of at least 50% of the share capital.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by the parties.
<b>Co-operation Deed</b>	has the meaning given in Section 1.5 (and as further described in Section 10.7).
<b>Deed Poll</b>	means a document in the form or substantially in the form of Annexure 5.
<b>Effective</b>	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Effective Date</b>	means the date on which the Scheme becomes Effective.
<b>Election</b>	means a binding election by a Scheme Shareholder to receive Scrip Consideration as part of their Scheme Consideration by making a 'Subscription Submission' (as defined in the Scheme) in accordance with the Scheme.
<b>Encumbrances</b>	includes mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the <i>Personal Properties Securities Act 2009</i> (Cth)) and interests of third parties of any kind, whether legal or otherwise.
<b>End Date</b>	the date that is 9 months after the date of the SID, being 8 February 2025.
<b>Invest</b>	means The Invest Group Pty Ltd ACN 645 319 820.

## 11. GLOSSARY (continued)

Term	Definition
<b>Envest Group</b>	Envest and each of its Subsidiaries.
<b>Equity Investors</b>	HPS and/or MDP as the context requires.
<b>Exclusivity Period</b>	means the period commencing 8 May 2024 and ending on the earlier of: <ul style="list-style-type: none"> <li>(a) the date of termination of the SID;</li> <li>(b) the End Date; and</li> <li>(c) the Effective Date.</li> </ul>
<b>FAQ</b>	means a question (and its corresponding answer) under the heading 'Frequently Asked Questions' commencing on page 20 of this Scheme Booklet.
<b>FATA</b>	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
<b>FCA</b>	means the UK Financial Conduct Authority.
<b>FSMA</b>	means the <i>UK Financial Services and Markets Act 2000</i> .
<b>FIRB Approval</b>	means the Treasurer has provided notice for the purposes of FATA to the effect that the Australian Government does not object to Rosedale Bidco acquiring the Scheme Shares or Ardonagh undertaking the Post-implementation Restructure, or the time period for objecting to those actions has expired.
<b>General Scheme Meeting</b>	means the meeting of PSC Shareholders excluding the Rollover Shareholders ordered by the Court to be convened pursuant to Section 411(1) of the Corporations Act in relation to the Scheme, including any adjournment or postponement of that meeting.
<b>General Shareholder</b>	means each Scheme Shareholder who is not a Rollover Shareholder.
<b>GST</b>	means a goods and services tax or similar value added tax levied or imposed under the GST Law.
<b>GST Law</b>	has the meaning given to it in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>GWP</b>	means gross written premium.
<b>HoldCo Securities</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of Australian-resident Rollover Shareholders, Ardonagh D Shares; or</li> <li>(b) in respect of UK-resident Rollover Shareholders, Loan Notes (which will ultimately be exchanged for Tara D Shares, unless they elect to receive Ardonagh D Shares).</li> </ul>
<b>Holding Company</b>	has the meaning given to that term in the Corporations Act, other than where used in the context of The Ardonagh Group (or any member of The Ardonagh Group) in which case it excludes any Equity Investor.
<b>HPS</b>	HPS Investment Partners, LLC, including where the context requires HPS Investment Partners, LLC acting on behalf of certain funds (or subsidiaries or affiliates of such funds) and/or accounts, in each case, managed, advised or controlled by it or its subsidiaries or affiliates.
<b>IBC</b>	means the independent board committee of PSC which at the date of this Scheme Booklet is comprised of the Independent Directors, established for the purposes of the Scheme.
<b>Implementation Date</b>	means the date which is three business days after the Scheme Record Date or such other date as PSC and Rosedale Bidco may agree in writing.

Term	Definition
<b>Independent Directors</b>	means the independent non-executive PCS Directors, Melvyn Sims and Joanne Dawson.
<b>Independent Expert</b>	means FTI Consulting (Australia) Pty Ltd ACN 160 397 811 AFSL Authorised Representative # 001269325.
<b>Independent Expert's Report</b>	means the report from the Independent Expert in respect of the Scheme, a copy of which is set out in Annexure 3.
<b>Last Practicable Date</b>	means 16 August 2024, being the last practicable trading day prior to finalising the information in this Scheme Booklet.
<b>Last Undisturbed Closing Price</b>	means A\$4.85, being the closing price of a PSC Share on the ASX on 12 March 2024, which was the last trading day for PSC Shares prior to market speculation about a potential control transaction was published.
<b>Listing Rules</b>	means the official listing rules of ASX, as amended, waived or modified from time to time.
<b>Loan Funded Share</b>	means a PSC Share issued under the LTIP pursuant to a limited recourse loan made available by PSC to the recipient to fund the acquisition of such PSC Share in whole or in part.
<b>Loan Notes</b>	means loan notes issued by Rosedale Bidco under the Scheme to UK-resident Rollover Shareholders, which are denominated in GBP and which will be ultimately exchanged for Tara D Shares or Ardonagh D Shares.
<b>LTIP</b>	means the PSC Insurance Group Limited Long Term Incentive Plan.
<b>Matching Period</b>	has the meaning given in Section 10.5.3(f).
<b>Matching Right</b>	means Rosedale Bidco's right to match a Superior Proposal under clause 14.6 of the SID, as summarised in Section 10.5.3(f).
<b>MDP</b>	Madison Dearborn Partners, LLC, including where the context requires Madison Dearborn Partners, LLC acting on behalf of certain funds (or subsidiaries or affiliates of such funds) and/or accounts, in each case, managed, advised or controlled by it or its subsidiaries or affiliates.
<b>Meeting Record Date</b>	means the date and time for determining eligibility to vote at the Scheme Meetings, currently expected to be 7:00pm on 24 September 2024.
<b>Notice of General Scheme Meeting</b>	means the notice of meeting for the General Scheme Meeting, a copy of which is at Annexure 1.
<b>Notice of Rollover Shareholders Scheme Meeting</b>	means the notice of meeting for the Rollover Shareholders Scheme Meeting, a copy of which is at Annexure 2.
<b>Notices of Meeting</b>	means the Notice of General Scheme Meeting, Notice of Rollover Shareholders Scheme Meeting and the explanatory notes that form part of those notices.
<b>Option</b>	means an option to acquire a PSC Share.
<b>Option Shares</b>	means the PSC Shares the subject of call options in favour of Rosedale Bidco as described in Section 1.5.
<b>Post-implementation Agreements</b>	means the documents summarised in Section 7.6.

## 11. GLOSSARY (continued)

Term	Definition
Post-implementation Restructure	has the meaning given in Section 7.4.2.
PSC	means PSC Insurance Group Limited ACN 147 812 164.
PSC Board	means the board of the PSC Directors.
PSC Director	means a director of PSC.
PSC Equity Incentives	means Options and Loan Funded Shares.
PSC Group	means PSC and its Subsidiaries.
PSC Information	means all information in this Scheme Booklet other than Ardonagh Information and the information contained in the Independent Expert's Report.
PSC Material Adverse Change	<p>is defined in clause 1.1 of the SID. It is triggered where the net effect of certain events occurring (<b>specified events</b>) have had or resulted in, or would be considered highly probable to have or result in, the effect of:</p> <ul style="list-style-type: none"> <li>(a) the consolidated net assets of the PSC Group taken as a whole by \$47,300,000 or more, against what it would reasonably have been expected to have been but for all specified events;</li> <li>(b) reducing the consolidated underlying EBITDA of the PSC Group taken as a whole by \$12,900,000 or more (and for this purpose, the full financial year effect of any resulting EBITDA diminution must be applied), against what it would reasonably have been expected to have been but for all specified events; or</li> <li>(c) reducing the annual revenue of the PSC Group taken as a whole by \$34,600,000 or more (and for this purpose, the full financial year effect of any resulting revenue diminution must be applied), against what it would reasonably have been expected to have been but for all specified events.</li> </ul>
PSC Regulated Event	<p>is defined in clause 1.1 of the SID. PSC Regulated Events include where (subject to certain exceptions):</p> <ul style="list-style-type: none"> <li>(a) PSC resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;</li> <li>(b) any member of the PSC Group issues securities, or grants an option or a performance right over its shares or agrees to make such an issue or grant;</li> <li>(c) PSC disposes of the whole, or a substantial part, of its business and property;</li> <li>(d) an insolvency event occurs in relation to PSC;</li> <li>(e) any member of the PSC Group issues, or agrees to issue, convertible notes or any other security convertible into shares or debt securities; and</li> <li>(f) any member of the PSC Group materially increases the remuneration of, or pays any bonus or issues any securities to, or otherwise varies the employment arrangements with, any of its directors or key executives.</li> </ul>
PSC Share	means a fully paid ordinary share issued in the capital of PSC.
PSC Shareholder	means each person who is registered in the Register as the holder of a PSC Share.
PSC Scheme Representations and Warranties	means the representation and warranties given by PSC under the SID as set out in Schedule 1 of the SID.



Term	Definition
Proxy Forms	means the proxy forms for the Scheme Meetings in the form at Annexure 6, or, as the context requires, any replacement or substitute proxy form provided by or on behalf of PSC.
Register	means the register of members of PSC kept by the Share Registry.
Registered Address	means in relation to a PSC Shareholder, the address shown in the Register as at the Record Date.
Reimbursement Fee	means \$22,600,000.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
relevant interest	has the meaning given to that term by sections 608 and 609 of the Corporations Act.
Relevant Shares	means in respect of: <ul style="list-style-type: none"> <li>(a) McHalem No 2 Pty Ltd ACN 651 492 643 as trustee for Paul Dwyer Family Trust and P &amp; M Dwyer Pty Ltd ACN 124 100 974 as trustee for the P&amp;M Dwyer Superannuation Fund (being entities controlled by Paul Dwyer), 13,121,629 PSC Shares in aggregate between those entities;</li> <li>(b) Austin Superannuation Pty Ltd ACN 097 307 901 as trustee for the Brian Austin Superannuation Fund (an entity controlled by Brian Austin), 5,487,254 PSC Shares;</li> <li>(c) Glendale Dwyer Pty Ltd ACN 163 644 200 as trustee for the Dwyer Family Trust (an entity controlled by John Dwyer), 7,934,125 PSC Shares;</li> <li>(d) Tara Falk, 1,553,686 PSC Shares; and</li> <li>(e) James Kalbassi, 1,328,963 PSC Shares.</li> </ul>
Requisite Majorities	means: <ul style="list-style-type: none"> <li>(a) a majority in number (more than 50%) of PSC Shareholders present and voting at the relevant Scheme Meeting (either in person or virtually, or by proxy, corporate representative or attorney); and</li> <li>(b) at least 75% of the votes cast on the respective Scheme Resolution by PSC Shareholders present and voting at the relevant Scheme Meeting (either in person or virtually, or by proxy, corporate representative or attorney).</li> </ul>
Retention Payment	has the meaning given in Section 1.4.
Reverse Reimbursement Fee	means \$22,600,000.
Rollover Shareholders	means those Scheme Shareholders who will receive a portion of their Scheme Consideration as Scrip Consideration, being those PSC Shareholders set out or described in Sections 1.3 and 5.4, and <b>Rollover Shareholder</b> means any one of them.
Rollover Shareholders Scheme Meeting	means the meeting of Rollover Shareholders ordered by the Court to be convened pursuant to Section 411(1) of the Corporations Act in relation to the Scheme, including any adjournment or postponement of that meeting.
Rosedale Bidco	means Rosedale Bidco Pty Ltd ACN 677 065 548, being the bidder under the Scheme and a member of The Ardonagh Group.
Rosedale Holdco	means Rosedale Holdco Pty Ltd ACN 677 058 196, being the immediate Holding Company of Rosedale Bidco (the bidder under the Scheme) and a member of The Ardonagh Group.

## 11. GLOSSARY (continued)

Term	Definition
<b>Scheme</b>	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between PSC and the PSC Shareholders, in the form at Annexure 4, together with any alterations or conditions made or required pursuant to sub-section 411(6) of the Corporations Act and agreed or consented to in writing by PSC and Rosedale Bidco.
<b>Scheme Booklet</b>	means this document.
<b>Scheme Consideration</b>	means the consideration to be provided to PSC Shareholders under the terms of the Scheme for the transfer of their Scheme Shares to Rosedale Bidco, comprising the Cash Consideration and the Scrip Consideration.
<b>Scheme Information Line</b>	means the scheme information line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8.30am and 5.30pm (AEST).
<b>Scheme Meetings</b>	means the Rollover Shareholders Scheme Meeting and the General Scheme Meeting.
<b>Scheme Record Date</b>	means 7:00pm on the day which is two business days after the Effective Date, or any other date (after the Effective Date) agreed by PSC and Rosedale Bidco to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.
<b>Scheme Resolution</b>	means the resolution to approve the Scheme to be voted on at the Scheme Meetings, as set out in the Notices of Scheme Meetings.
<b>Scheme Shareholders</b>	means PSC Shareholders excluding any member of The Ardonagh Group to the extent that any such member becomes the registered holder of any PSC Shares (including the Option Shares), comprising the General Shareholders and the Rollover Shareholders.
<b>Scheme Shares</b>	means each PSC Share held by a Scheme Shareholder on the Scheme Record Date.
<b>Scrip Consideration</b>	means HoldCo Securities to be issued to Rollover Shareholders as described in Sections 5.3 and 7.6.
<b>Second Court Date</b>	means the first day of hearing of an application made to the Court by PSC for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing, with such hearing the <b>Second Court Hearing</b> .
<b>Section</b>	means a section of this Scheme Booklet.
<b>Senior Syndicated 2024 Facilities Agreement</b>	means the senior syndicated facilities agreement dated 7 August 2024 between, among others, Ardonagh Midco 3 PLC as the Company and J.P. Morgan SE as Agent (each as defined therein).
<b>Share Registry</b>	means Link Market Services Limited ACN 083 214 537.
<b>Shareholders' Agreement</b>	has the meaning given to that term in Section 7.6.1(f).
<b>SID</b>	means the scheme implementation deed entered into between PSC, Rosedale Bidco and AGHL on 8 May 2024. A summary of the SID is set out in Section 10.5. A full copy of the SID is attached to the PSC ASX announcement of 8 May 2024, which is available on the ASX website ( <a href="https://www.asx.com.au/">https://www.asx.com.au/</a> ) and PSC's website.
<b>Subsidiary</b>	has the meaning given to that term in the Corporations Act.
<b>Superior Proposal</b>	is defined in clause 1.1 of the SID. It includes certain types of Competing Proposals that the IBC determines would, if completed substantially in accordance with its terms, be more favourable to PSC Shareholders (as a whole) than the Scheme.

Term	Definition
<b>Tara D Share</b>	means a non-voting D ordinary share of £0.01 in the capital of Tara Topco.
<b>Tara Topco</b>	means Tara Topco Limited, an exempted company incorporated in the Cayman Islands with company number OC-381964.
<b>The Ardonagh Group or Ardonagh</b>	means AGHL and each of its Subsidiaries, including Rosedale Bidco, and, where the context requires, also includes each of its Holding Companies, including Tara Topco and Ardonagh Holdco, but excluding any Equity Investor.
<b>Transaction Bonus</b>	has the meaning given in Section 1.4.
<b>Treasurer</b>	means the Treasurer of the Commonwealth of Australia.
<b>VWAP</b>	means the volume weighted average price as defined in the Listing Rules.

For personal use only



# ANNEXURE 1

## NOTICE OF GENERAL SCHEME MEETING

For personal use only

# ANNEXURE 1

## NOTICE OF GENERAL SCHEME MEETING

**PSC Insurance Group Limited**  
ACN 147 812 164  
(PSC)

### NOTICE OF GENERAL SCHEME MEETING

#### Notice

Notice is hereby given that, by an order of the Federal Court of Australia made on 21 August 2024 pursuant to subsection 411(1) of the Corporations Act a meeting of General Shareholders will be held:

Date: 26 September 2024

Time: 9:30am (AEST)

Venue: Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and online via the online platform at <https://meetings.linkgroup.com/psischeme24>

The explanatory notes that accompany and form part of this Notice of General Scheme Meeting describe in more detail how to participate in the General Scheme Meeting either in person or via the online platform. Please ensure you read the explanatory notes in full.

#### Purpose of the General Scheme Meeting

The purpose of the General Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with any modification by the Court) proposed to be made between PSC and Scheme Shareholders.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet that accompanies this notice.

Capitalised terms used but not defined in this Notice of General Scheme Meeting have the defined meanings set out in Section 11 of the Scheme Booklet.

#### Scheme Resolution

The General Shareholders will be asked to consider and, if thought fit, pass (with or without amendment) the Scheme Resolution:

*'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between PSC and its shareholders, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with any alterations or conditions as approved by the Federal Court of Australia to which PSC and Rosedale BidCo agree) and, subject to approval of the scheme of arrangement by the Court, the PSC Board is authorised to agree to, and implement, the scheme of arrangement with any alterations or conditions as are thought fit by the Court.'*

#### Chair

The Court has directed that Paul Dwyer is to act as chair of the General Scheme Meeting (and that, if Paul Dwyer is unable or unwilling to attend, Tony Robinson is to act as chair of the General Scheme Meeting) and has directed the chair of the Scheme Meeting to report the result of the General Scheme Resolution to the Court.

#### Important note

The Chair of the General Scheme Meeting intends to vote all valid undirected proxies which he receives **in favour of** the Scheme Resolution.

Dated 21 August 2024

**By order of the Court**



**Stephen Abbott**  
Company Secretary

## ANNEXURE 1 NOTICE OF GENERAL SCHEME MEETING (continued)

### EXPLANATORY NOTES

#### General

These explanatory notes should be read in conjunction with the Notice of General Scheme Meeting and the information in the Scheme Booklet (of which the Notice of General Scheme Meeting forms part). The Scheme Booklet contains important information to assist you to decide how to vote at the General Scheme Meeting.

Unless the context requires otherwise, terms used in the Notice of General Scheme Meeting and in these explanatory notes have the same meaning as set out in Section 11 of the Scheme Booklet.

A copy of the Scheme is set out in Annexure 4 to the Scheme Booklet.

#### Meeting format

The General Scheme Meeting will be held as a hybrid meeting. This means that General Shareholders and their authorised proxies, attorneys and corporate representatives will be able to attend the meeting in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 or may participate in the General Scheme Meeting online at <https://meetings.linkgroup.com/psischeme24>.

General Shareholders who are unable to participate in the General Scheme Meeting (or who choose not to) are strongly encouraged to either submit a direct vote or submit a proxy form as early as possible and in any event by 9:30am on 24 September 2024 following the instructions below.

In accordance with clause 14.23 of PSC's constitution, the directors of PSC have approved the use of the Share Registry's online platform as a means by which General Shareholders can deliver their vote.

#### Entitlement to vote

The Court has ordered that, for the purposes of the General Scheme Meeting, the time for determining eligibility to vote at the meeting is 7:00pm AEST on 24 September 2024. This means that any General Shareholders entered on the Register at that time will be entitled to attend and vote at the General Scheme Meeting. Voting will be conducted by poll. Every General Shareholder who is present in person, virtually or by proxy, representative or attorney will have one vote for each PSC Share held by that General Shareholder.

#### Participating in the General Scheme Meeting

##### Participating via the online platform

General Shareholders and their authorised proxies, attorneys and corporate representatives can participate in and vote at the General Scheme Meeting via the online platform at <https://meetings.linkgroup.com/psischeme24>. When registering to vote in the online platform, General Shareholders will be prompted to authenticate their identity by entering their username (which is their Security Reference Number (SRN) or Holder Identification Number (HIN)) and postcode registered on your holding (or country of residence if outside Australia).

The online platform can be accessed via a computer or mobile or tablet device with internet access. The online platform will allow General Shareholders and their authorised proxies, attorneys and corporate representative to participate in General Scheme Meeting live, ask questions online and cast an online vote.

Participants will be able to log in to the online platform 30 minutes before the start of the General Scheme Meeting. PSC recommends that General Shareholders log in to the online portal at least 15 minutes prior to the start of the General Scheme Meeting to ensure their internet connections and devices are working and to attend to registration requirements.

The Virtual Meeting Online Guide available at <https://events.miraql.com/psc-scheme> provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site.

### Participating in person

All persons attending the General Scheme Meeting in person are asked to arrive 30 minutes before the time scheduled for the General Scheme Meeting to commence, so that their shareholding can be checked against the Register, any power of attorney or evidence of appointment of corporate representative verified and their attendance noted.

If it becomes necessary or appropriate to make alternative arrangements to hold the General Scheme Meeting to those set out in these explanatory notes, General Shareholders will be given as much notice as possible. Information relating to alternative arrangements will be communicated to shareholders through an announcement to the ASX and PSC's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au).

### Voting

If you are a General Shareholder entitled to vote at the General Scheme Meeting, you may vote in the following ways:

#### Direct vote prior to the General Scheme Meeting

To vote by direct vote prior to the General Scheme Meeting, you must lodge your vote no later than 9:30am on 24 September 2024, by following the instructions on the Proxy Form.

The Chair's decision on the validity of a direct vote is conclusive and PSC reserves the right to declare invalid any vote not received in the manner set out in this Notice of General Scheme Meeting.

If you do not lodge a direct vote prior to 9:30am on 24 September 2024, you will still be able to vote during the General Scheme Meeting by submitting your vote using the instructions below.

#### Attending the General Scheme Meeting and voting via the online platform

To vote online at the General Scheme Meeting, you must participate in the General Scheme Meeting via the online platform at <https://meetings.linkgroup.com/psischeme24> on your smartphone, tablet or computer. Please ensure your browser is compatible.

Online voting at the General Scheme Meeting will be open between the start of the meeting and the closing of voting as announced by the Chair during the meeting.

More information about how to use the online platform (including how to vote and submit questions online during the General Scheme Meeting) is set out in the Virtual Meeting Online Guide available at <https://events.miraql.com/psc-scheme>.

#### Voting in person

General Shareholders and their authorised proxies, attorneys and corporate representatives who are attending in person may vote by poll cards.

#### Voting by proxy

If you are entitled to attend and vote at the General Scheme Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a PSC Shareholder and may be an individual or a body corporate. A body corporate appointed as a General Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as proxy at the General Scheme Meeting. A personalised Proxy Form is enclosed with the Notice of General Scheme Meeting.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint a proxy, PSC encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

General Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the General Scheme Meeting and to exercise their voting instructions. Appointed proxies will receive a username and password to vote online from the Share Registry.

## ANNEXURE 1 NOTICE OF GENERAL SCHEME MEETING (continued)

### Voting by attorney

You may appoint an attorney to participate in and vote at the General Scheme Meeting on your behalf. A person attending the General Scheme Meeting as an attorney must provide the Share Registry with an original or certified copy of the power of attorney under which he or she has been authorised to attend and vote at the General Scheme Meeting by no later than the time specified for lodging a Proxy Form (being 9:30am on 24 September 2024), unless it has previously been provided to the Share Registry.

A power of attorney may be submitted in the same manner as a completed Proxy Form as described below. Appointed attorneys will receive a username and password to vote online from the Share Registry.

### Voting by corporate representative

A General Shareholder that is a body corporate or a proxy that is a body corporate may elect to appoint an individual as its corporate representative to attend the General Scheme Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. A representative of a General Shareholder or proxy that is a body corporate must provide the Share Registry with the necessary evidence of their appointment by no later than the time specified for lodging a Proxy Form (being 9:30am on 24 September 2024) by providing:

1. a letter or certificate authorising him or her as the body corporate's representative duly executed in accordance with the Corporations Act; or
2. a copy of the resolution appointing the representative, certified by a secretary or director of the body corporate.

This evidence may be submitted in the same manner as a completed Proxy Form as described below. Corporate representatives will receive a username and password to vote online from the Share Registry.

### Lodgement of proxies

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Share Registry no later than 9:30am on 24 September 2024, being 48 hours before the General Scheme Meeting. Proxy Forms may be lodged in one of the following ways:

1. by mail to Link Market Services Limited to PSC Insurance Group Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
2. by fax to Link Market Services Limited on +61 2 9287 0309;
3. online via <https://investorcentre.linkgroup.com>; or
4. by hand delivery to Link Market Services Limited during business hours (Monday to Friday, 9:00am – 5:00pm (AEST)) at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150.

### Jointly held securities

If PSC Shares are jointly held, either one of the joint General Shareholders is entitled to vote at the General Scheme Meeting. If more than one joint General Shareholder votes in respect of jointly held PSC Shares, only the vote of the General Shareholder whose name appears first in the Register will be counted.

### Questions from General Shareholders

General Shareholders who would like to ask questions at the General Scheme Meeting are encouraged to do so by submitting them in writing before the General Scheme Meeting online prior to 9:30am on 24 September 2024.

General Shareholders and their authorised proxies, attorneys and corporate representatives will have the opportunity to ask questions or make comments (if attending the General Scheme Meeting in person) or submit questions or comments (if participating via the online platform) to the PSC Board during the General Scheme Meeting.



### Technical difficulties

Technical difficulties may arise during the General Scheme Meeting. The Chair has discretion as to whether and how the General Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of General Shareholders impacted and the extent to which participation in the business of the General Scheme Meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the General Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

### Scheme Booklet

To enable you to make an informed decision about taking part in the General Scheme Meeting and voting on the Scheme Resolution, further information on the Scheme is set out in the Scheme Booklet, of which this notice forms part. You should read the Scheme Booklet and its appendices in full before making a decision whether, and as to how, you intend to vote on the Scheme Resolution.

### Shareholder approval of the Scheme

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed at each Scheme Meeting by:

1. unless the Court orders otherwise, a majority in number (i.e. more than 50%) of PSC Shareholders present and voting at the Scheme Meeting (personally or by proxy, attorney or corporate representative); and
2. at least 75% of the votes cast on the Scheme Resolution by PSC Shareholders present and voting at the Scheme Meeting, (being the Requisite Majorities). The Court has the power to dispense with the first requirement.

### Court approval of the Scheme

If the Scheme Resolution is approved at each of the General Scheme Meeting and the Rollover Shareholders Scheme Meeting by the Requisite Majorities and the other Conditions to the Scheme are satisfied or waived (if able to be waived) in accordance with the Scheme, PSC intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

### Further information

If you have any further questions, please call the Scheme Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8:30am and 5:30pm (AEST).

# ANNEXURE 2

NOTICE OF ROLLOVER  
SHAREHOLDERS  
SCHEME MEETING

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# ANNEXURE 2

## NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING

PSC Insurance Group Limited  
ACN 147 812 164  
(PSC)

### NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING

#### Notice

Notice is hereby given that, by an order of the Federal Court of Australia made on 21 August 2024 pursuant to subsection 411(1) of the *Corporations Act 2001* (Cth) a meeting of Rollover Shareholders will be held as follows (immediately after the General Scheme Meeting):

Date: 26 September 2024

Time: 11:00am (AEST)

Venue: Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 and online via the online platform at <https://meetings.linkgroup.com/psiroll24>

The explanatory notes that accompany and form part of this Notice of Rollover Shareholders Scheme Meeting describe in more detail how to participate in the Rollover Shareholders Scheme Meeting. Please ensure you read the explanatory notes in full.

#### Purpose of the Rollover Shareholders Scheme Meeting

The purpose of the Rollover Shareholders Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with any modification by the Court) proposed to be made between PSC and Scheme Shareholders.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the *Corporations Act* in relation to the Scheme are contained in the Scheme Booklet that accompanies this notice.

Capitalised terms used but not defined in this Notice of Rollover Shareholders Scheme Meeting have the defined meanings set out in Section 11 of the Scheme Booklet.

#### Scheme Resolution

The Rollover Shareholders will be asked to consider and, if thought fit, pass (with or without amendment) the Scheme Resolution:

*'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between PSC and its shareholders, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with any alterations or conditions as approved by the Federal Court of Australia to which PSC and Rosedale BidCo agree) and, subject to approval of the scheme of arrangement by the Court, the PSC Board is authorised to agree to, and implement, the scheme of arrangement with any alterations or conditions as are thought fit by the Court.'*

#### Chair

The Court has directed that Paul Dwyer is to act as chair of the Rollover Shareholders Scheme Meeting (and that, if Paul Dwyer is unable or unwilling to attend, Tony Robinson is to act as chair of the Rollover Shareholders Scheme Meeting) and has directed the chair of the Rollover Shareholders Scheme Meeting to report the result of the Scheme Resolution to the Court.

#### Important note

The Chair of the Rollover Shareholders Scheme Meeting intends to vote all valid undirected proxies which he receives **in favour of** the Scheme Resolution.

Dated 21 August 2024

By order of the Court



Stephen Abbott  
Company Secretary

## ANNEXURE 2 NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING (continued)

### EXPLANATORY NOTES

#### General

These explanatory notes should be read in conjunction with the Notice of Rollover Shareholders Scheme Meeting and the information in the Scheme Booklet (of which the Notice of Rollover Shareholders Scheme Meeting forms part). The Scheme Booklet contains important information to assist you to decide how to vote at the Rollover Shareholders Scheme Meeting.

Unless the context requires otherwise, terms used in the Notice of Rollover Shareholders Scheme Meeting and in these explanatory notes have the same meaning as set out in Section 11 of the Scheme Booklet.

A copy of the Scheme is set out in Annexure 4 to the Scheme Booklet.

#### Meeting format

The Rollover Shareholders Scheme Meeting will be held as a hybrid meeting. This means that Rollover Shareholders and their authorised proxies, attorneys and corporate representatives will be able to attend the meeting in person at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002 or may participate in the Rollover Shareholders Scheme Meeting online at <https://meetings.linkgroup.com/psiroll24>.

Rollover Shareholders who are unable to participate in the Rollover Shareholders Scheme Meeting (or who choose not to) are strongly encouraged to either submit a direct vote or submit a proxy form as early as possible and in any event by 11:00am on 24 September 2024 following the instructions below.

In accordance with clause 14.23 of PSC's constitution, the directors of PSC have approved the use of the Share Registry's online platform as a means by which Rollover Shareholders can deliver their vote.

#### Entitlement to vote

The Court has ordered that, for the purposes of the Rollover Shareholders Scheme Meeting, the time for determining eligibility to vote at the meeting is 7:00pm AEST on 24 September 2024. This means that any Rollover Shareholders entered on the Register at that time will be entitled to attend and vote at the Rollover Shareholders Scheme Meeting. Voting will be conducted by poll. Every Rollover Shareholder who is present in person, virtually or by proxy, representative or attorney will have one vote for each PSC Share held by that Rollover Shareholder.

#### Participating in the Rollover Shareholders Scheme Meeting

##### Participating via the online platform

Rollover Shareholders and their authorised proxies, attorneys and corporate representatives can participate in and vote at the Rollover Shareholders Scheme Meeting via the online platform at <https://meetings.linkgroup.com/psiroll24>. Rollover Shareholders will be issued a passcode to use to log in to the portal. When registering to vote in the online platform, Rollover Shareholders will be prompted to authenticate their identity by entering their username (which is their Security Reference Number (SRN) or Holder Identification Number (HIN)) and postcode registered on your holding (or country of residence if outside Australia).

The online platform can be accessed via a computer or mobile or tablet device with internet access. The online platform will allow Rollover Shareholders and their authorised proxies, attorneys and corporate representative to participate in Rollover Shareholders Scheme Meeting live, ask questions online and cast an online vote.

Participants will be able to log in to the online platform 30 minutes before the start of the Rollover Shareholders Scheme Meeting. PSC recommends that Rollover Shareholders log in to the online portal at least 15 minutes prior to the start of the Rollover Shareholders Scheme Meeting to ensure their internet connections and devices are working and to attend to registration requirements.

The Virtual Meeting Online Guide available at <https://events.miraql.com/psc-scheme> provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site.

### Participating in person

All persons attending the Rollover Shareholders Scheme Meeting in person are asked to arrive 30 minutes before the time scheduled for the Rollover Shareholders Scheme Meeting to commence, so that their shareholding can be checked against the Register, any power of attorney or evidence of appointment of corporate representative verified and their attendance noted.

If it becomes necessary or appropriate to make alternative arrangements to hold the Rollover Shareholders Scheme Meeting to those set out in these explanatory notes, Rollover Shareholders will be given as much notice as possible. Information relating to alternative arrangements will be communicated to shareholders through an announcement to the ASX and PSC's website at [www.pscinsurancegroup.com.au](http://www.pscinsurancegroup.com.au).

### Voting

If you are a Rollover Shareholder entitled to vote at the Rollover Shareholders Scheme Meeting, you may vote in the following ways:

#### Direct vote prior to the Rollover Shareholders Scheme Meeting

To vote by direct vote prior to the Rollover Shareholders Scheme Meeting, you must lodge your vote no later than 11:00am on 24 September 2024, by following the instructions available on the Proxy Form.

The Chair's decision on the validity of a direct vote is conclusive and PSC reserves the right to declare invalid any vote not received in the manner set out in this Notice of Rollover Shareholders Scheme Meeting.

If you do not lodge a direct vote prior to 11:00am on 24 September 2024, you will still be able to vote during the Rollover Shareholders Scheme Meeting by submitting your vote using the instructions below.

#### Attending the Rollover Shareholders Scheme Meeting and voting via the online platform

To vote online at the Rollover Shareholders Scheme Meeting, you must participate in the Rollover Shareholders Scheme Meeting via the online platform at <https://meetings.linkgroup.com/psiroll24> on your smartphone, tablet or computer. Please ensure your browser is compatible.

Online voting at the Rollover Shareholders Scheme Meeting will be open between the start of the meeting and the closing of voting as announced by the Chair during the meeting.

More information about how to use the online platform (including how to vote and submit questions online during the Rollover Shareholders Scheme Meeting) is set out in the Virtual Meeting Online Guide available at <https://events.miraql.com/psc-scheme>.

#### Voting in person

Rollover Shareholders and their authorised proxies, attorneys and corporate representatives who are attending in person may vote by poll cards.

#### Voting by proxy

If you are entitled to attend and vote at the Rollover Shareholders Scheme Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a PSC Shareholder and may be an individual or a body corporate. A body corporate appointed as a Rollover Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as proxy at the Rollover Shareholders Scheme Meeting. A personalised Proxy Form is enclosed with the Notice of Rollover Shareholders Scheme Meeting.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint a proxy, PSC encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

Rollover Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the Rollover Shareholders Scheme Meeting and to exercise their voting instructions. Appointed proxies will receive a username and password to vote online from the Share Registry.

## ANNEXURE 2 NOTICE OF ROLLOVER SHAREHOLDERS SCHEME MEETING (continued)

### Voting by attorney

You may appoint an attorney to participate in and vote at the Rollover Shareholders Scheme Meeting on your behalf. A person attending the Rollover Shareholders Scheme Meeting as an attorney must provide the Share Registry with an original or certified copy of the power of attorney under which he or she has been authorised to attend and vote at the Rollover Shareholders Scheme Meeting by no later than the time specified for lodging a Proxy Form (being 11:00am on 24 September 2024), unless it has previously been provided to the Share Registry.

A power of attorney may be submitted in the same manner as a completed Proxy Form as described below. Appointed attorneys will receive a username and password to vote online from the Share Registry.

### Voting by corporate representative

A Rollover Shareholder that is a body corporate or a proxy that is a body corporate may elect to appoint an individual as its corporate representative to attend the Rollover Shareholders Scheme Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. A representative of a Rollover Shareholder or proxy that is a body corporate must provide the Share Registry with the necessary evidence of their appointment by no later than the time specified for lodging a Proxy Form (being 11:00am on 24 September 2024) by providing:

1. a letter or certificate authorising him or her as the body corporate's representative duly executed in accordance with the Corporations Act; or
2. a copy of the resolution appointing the representative, certified by a secretary or director of the body corporate.

This evidence may be submitted in the same manner as a completed Proxy Form as described below. Corporate representatives will receive a username and password to vote online from the Share Registry.

### Lodgement of proxies

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Share Registry no later than 11:00am on 24 September 2024, being 48 hours before the Rollover Shareholders Scheme Meeting. Proxy Forms may be lodged in one of the following ways:

1. by mail to Link Market Services Limited to PSC Insurance Group Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
2. by fax to Link Market Services Limited on +61 2 9287 0309;
3. by hand delivery to Link Market Services Limited during business hours (Monday to Friday, 9:00am – 5:00pm (AEST)) at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150.

### Jointly held securities

If PSC Shares are jointly held, either one of the joint Rollover Shareholders is entitled to vote at the Rollover Shareholders Scheme Meeting. If more than one joint Rollover Shareholder votes in respect of jointly held PSC Shares, only the vote of the Rollover Shareholder whose name appears first in the Register will be counted.

### Questions from Rollover Shareholders

Rollover Shareholders who would like to ask questions at the Rollover Shareholders Scheme Meeting are encouraged to do so by submitting them in writing before the Rollover Shareholders Scheme Meeting online prior to 11:00am on 24 September 2024.

Rollover Shareholders and their authorised proxies, attorneys and corporate representatives will have the opportunity to ask questions or make comments to the PSC Board during the Rollover Shareholders Scheme Meeting.

**Technical difficulties**

Technical difficulties may arise during the Rollover Shareholders Scheme Meeting. The Chair has discretion as to whether and how the Rollover Shareholders Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Rollover Shareholders impacted and the extent to which participation in the business of the Rollover Shareholders Scheme Meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Rollover Shareholders Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

**Scheme Booklet**

To enable you to make an informed decision about taking part in the Rollover Shareholders Scheme Meeting and voting on the Scheme Resolution, further information on the Scheme is set out in the Scheme Booklet, of which this notice forms part. You should read the Scheme Booklet and its appendices in full before making a decision whether, and as to how, you intend to vote on the Scheme Resolution.

**Shareholder approval of the Scheme**

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed at each Scheme Meeting by:

1. unless the Court orders otherwise, a majority in number (i.e. more than 50%) of PSC Shareholders present and voting at the Scheme Meeting (personally or by proxy, attorney or corporate representative); and
2. at least 75% of the votes cast on the Scheme Resolution by PSC Shareholders present and voting at the Scheme Meeting, (being the Requisite Majorities). The Court has the power to dispense with the first requirement.

**Court approval of the Scheme**

If the Scheme Resolution is approved at each of the Rollover Shareholders Scheme Meeting and the General Scheme Meeting by the Requisite Majorities and the other Conditions to the Scheme are satisfied or waived (if able to be waived) in accordance with the Scheme, PSC intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

**Further information**

If you have any further questions, please call the Scheme Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), Monday to Friday (excluding public holidays), between 8:30am and 5:30pm (AEST).



# ANNEXURE 3

## INDEPENDENT EXPERT'S REPORT

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# ANNEXURE 3 INDEPENDENT EXPERT'S REPORT

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## PSC INSURANCE GROUP LIMITED

SCHEME OF ARRANGEMENT

INDEPENDENT EXPERT'S REPORT AND FINANCIAL SERVICES GUIDE

Report dated 16 August 2024

EXPERTS WITH IMPACT

## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)



16 August 2024

The Directors  
PSC Insurance Group Limited  
96 Wellington Parade  
East Melbourne VIC 3002

Dear Directors

### Independent expert's report for PSC Insurance Group Limited

#### 1. Introduction

On 8 May 2024 PSC Insurance Group Limited (**PSC**) announced that it had entered into a scheme implementation deed with an entity wholly owned by The Ardonagh Group (**Ardonagh**). Under the terms, Ardonagh intends to acquire all of the issued ordinary shares in PSC pursuant to the proposed scheme of arrangement (**Scheme**). The consideration being offered by Ardonagh consists of:

- the shareholders of PSC that are not Rollover Shareholders (as defined below) (**General Shareholders**) receiving cash of \$6.19<sup>1</sup> per share for their PSC shares<sup>2</sup> (**Cash Consideration**); and
- certain directors and senior management of PSC (**Rollover Shareholders**) receiving a scrip in Ardonagh for a portion of their PSC shares and the Cash Consideration of \$6.19 per share for the balance of their PSC shares<sup>3</sup>.

The General Shareholders and Rollover Shareholders will be treated as separate shareholder classes under the Scheme and each shareholder class will be required to vote to approve the Scheme at separate scheme meetings. As such, the General Shareholders and Rollover Shareholders need to separately vote in favour of the Scheme for it to proceed.

The directors of PSC (**Directors**) have engaged FTI Consulting (Australia) Pty Ltd (**FTI Consulting**) to prepare this Independent Expert Report (**IER**) stating our opinion as to whether the Scheme is 'in the best interests' of General Shareholders, and the Rollover Shareholders to the extent that they are receiving the Cash Consideration, as a whole (**Shareholders**) and to set out our reasons for that opinion (i.e., if it is 'fair and reasonable' in the absence of a superior offer emerging) to assist Shareholders in their decision of whether to approve the Scheme.

The scrip in Ardonagh consists of:

- Non-voting D class shares in Ardonagh Holdco Limited (a private par value limited liability company incorporated in Jersey with the company number 139528) for Australian-resident Rollover Shareholders (**Ardonagh D Shares**); and
- loan notes which will ultimately convert into non-voting D class shares in Tara Topco Limited (the ultimate holding company of Ardonagh which is an exempted company incorporated in the Cayman Islands with the company number OC-381964) for United Kingdom-resident Rollover Shareholders (unless an election is made to receive Ardonagh D Shares as part of the roll up of the loan notes) (**Tara D Shares**).

<sup>1</sup> The Cash Consideration of \$6.19 per PSC share will be reduced by the amount of any future dividends or capital return declared or paid by PSC moving forward. However, Management have confirmed that no further dividends or capital returns have been contemplated.

<sup>2</sup> Held at the record date of the Scheme.

<sup>3</sup> Held at the record date of the Scheme.



The Ardonagh D Shares and Tara D Shares are unlisted, non-voting shares in offshore private companies and do not confer any board representation rights. The Tara D Shares rank pari passu with the other ordinary share classes in Tara Topco Limited for any declared dividends and distributions of capital and the Ardonagh D Shares are entitled to equivalent payments in these circumstances (whether from Ardonagh Holdco Limited or Tara Topco Limited), although we are instructed that no dividends have been paid on these classes of shares to date. The holders of Ardonagh D Shares and Tara D Shares cannot sell their shares without consent except in limited circumstances and have no rights to influence the timing or the form of any liquidity event under their terms of issue. As such, the Ardonagh D Shares and Tara D Shares are highly illiquid.

The indicative value of the Ardonagh D Shares or Tara D Shares to be issued to the Rollover Shareholders per PSC share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC share based on our review and analysis of confidential information provided by Ardonagh<sup>4</sup>. As at the date of this IER, the Rollover Shareholders have each made a binding election to receive the Ardonagh D Shares or Tara D Shares in accordance with the terms of the Scheme and, therefore, have effectively already formed their own view as to the merits of the scrip in Ardonagh. The scrip in Ardonagh to be received by the Rollover Shareholders also does not impact the Cash Consideration of \$6.19 per PSC share to be received by Shareholders. As such, based on our enquiries and review of the available information, it appears that the circumstances of the Rollover Shareholders under the Scheme may not be a material concern for Shareholders in their decision of whether to approve the Scheme.

The Scheme is to be implemented under Section 411 of the Corporations Act 2001 (Cth) (**Act**), which regulates schemes of arrangement between companies and their shareholders and requires the Scheme to be approved via the aforementioned vote at a scheme meeting by the General Shareholders (as well as the vote at a separate scheme meeting by the Rollover Shareholders). In this regard, the scheme meetings are expected to be held at 9.30 am and 11.00 am (Melbourne time) on 6 September 2024 at Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne VIC 3002. Thereafter, the Scheme will also need the approval of the Court to proceed.

Section 412(1) of the Act also requires an explanatory statement, such as a scheme booklet, to be issued to the Shareholders by PSC that details all relevant information within the knowledge of the Directors that has not been previously disclosed that is material to the decision of a Shareholder when considering whether to approve the Scheme. As such, PSC's board of directors (**Board**) have prepared a scheme booklet (**Scheme Booklet**) to address this purpose and this IER is to accompany the Scheme Booklet for the benefit of the Shareholders.

## 2. Summary of opinion

**In our opinion the Scheme is 'in the best interests' of Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.**

In preparing this IER we have assessed the fair value of a PSC share as at 30 June 2024 (**Valuation Date**), being the date of the most recent financial information available to us. The audited financial information of PSC as at the Valuation Date was not available when preparing this IER. Consequently, we have relied upon the unaudited financial information of PSC as at the Valuation Date. We consider this information to be reasonable based on our enquiries and other corroborating information obtained from PSC. Regardless, we will also consider the veracity of the opinions currently expressed in this IER, and advise the Shareholders accordingly, after the audited financial information of PSC as at the Valuation Date becomes available. Furthermore, we have made enquiries up to the date of this IER to confirm that there has been no material change to the operations and performance of PSC or Ardonagh.

## 3. The Scheme is 'fair'

In our opinion, the Cash Consideration of \$6.19 per PSC share component of the Scheme is 'fair'.

<sup>4</sup> Consisting of unaudited consolidated management accounts, trial balances as well as investor presentations and reports

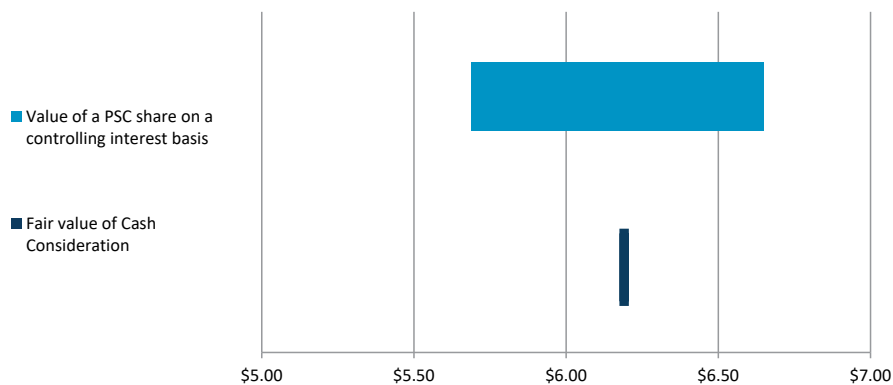
## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

PSC Insurance Group Limited  
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Figure 1 summarises our assessment of whether the Cash Consideration of \$6.19 per PSC share is 'fair' by comparing the Cash Consideration of \$6.19 per PSC share being offered to Shareholders to our estimated fair value range of a PSC share on a controlling interest basis.

Figure 1: Fairness assessment



Source: FTI Consulting analysis.

Figure 1 shows that the Cash Consideration of \$6.19 per PSC share is within the range of fair values of a PSC share on a controlling interest basis of between \$5.69 and \$6.65 per share.

RG 111.11 indicates that an offer (i.e., the Cash Consideration) is 'fair' if the value of the offer is greater than or equal to the value of the securities that are subject to the offer (i.e., a PSC share).

As such, we have concluded that the Cash Consideration of \$6.19 per PSC share is 'fair' in accordance with RG 111.

#### 4. The Scheme is 'reasonable'

In our opinion, the Scheme is 'reasonable'.

RG 111 states that an offer is 'reasonable' if it is considered to be 'fair'. Therefore, the Scheme is 'reasonable' because we have previously determined the Cash Consideration to be 'fair'.

However, for completeness, we have also identified below the potential advantages and disadvantages that are associated with the 'reasonableness' of the Scheme from the perspective of the Shareholders.

##### Advantages

###### Premium to traded share price

Ardonagh will acquire 100.0% of the PSC shares.

The Cash Consideration of \$6.19 per PSC share represents a premium of:

- 10.5% to the PSC share price of \$5.60 on 7 May 2024 (i.e., the closing share price the day before the announcement of the Scheme on 8 May 2024);
- 16.2% to the one-month volume weighted average price (VWAP<sup>5</sup>) of \$5.33 ending on 7 May 2024;
- 22.2% to the three-month VWAP of \$5.07 ending on 7 May 2024;

<sup>5</sup> VWAP of PSC traded on ASX.

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- 27.0% to the six-month VWAP of \$4.88 ending on 7 May 2024;
- 28.0% to the 12-month VWAP of \$4.84 ending on 7 May 2024;
- 27.6% to the undisturbed PSC share price of \$4.85 on 12 March 2024 (i.e., the closing PSC share price the day before PSC confirmed that it was in discussions regarding a potential takeover on 13 March 2024<sup>6</sup>);
- 29.8% to the undisturbed one-month VWAP of \$4.77 ending on 12 March 2024;
- 31.7% to the undisturbed three-month VWAP of \$4.70 ending on 12 March 2024;
- 34.0% to the undisturbed six-month VWAP of \$4.62 ending on 12 March 2024; and
- 32.3% to the undisturbed 12-month VWAP of \$4.68 ending on 12 March 2024.

Therefore, Ardonagh is paying a premium that is not unreasonable based on our takeover premium study located at Appendix F of this IER.

#### **No transaction costs**

Shareholders will be able to exchange their PSC shares for the Cash Consideration without incurring any brokerage costs if the Scheme is approved.

#### **The Scheme will provide Shareholders with the opportunity to realise their investment in PSC**

Approximately 12.6% of the total issued shares of PSC were traded during the 12 months ended 7 May 2024 (i.e., the day before the announcement of the Scheme) and approximately 10.7% of the total issued shares of PSC were traded during the 12 months ended 12 March 2024 (i.e., the day before PSC confirmed that it was in discussions regarding a potential takeover). This level of liquidity implies that the Shareholders may have some difficulty selling their PSC shares on the market and potentially incur some slippage costs representing the difference between the price expected to be realised and the price actually realised as a result of a lack of depth or liquidity in the share market. These slippage costs also increase for Shareholders holding larger parcels of PSC shares. As such, the Scheme provides Shareholders with an opportunity to realise their investment in PSC without incurring any slippage costs.

#### **The risk exposures mitigated if the Scheme proceeds**

Shareholders will no longer be subject to the risk inherent in the business conducted by PSC and the volatility associated with the share price of an Australian Securities Exchange (ASX) listed company if the Scheme proceeds.

#### **The likelihood of a superior offer emerging is low**

An alternative merger option for PSC has not emerged since the announcement of the Scheme on 8 May 2024. The Directors have advised that the Scheme is the only merger option currently available to PSC and the Directors are not aware of any impending alternative merger options. As such, it is unlikely that a superior offer will emerge.

#### **Disadvantages**

##### **Potential capital gains tax consequences**

There may be capital gains tax consequences for Shareholders if the Scheme is approved.

##### **Some Shareholders may individually consider that the Scheme is not in their own best interests**

Some Shareholders may consider that the Scheme is not in their own best interests in view of their individual circumstances. There is no obligation for individual Shareholders to agree with the recommendation of the Directors or agree with the conclusions expressed in this IER.

<sup>6</sup> <https://www.insurancenews.com.au/breaking-news/psc-confirms-discussions-over-potential-takeover>

## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

PSC Insurance Group Limited  
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**Unable to participate in the future financial performance and growth of PSC**

The Shareholders will lose their exposure to the business of PSC and the ability to participate in any further potential upside in the business of PSC if the Scheme is approved.

**It may be difficult to identify or invest in an alternative company with similar characteristics to that of PSC**

Shareholders may prefer to retain their PSC shares and maintain their existing investment in an ASX listed company. It may be difficult to identify and invest in an alternative company that has a risk, return and liquidity profile equivalent to PSC.

**An alternative and superior offer may emerge**

It is possible that an alternative and superior offer may occur in the future. However, as at the date of this IER, the Directors have advised that the Scheme is the only merger option currently available to PSC and the Directors are not aware of any impending alternative merger options.

**5. Other factors relating to the Scheme**

**Rollover Shareholders**

It is a condition precedent that certain Rollover Shareholders (being the shareholders associated with five of the Directors) elect to receive the scrip in Ardonagh for an agreed minimum proportion of their PSC shares. Based on our enquiries and review of the available information, in our view, the circumstances of the Rollover Shareholders under the Scheme may not be a material concern for Shareholders in their decision of whether to approve the Scheme. The scrip in Ardonagh (consisting of the Ardonagh D Shares and Tara D Shares) to be received by the Rollover Shareholders is not an advantage or disadvantage of the Scheme from the perspective of the Shareholders and does not impact the Cash Consideration of \$6.19 per PSC share to be received by Shareholders. The Ardonagh D Shares and Tara D Shares are entitled to receive dividends, rank equally with the other ordinary shareholders in the event of winding up the companies, do not have voting rights or board representation and can only be sold by the Rollover Shareholders when the A class shares are sold. The indicative value of the Ardonagh D Shares or Tara D Shares to be issued to the Rollover Shareholders per PSC share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC share based on our review and analysis of confidential information provided by Ardonagh. As at the date of this IER, the Rollover Shareholders had made a binding election to receive the Ardonagh D Shares or Tara D Shares in accordance with the terms of the Scheme and had effectively already formed their own view as to the merits of the scrip in Ardonagh.

**Director recommendation**

We have been advised that the independent directors of PSC (Melvyn Sims and Joanne Dawson) and the Board have considered the Scheme and recommend that Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding in this IER, and continuing to conclude, that the Scheme is 'in the best interests' of Shareholders. Subject to these same qualifications, the independent directors and of PSC and the Board intend to vote, or procure the voting of, all PSC shares that they hold or control in favour of the Scheme.

**Consequences if the Scheme does not proceed**

The current PSC share price reflects a market-based expectation that the Scheme will proceed. If the Scheme is not successful and does not proceed, then the PSC share price is likely to decrease towards the level observed prior to the announcement of the Scheme. Note that the break fee of \$22.6 million mentioned in the Scheme Booklet will not be incurred by PSC if the Scheme does not proceed solely because the Shareholders choose to not approve the Scheme.

## 6. Other disclosures

### Limitations

The Directors have engaged FTI Consulting to prepare this IER stating our opinion as to whether the Scheme is 'in the best interests' of Shareholders as a whole and to set out our reasons for that opinion (i.e., if it is 'fair and reasonable' in the absence of a superior offer emerging) to assist Shareholders in their decision of whether to approve the Scheme. This IER will form a part of the Scheme Booklet that is to be sent to Shareholders. This IER has not been prepared for any other purpose or for use by any other person.

Approval of the Scheme is a consideration for the Shareholders based on their expectations of various factors including the value and future prospects of PSC, the terms of the Scheme, market conditions and their particular circumstances including their risk profile, liquidity preference, portfolio strategy and tax position. Shareholders should carefully consider the Scheme Booklet in its entirety. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their professional advisers.

FTI Consulting does not accept any responsibility to any person other than the Directors and Shareholders for the use of this IER outside the stated purpose without the written consent of FTI Consulting. Except in accordance with the stated purpose, no extract, quote or copy of this IER, in whole or in part, should be reproduced without our prior written consent as to the form and context in which it may appear.

A summary of the limitations and disclosures relating to the use of this IER are provided at Section 8 of this IER.

### Sources of information

Appendix B of this IER summarises the information used, referred to and relied upon for the purpose of the preparation of this IER and in forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based on our review of the information provided by and/or discussions with the management of PSC (**Management**) and their advisors in relation to the Scheme as well as the operations, financial information and outlook of PSC.

Under the terms of FTI Consulting's engagement, PSC has agreed to indemnify the directors and staff of FTI Consulting and its associated entities, against any claim, liability, loss, expense, costs or damages arising out of the reliance on any material, information or documentation provided by PSC that is false or misleading or omits any material particulars or arising from the failure to supply relevant information.

### Current market conditions

Our opinion is based on the economic, market and other conditions that prevailed at the date of this IER. These economic, market and other conditions can change significantly over relatively short periods of time and changes in these conditions may result in a valuation or a dependent opinion becoming quickly out dated and in need of revision. FTI Consulting reserves the right to revise any valuation or other opinion in the light of material information existing at the 30 June 2024 that subsequently becomes known to FTI Consulting.

### Financial services guide

FTI Consulting holds an Australian Financial Services Licence which authorises us to provide IERs for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues. The financial services guide can be found in Part 1 of this document.

## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

PSC Insurance Group Limited  
Independent Expert's Report and Financial Services Guide

**Summary**

This letter should be read in the context of the attached IER that sets out the purpose and scope, details of the Scheme as well as PSC, our analysis and findings, any limitations and the information relied upon.

Yours faithfully

*FTI Consulting (Australia) Pty Limited*

**FTI Consulting (Australia) Pty Limited**



PSC Insurance Group Limited  
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## Part 1 - Financial Services Guide

### About FTI Consulting

FTI Consulting (Australia) Pty Ltd ABN 49 160 397 811 (FTI Consulting or we or us or our as appropriate) has been engaged by PSC Insurance Group Limited (PSC) to prepare this Independent Expert Report (IER) for inclusion in the Scheme Booklet dated 16 August 2024 (Scheme Booklet) and has been provided to you as a retail client and shareholder of PSC.

### Financial Services Guide

We are required to issue this Financial Services Guide (FSG) to you as a retail client. This FSG is dated 16 August 2024 and has been prepared in accordance with the *Corporations Act (Cth) 2001*, and provides information about FTI Consulting generally, the financial services we are licensed to provide, the remuneration FTI Consulting may receive in connection with the preparation of the IER, and how complaints against us will be dealt with.

### Financial Services FTI Consulting is Licensed to Provide

FTI Consulting is an Australian Financial Services (AFS) authorised representative, number 001269325, which authorises us to provide financial product advice in relation to basic deposit products, securities (such as shares and debentures), interests in managed investment schemes and derivatives to wholesale and retail clients.

FTI Consulting provides financial product advice by virtue of our engagement to issue this IER in connection with a financial product. Our IER includes a description of the circumstances of our engagement and the party who has engaged us. The IER is provided on our own behalf as a financial service licensee authorised to provide the financial product advice contained in the IER.

You have not engaged us directly and cannot provide us with instructions, but you have been provided with a copy of the IER because of your connection to the matters set out in the IER.

### General Financial Product Advice

Our IER provides general financial product advice only, and not personal financial product advice, because it has been prepared without taking into account your personal circumstances, objectives, (financial or otherwise) financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You should seek personal financial product advice from a suitable Australian financial service licensee to assist you in this assessment if needed.

### Remuneration

FTI Consulting will receive a negotiated and agreed fee from PSC who engaged us to provide the IER. Fees are agreed on either a fixed fee or time cost basis. FTI Consulting is entitled to receive a fee of approximately \$350,000 plus GST and out-of-pocket expenses for preparing the IER. This fee is not contingent upon the outcome of the subject of the IER.

Except for the fees referred to above, neither FTI Consulting, nor any of its directors, consultants, employees or related entities, or associates of any of them, receive any remuneration or any other benefit, directly or indirectly, for or in connection with the provision of the IER. FTI Consulting does not pay commissions or provide any other benefits to any person in connection with the reports that FTI Consulting is licenced to provide.

All our employees receive a salary and may be eligible for bonuses which are not based on the outcomes of any specific engagement or directly linked to the provision of the IER. Our directors and consultants receive remuneration based on time spent on matters.

### Independence and Associations

FTI Consulting is not aware of any actual or potential matter or circumstance that would preclude us from preparing the IER on the grounds of independence under regulatory or professional requirements. In particular, FTI Consulting has had regard to the provisions of applicable pronouncements and other guidance statements relating to professional

independence issued by Australian professional accounting bodies and the Australian Securities and Investments Commission, specifically ASIC Regulatory Guide 112 issued on 30 March 2011.

The following information in relation to the independence of FTI Consulting is stated in Section 8.5 of this IER:

*"Prior to accepting this engagement, FTI Consulting considered its independence with respect to the Scheme in view of RG 112 and APES 110 Code of Ethics for Professional Accountants (including Independent Standards). We concluded that there are no conflicts of interest with respect to PSC, Ardonagh or the Scheme.*

*In prior financial years from 2021 to 2024, FTI Consulting has on occasion provided limited scope valuation services to PSC strictly for financial reporting compliance purposes. FTI Consulting EMEA has from time to time provided various consulting services to the Ardonagh, which are not connected to or in any way related to the current transaction and we do not consider this work to pose a conflict of interest. FTI Consulting has not provided any strategic or operational decisions or planning related services or advice to PSC.*

*FTI Consulting has had no involvement with, or interest in, the outcome of the approval of the Scheme other than this IER prepared for the benefit of the Shareholders. We are not aware of any matter or circumstance that would preclude us from preparing this IER on the grounds of independence under either regulatory or professional requirements.*

*FTI Consulting is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this IER. Except for these fees, FTI Consulting will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this IER. The payment of this fee is in no way contingent upon the success or failure of the Scheme."*

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we might from time to time provide professional services to financial product issuers in the ordinary course of business.

### Complaints Resolution

As an AFS authorised representative, we are required to have a system for handling complaints from persons to whom we have provide financial services. All complaints to FTI Consulting regarding the IER must be in writing, addressed to The Compliance Officer, FTI Consulting (Australia) Pty Limited, Level 21 Bourke Place, 600 Bourke Street, Melbourne VIC 3000. On receipt of a written complaint, we will record the complaint, acknowledge receipt and seek to resolve the complaint as quickly and fairly as possible. If you do not receive a satisfactory outcome, you have the option of raising your concern with the Australian Financial Complaints Authority (AFCA). AFCA is an independent body established to provide advice and assist in resolving complaints relating to the financial services industry. This service is provided free of charge. FTI Consulting is a member of AFCA (No. 41617). AFCA can be contacted at the following address:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

### Insurance

FTI Consulting has professional indemnity insurance in place that satisfies the compensation arrangement requires under section 912B of the Corporations Act. This insurance will cover claims in relation to the conduct of representatives and employees who no longer provide services to FTI Consulting (but who did at the time of the relevant conduct).

FTI Consulting (Australia) Pty Ltd (ACN 160 397 811)

AFS Authorised Representative No: 001269325

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## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

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### 1. Overview of the Scheme

#### 1.1 Summary

On 8 May 2024 PSC announced that it had entered into a scheme implementation deed with an entity wholly owned by Ardonagh.

Under the terms, Ardonagh intends to acquire all of the issued ordinary shares in PSC pursuant to the Scheme.

The consideration being offered by Ardonagh will consist of:

- the General Shareholders receiving the Cash Consideration of \$6.19 per PSC share for their PSC shares; and
- the Rollover Shareholders receiving a scrip in Ardonagh for a portion of their PSC shares and the Cash Consideration of \$6.19 per share for the balance of their PSC shares

Further details of the Scheme are provided in the Scheme Booklet that has been prepared for the Shareholders by the Directors.

#### 1.2 Key terms and conditions

The scheme implementation deed contains customary terms and conditions with respect to the implementation of the Scheme including:

- Court approval;
- Foreign Investment Review Board approval;
- Financial Conduct Authority approval;
- Australian Competition and Consumer Commission (ACCC) approval;
- the General Shareholders' approval;
- the Rollover Shareholders' approval;
- the independent expert concluding in this IER (and not changing or withdrawing that conclusion) that the Scheme is 'in the best interests' of Shareholders;
- certain Rollover Shareholders having made a valid election to receive scrip in relation to the required proportion of the PSC shares;
- other customary conditions, including no prescribed occurrence and no material adverse change in respect of PSC; and
- under certain circumstances, a break fee of \$22.6 million is payable by PSC or a reverse break fee of \$22.6 million payable by Ardonagh.

The Scheme is not subject to any financing condition.

## 2. Scope of this report

### 2.1 Purpose

The Scheme is to be implemented under Section 411 of the Act, which regulates schemes of arrangement between companies and their shareholders and requires the Scheme to be approved via a vote at a scheme meeting by the General Shareholders (and another vote at a separate scheme meeting by the Rollover Shareholders).

The Directors have engaged FTI Consulting to prepare this IER stating our opinion as to whether the Scheme is 'in the best interests' of Shareholders as a whole and to set out our reasons for that opinion (i.e., if it is 'fair and reasonable' in the absence of a superior offer emerging) to assist Shareholders in their decision of whether to approve the Scheme.

The scrip in Ardonagh consists of:

- Non-voting D class shares in Ardonagh Holdco Limited (a private par value limited liability company incorporated in Jersey with the company number 139528) for Australian-resident Rollover Shareholders (i.e., the Ardonagh D Shares); and
- loan notes which will ultimately convert into non-voting D class shares in Tara Topco Limited (the ultimate holding company of Ardonagh which is an exempted company incorporated in the Cayman Islands with the company number OC-381964) for United Kingdom-resident Rollover Shareholders (unless an election is made to receive Ardonagh D Shares as part of the roll up of the loan notes) (i.e., the Tara D Shares).

The Ardonagh D Shares and Tara D Shares are unlisted, non-voting shares in offshore private companies and do not confer any board representation rights. The Tara D Shares rank *pari passu* with the other ordinary share classes in Tara Topco Limited for any declared dividends and distributions of capital and the Ardonagh D Shares are entitled to equivalent payments in these circumstances (whether from Ardonagh Holdco Limited or Tara Topco Limited), although we are instructed that no dividends have been paid on these classes of shares to date. The holders of Ardonagh D Shares and Tara D Shares cannot sell their shares without consent except in limited circumstances and have no rights to influence the timing or the form of any liquidity event under their terms of issue. As such, the Ardonagh D Shares and Tara D Shares are highly illiquid.

The indicative value of the Ardonagh D Shares or Tara D Shares to be issued to the Rollover Shareholders per PSC share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC share based on our review and analysis of confidential information provided by Ardonagh. As at the date of this IER, the Rollover Shareholders have each made a binding election to receive the Ardonagh D Shares or Tara D Shares in accordance with the terms of the Scheme and, therefore, have effectively already formed their own view as to the merits of the scrip in Ardonagh. The scrip in Ardonagh to be received by the Rollover Shareholders also does not impact the Cash Consideration of \$6.19 per PSC share to be received by Shareholders. As such, based on our enquiries and review of the available information, it appears that the circumstances of the Rollover Shareholders under the Scheme may not be a material concern for Shareholders in their decision of whether to approve the Scheme.

Section 412(1) of the Act also requires an explanatory statement, such as a scheme booklet, be issued to the Shareholders by PSC that details all relevant information within the knowledge of the Directors that has not previously been disclosed that is material to the decision of a General Shareholder when considering whether to approve the Scheme. As such, the Directors have prepared a Scheme Booklet to address this purpose and this IER is to accompany the Scheme Booklet for the benefit of the Shareholders.

### 2.2 Regulatory guidance

The Directors have engaged FTI Consulting to prepare this IER despite there being no explicit statutory requirement for an independent expert's report to be prepared under the Act, the Australian Securities and Investments Commission (ASIC) Regulatory Guidance or the ASX Listing Rules. However, the Directors' recommendation expressed in relation to the

## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

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Scheme is subject to an independent expert concluding, and continuing to conclude, that the Scheme is 'in the best interests' of the Shareholders, and there being no superior proposal. It is also a condition precedent of the scheme implementation deed that an independent expert conclude (and not change or withdraw that conclusion) that the Scheme is 'in the best interests' of the Shareholders.

In preparing this IER we have considered the requirements of the Act in the context of takeover bids, the ASIC Regulatory Guide 111 Content of expert reports (**RG 111**), Regulatory Guide 112 Independence of experts (**RG 112**), Regulatory Guide 60 Schemes of arrangement (**RG 60**) as well as the valuation standards provided by the International Valuation Standards Council (**IVSC**).

We have also undertaken this engagement in accordance with Accounting Professional & Ethical Standards Board Limited professional standard APES 225 Valuations Services (**APES 225**).

### 2.3 Basis of assessment

Schemes of arrangement can include many different types of transactions and can also be used as an alternative to a takeover offer under the Act. As such, the basis of assessment selected by an independent expert must be responsive to the nature of the specific transaction underlying a proposed scheme of arrangement.

Section 640 of the Act requires an independent expert's report for a takeover offer to state whether it is 'fair' and 'reasonable' to the shareholders of a target company. Where the scheme of arrangement has the same effect as a takeover offer, the form of analysis to be used by an independent expert should substantially be the same as for a takeover offer. However, the opinion expressed should be whether the proposed scheme of arrangement is 'in the best interests' of the shareholders of the target company.

Accordingly, if an independent expert were to conclude that a proposal was 'fair' and 'reasonable' if it was in the form of a takeover offer, then an independent expert would also be able to conclude that a proposal was 'in the best interests' of the shareholders of a company if it were in the alternative form of a proposed scheme of arrangement.

RG 111 provides guidance in relation to the content of independent expert's reports for a range of transactions. It sets out the issues an independent expert must consider in determining whether or not a proposed scheme of arrangement is 'in the best interests' of the shareholders in a target company.

#### Fairness

RG 111 states that:

- a takeover offer is considered to be 'fair' if the value of the consideration being offered is greater than or equal to the value of the shares in the target company;
- the comparison should be made assuming a 100% ownership interest in the target company irrespective of whether the consideration being offered consists of cash and/or shares; and
- the independent expert should not consider the percentage holding of the acquiring entity or its associates in the target company when making this comparison.

As such, in forming our opinion on whether the Scheme is 'fair', we have considered whether the value of the Cash Consideration of \$6.19 per PSC share is greater than or equal to the fair value of a PSC share on a 100% controlling interest basis.

#### Reasonableness

RG 111 states that:

- a takeover offer is 'reasonable' if it is considered to be 'fair'; and
- a takeover offer might also be 'reasonable' if, despite being 'not fair', the independent expert believes that there are sufficient reasons for the shareholders of the target company to accept the takeover offer.

In determining whether a takeover offer is 'reasonable' ASIC has suggested that an independent expert should consider:

- the bidder's pre-existing voting power in securities in the target;
- other significant security holding blocks in the target;
- the liquidity of the market in the target's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to the bidder;
- the likely market price if the takeover offer is unsuccessful;
- the value to an alternative bidder and likelihood of an alternative takeover offer being made.

As such, in forming our opinion on whether the Scheme is 'reasonable', we have considered whether the overall advantages outweigh the disadvantages of the Scheme from the perspective of the Shareholders as a whole.

#### 2.4 Definition of value

The assessment of whether the Scheme is 'in the best interests' of Shareholders as a whole involves determining the value of PSC per share on a controlling interest basis.

The definition of fair value that we have relied upon is commonly adopted for IERs and is based on RG 111.11(a):

*"the price at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length"*

We have not included special value in forming our opinion. RG 111.11(a) also states that any special value of the target to a particular bidder should not be taken into account. Special value is the amount that a potential acquirer may be prepared to pay for an asset in excess of its fair value. This premium represents the specific value to a potential acquirer from revenue or cost based economies of scale, a reduction in competition or other synergies arising from the acquisition of the subject asset that are not available to the other potential acquirers of the same asset. Special value is not normally considered in the assessment of fair value as it relates to the individual circumstances of special purchasers.

#### 2.5 Valuation date

In preparing this IER we have assessed the fair value of a PSC share as at the 30 June 2024 Valuation Date, being the date of the most recent financial information available to us. The audited financial information of PSC as at the Valuation Date was not available when preparing this IER. Consequently, we have relied upon the unaudited financial information of PSC as at the Valuation Date. We consider this information to be reasonable based on our enquiries and other corroborating information obtained from PSC. Regardless, we will also consider the veracity of the opinions currently expressed in this IER, and advise the Shareholders accordingly, after the audited financial information of PSC as at the Valuation Date becomes available. Furthermore, we have made enquiries up to the date of this IER to confirm that there has been no material change to the operations and performance of PSC or Ardonagh.

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### 3. Overview of PSC Insurance Group Limited

In this section, we provide a summary of the history and operations of PSC as well as our analysis of PSC's share price performance and financial statements. For more details refer to the Scheme Booklet.

#### 3.1 Brief history and overview of operations

PSC is a diversified insurance services group with operations in Australia, the United Kingdom (UK), Hong Kong, New Zealand, Ireland, Bermuda and Vietnam.

PSC was founded in 2006 and has grown to service over 200,000 clients, with over 1,000 employees and 200 partners, across 38 offices in seven countries.<sup>7</sup>

PSC was listed on the ASX (ASX:PSI) and Chi-X Australia (CHIA:PSI) in December 2015 and is headquartered in East Melbourne, Victoria.

PSC's key business milestones are summarised in Table 1.

Table 1: Key milestones of PSC

Dates	Milestones
November 2006	PSC was founded in 2006 as a single insurance broking business.
2006 to 2015	PSC grew both organically and through multiple acquisitions over this timeframe to become a diversified insurance intermediary operating 21 businesses.
December 2015	PSC listed on the ASX and Chi-X Australia in December 2015. On listing, PSC had \$582 million of gross written premium, a market capitalisation of \$225 million, 50,000 clients, 250 employees and operations across Australia, New Zealand and the UK.
2015 to 2023	<p>PSC has continued to grow following its IPO both organically, and through acquisitions. Over this period, PSC raised \$240 million in equity capital, largely to fund its acquisition pipeline. Significant acquisitions include:</p> <ul style="list-style-type: none"> <li>January 2016: Reliance Franchise Partners Pty Ltd, AR (WA) Pty Ltd and Australian Reliance (NSW) Pty Ltd for \$23 million</li> <li>April 2016: John Holman &amp; Sons Holdings Ltd and Hiscock Insurance Brokers Pty Ltd for \$9 million</li> <li>July 2018: Turner Financial Services Pty Ltd for \$7 million</li> <li>July 2019: Griffiths Goodall Insurance Brokers Pty Ltd for \$47 million</li> <li>September 2019: Paragon International Holdings Ltd for \$153 million</li> <li>November 2019: Carroll Insurance Group for \$12 million</li> <li>March 2021: Trust Insurance Services Limited and Abaco Insurance Brokers Limited for \$87 million</li> <li>September 2021: Alliance Insurance Broking Services Pty Ltd for \$24 million</li> <li>June 2022: AWIB Pty Ltd (Alan Wilson Insurance Brokers) for \$18 million</li> <li>November 2023: Ensurance Limited for \$25 million</li> </ul>

Source: Management, PSC website

#### 3.2 Segments

PSC has over 40 trading businesses and operates through three operating segments<sup>8</sup>: Distribution, Agency, and UK and International. An overview of the operating segments is set out below.

<sup>7</sup> Numbers may be subject to change over the recent and forthcoming period.

<sup>8</sup> In addition to three operating segments, PSC holds investments and other non-operating assets and liabilities that generate revenue and expenses. The results of non-operating assets and liabilities are not included in the segment overview section of this IER.



### **Distribution**

The Distribution segment is involved in insurance brokerage services and comprises the following key businesses:

- **PSC Insurance Brokers:** provides commercial insurance broking services across Australia through 16 offices.
- **PSC Network Insurance Partners:** a network of authorised representatives providing services to clients in Australia and New Zealand.
- **Other ancillary services:** include offerings such as business, group and personal life insurance advice, claims management, workers compensation consulting, workplace health, safety and environmental quality consulting services and software, and others.

### **Agency**

The Agency segment is involved in the provision of underwriting agency and specialist services and operates through four key businesses summarised below:

- **Chase Underwriting:** provides underwriting services in the construction (property and liability) and plant and equipment industries.
- **Breeze Underwriting:** provides underwriting services in the hospitality, accommodation, equipment hire and professional risks industries and classes.
- **Medisure Indemnity:** provides underwriting services across the medical and healthcare industries.
- **Travel Insurance:** operates an online travel insurance business across multiple brands, including Travel Insuranz and Insure4Less.

### **UK and International**

The UK and International segment operates wholesale retail (commercial broking) and agency businesses. The key businesses are summarised below:

- **Carrolls:** a wholesale Lloyd's and London markets broker with over 1,000 supporting brokers.
- **Paragon:** a specialist insurance broker/wholesaler, operating in Lloyd's of London, Bermuda, European and international specialty markets.
- **Breeze Underwriting:** a managing general agent specialising in property and liability classes across a number of insurers.
- **Chase Global:** a construction managing general agent mainly engaged in broking services emanating from the United States, but also includes **Insurance UK Limited**.
- **PSC UK Insurance Brokers:** represent acquired retail broking businesses, including Turner Insurance Group, Turner Rawlinson, Trust Insurance, Abaco Insurance Brokers, Absolute Insurance Brokers and Giles Gowers.
- **Asia Businesses:** direct brokerage of general insurance for commercial businesses, operations expanded into parts of Asia with attractive small-medium entity markets.

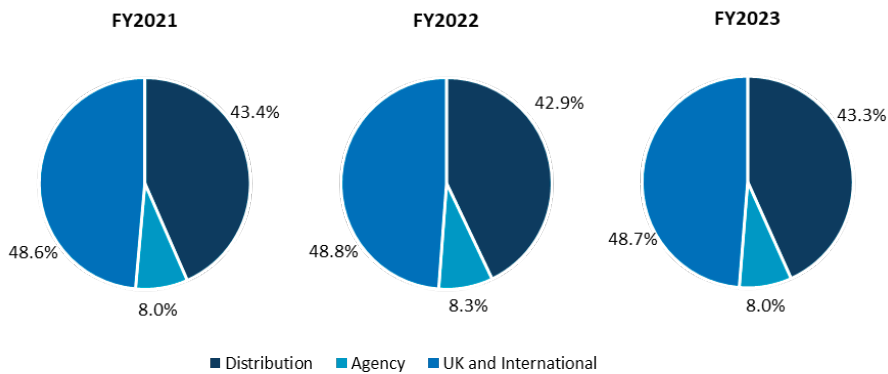
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Figure 2 below summarises the revenue of PSC by operating segment over the last three financial years.

Figure 2: Proportion of PSC revenue by segment



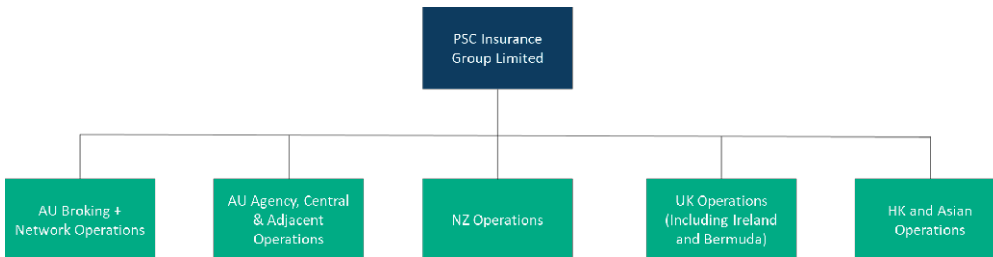
Source: PSC’s annual financial reports for years ended 30 June 2023, 30 June 2022 and 30 June 2021, FTI Consulting analysis.

Note that revenue for the chart includes commission income, fee income, other fees, other revenue, interest income, share of equity accounted results, gain / (loss) on financial instruments and investment income

3.3 Group structure

The basic group structure of PSC is summarised in Figure 3.

Figure 3: Basic group structure



Source: Management

A more detailed organisational structure is presented in Appendix H.

3.4 Directors and key management

Table 2 summarises the directors and key management of PSC as at the date of this IER.

Table 2: Summary of directors and key management

Name	Position	Description
Paul Dwyer	Non-Executive Chairman	Appointed to the Board of PSC on 10 December 2010. Prior to founding PSC Insurance Group, Mr Dwyer held senior positions at OAMPS Insurance Brokers Limited (senior executive) and CGU (regional underwriter).
Brian Austin	Non-Executive Deputy Chairman	Appointed to the Board of PSC on 10 December 2010. Mr Austin has over 40 years of industry experience and held senior executive positions in the insurance industry, including Chief Executive Officer of OAMPS Insurance Brokers Limited. Mr Austin is Chairman of ASX listed AMA Group Limited.

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Antony Robinson	Managing Director	Appointed to the Board of PSC on 13 July 2015. Mr Robinson was previously a managing director of Centrepont Alliance Limited, IOOF Holdings Ltd, WealthPoint and OAMPS Limited. Mr Robinson is a chairman of ASX listed Pacific Current Group Limited.
John Dwyer	Executive Director	Appointed to the Board of PSC on 10 December 2010. Mr Dwyer has over 30 years of experience in the insurance industry, serving as a regional underwriting manager at QBE, commencing a joint venture with OAMPS Insurance Brokers Limited, and eventually becoming the eastern region manager (NSW and ACT).
Melvyn Sims	Non-Executive Director	Appointed to the Board of PSC on 8 August 2016. Mr Sims is a London based corporate lawyer with experience in the insurance industry gained during 30 years as a partner in the international law firms DLA Piper and DWF Group PLC (since July 2015). Mr Sims has held senior management roles, including managing DLA Piper offices and practice groups in the Middle East and advising businesses in commercial and transactional matters. Mr Sims previously served as a board member of the Towergate Insurance Group and Global Risk Partners.
Tara Falk	Executive Director	Appointed to the Board of PSC on 1 October 2019. Ms Falk is co-founder and co-CEO of Paragon International Insurance Brokers Ltd. Ms Falk has experience in operations of running a specialist Lloyd's insurance broker, working with insurers in Lloyd's, Europe, Bermuda and the United States. Ms Falk is involved with the placement of complex insurance programmes for professional service firms and is also on the Board of the London & International Insurance Brokers' Association.
James Kalbassi	Executive Director	Appointed to the Board of PSC on 15 June 2021. Mr Kalbassi is co-founder and co-CEO of Paragon International Insurance Brokers Ltd and has experience leading and building a specialist Lloyd's and International insurance broker. Mr Kalbassi has recently served as chairman of the UNiBA Partners global independent broker network.
Jo Dawson	Non-Executive Director	Jo Dawson, Independent Non-Executive Director and Chair of the Audit and Risk Management Committee, was appointed to the Board on 15 June 2021. Ms Dawson has deep experience in highly regulated customer facing service businesses and a long history of corporate transactions. Her prior roles include senior positions at Deloitte and National Australia Bank, and Chair of EL&C Baillieu Ltd. Her current Non-Executive Directorships include Centuria Capital Group (ASX: CNI), AMA Group Ltd (ASX: AMA), Pacific Current Group Limited (ASX: PAC), Vision Super, Bank First Ltd and PetSure (Australia) Pty Ltd.
David Hosking	Chief Executive Officer – Australia, NZ and Asia	Mr Hosking, the Chief Executive Officer of PSC Insurance Australia, New Zealand and Asia, joined PSC in April 2021. Mr Hosking is responsible for leading the growth and strategic direction of the key divisions within these key geographies. His previous roles included Chief Financial Officer and, subsequently, Chief General Manager (Broker and Agency) at Allianz. Prior to Allianz, he held senior roles at IAG.
Joshua Reid	Chief Financial Officer	Mr Reid, the Chief Financial Officer, joined PSC in January 2015. He has over 25 years of experience in the banking, finance and insurance industries. The majority of Mr Reid's career was with Macquarie Bank where he was involved with acquisition and growth finance, with a specialisation in insurance, held senior risk management roles and has extensive experience with principal transactions.
Julia Mitchell	Group Manager – Legal, Governance and Compliance	Ms Mitchell, the Group Manager – Legal, Governance and Compliance, joined PSC in 2012. In addition to providing legal counsel, Ms Mitchell is responsible for regulatory compliance, governance and risk-related affairs. She provides advice to the Board of Directors and Senior Leadership Team and is a Co-Chair of the ESG Steering Committee. Ms Mitchell has over 25 years of experience in the insurance industry. She has previously held roles within private practice as a solicitor and worked with local and international insurers.
Stephen Abbott	Company Secretary	Mr Abbott, the Company Secretary, was appointed on 18 May 2015, having joined PSC in March 2012. Mr Abbott has over 40 years of experience in accounting and finance within industry, commerce and professional services firms, including over 15 years in insurance broking.
Noel Lenihan	CEO, PSC United Kingdom	Noel's career started in the property underwriting room of a multi-national reinsurer in the late 80's before making the leap into broking in 1993. Noel held the position of Managing Director of Lloyd's broker Carroll & Partners Ltd for 10 years and in 2012 was instrumental in selling the business to PSC Insurance Group. Towards the end of 2017 Noel took on a Group role as UK CEO for PSC and has overseen a number of acquisitions during that time. His focus remains on UK M&A for the Group, alongside helping the existing businesses to meet their full growth potential.

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Angus McPhie	Managing Director, Paragon	Angus McPhie, Managing Director of Paragon International Insurance Brokers, was appointed to this role in January 2013, having joined Paragon as the Chief Financial Officer and Chief Operating Officer in November 2010. In his role, Mr McPhie is responsible for running the business which includes managing all of the team leaders. He reports to the Chairman and is accountable to the Board. Mr McPhie has almost three decades worth of experience in the insurance industry and has performed a number of senior roles in Willis over a 12 year period. Prior to that Mr McPhie spent 4 years with Mazars and qualified as a chartered accountant in 1997. He has a Mechanical Engineering degree from Bath University with a further Post Graduate Diploma in Fluid Power Systems.
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Source: Management

### 3.5 Capital structure

Table 3 summarises the capital structure of PSC.

Table 3: PSC capital structure

Type of security	Number on issue
Fully paid ordinary shares (excluding Loan Funded Shares)	344,743,101
Loan Funded Shares <sup>9</sup>	19,661,573
<b>Total fully paid ordinary shares</b>	<b>364,404,674</b>
Options (share-based compensation)	2,000,000

Source: Management

#### Fully paid ordinary shares

Table 4 summarises the top 20 shareholders and other shareholders of PSC as at 21 May 2024.

Table 4: Summary capital structure

Name	Number of shares held	% of total shares issued
Mr Paul Dwyer (PSC)	57,174,852	15.7 %
Mr John R Dwyer (PSC)	34,571,351	9.5 %
Mr Brian M Austin (PSC)	32,277,966	8.9 %
AustralianSuper	17,132,976	4.7 %
Ms Tara Falk (PSC)	8,786,200	2.4 %
UBS Securities	8,309,963	2.3 %
Mr James Kalbassi (PSC)	7,662,587	2.1 %
Smallco Investment Manager	5,903,127	1.6 %
QVG Capital	5,523,963	1.5 %
IFM Investors	5,232,402	1.4 %
River Capital	5,208,004	1.4 %
Ms Jane C Hansen & Mr Paul A	4,897,782	1.3 %
Walker Insurance & Financial	4,451,168	1.2 %
Celeste Funds Mgt	4,247,085	1.2 %
Platypus Asset Mgt	4,210,641	1.2 %
Rubino Family	4,000,000	1.1 %
Yarra Capital Mgt	3,803,134	1.0 %
Pendal Group	3,766,215	1.0 %
Mr Antony D Robinson (PSC)	3,599,290	1.0 %
Perpetual Investments	3,540,620	1.0 %
<b>Top 20 shareholders</b>	<b>224,299,326</b>	<b>61.6%</b>
Other shareholders	140,105,348	38.4%
<b>Total</b>	<b>364,404,674</b>	<b>100.0%</b>

<sup>9</sup> This reported number of Loan Funded Shares does not include those that were forfeited or are expected to be forfeited as at the date of this IER based on our correspondence with Management.

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<b>Free Float<sup>10</sup></b>	<b>165,651,269</b>	<b>45.5%</b>
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Source: Management.

Note: The directors and management of PSC that are amongst the 20 shareholders of PSC are highlighted in blue due to the PSC share they hold personally or via controlled entities/custodians. There are other directors and management amongst the 'other shareholders' that hold an interest less than 1.0% of the issued shares.

Approximately 49.5% of the issued shares are held by the directors and Management indicating that PSC is a closely held company.

#### Options on issue

The options have been issued to PSC's Managing Director Antony Robinson under the Long Term Incentive Plan. The options are subject to the vesting condition that Mr Robinson remains a member of the key management personnel as at the vesting date. The key terms of the options are summarised below.

Table 5: PSC options on issue held by Mr Robinson

Parameter	
Grant date	11 November 2022
Vesting date	10 November 2024
Expiry date	31 March 2025
Exercise price	\$6.50
Number of options	2,000,000

Source: Management

These options will be cancelled for nil consideration if the Scheme is approved and becomes effective.

#### Loan Funded Shares

PSC has 19,661,573 Loan Funded Shares issued to certain executives and management under the Long Term Incentive Plan.

The recipients are offered ordinary shares in PSC at a pre-determined price set at the date of issue. Simultaneously, the recipients are issued interest-free loans to fund the purchase of the shares, with recourse limited to the value of the underlying shares. If the share price at maturity is below the loan value per share, the recipient can repay the loan by surrendering or transferring the Loan Funded Shares to PSC.

At the date of issue, the Loan Funded Shares have a vesting period of three to six years and are conditional on the employee being employed with PSC as of the vesting date. If the employment is terminated before the vesting date, all unvested Loan Funded Shares lapse immediately unless otherwise determined by the Board. In the event of a change of control, the Board has discretion to accelerate the vesting of the Loan Funded Shares.

The key terms of the Loan Funded Shares are summarised below.

Table 6: Loan Funded Shares on issue

Parameter	
Grant date	15 December 2015 to 1 September 2023
Maturity date	30 September 2024 to 1 September 2029
Issue price	\$1.00 to \$4.80
Number of Loan Funded Shares	19,661,573

Source: Management

The unvested Loan Funded Shares will be accelerated and vest if the Scheme is approved and becomes effective.

<sup>10</sup> Free Float (**Free Float**), being the number of shares that are readily and freely tradable in the secondary market is sourced from S&P Capital IQ

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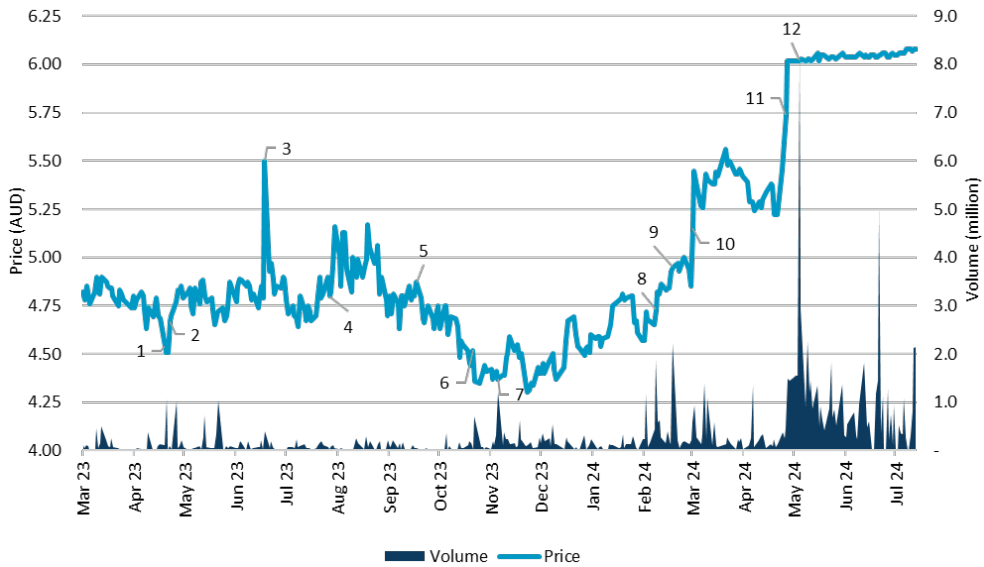
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### 3.6 Share price performance

PSC's ordinary shares are listed on the ASX. PSC's share price performance and trading volumes from 13 March 2023<sup>11</sup> to 15 August 2024 are summarised below.

Figure 4: PSC's ASX daily share price and trading volume history



Source: S&P Capital IQ

PSC's closing share price was:

- \$4.85 on 12 March 2024 (i.e., the last traded before PSC confirmed that it was in discussions regarding a potential takeover on 13 March 2024<sup>12</sup>);
- \$5.60 on 7 May 2024 (i.e., the last traded day before the announcement of the Scheme on 8 May 2024);
- \$6.05 on 28 June 2024 (i.e., the last traded day prior to the Valuation Date); and
- \$6.08 on 15 August 2024 (i.e., the last traded day prior to the date of this IER).

<sup>11</sup> One year prior to PSC announcing it had received strategic offers.

<sup>12</sup> <https://www.insurancenews.com.au/breaking-news/psc-confirms-discussions-over-potential-takeover>

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Key announcements and events over the period are summarised in the table below.

Table 7: Summary of PSC key announcements and events

#	Event Date	Description
1	1 May 2023	PSC announced the issue of new shares following UK FCA regulatory approval of PSC's purchase of Turner Rawlinson & Co Ltd.
2	4 May 2023	PSC released the investor presentation presented at the Macquarie Australia Conference.
3	30 June 2023	The ASX queried PSC regarding the change in the share price from an intraday low of \$4.49 to a high of \$5.50. PSC advised that the trade(s) that triggered the price movement occurred after market close on a volume of approximately 5,000 shares and that this was a low volume trade. PSC confirmed it was not aware of any information concerning the share price movement.
4	8 August 2023	PSC entered a binding scheme implementation deed to acquire Ensurance Limited.
5	29 September 2023	Ensurance Limited announced that ASIC had registered the Scheme Booklet relating to the acquisition of Ensurance Limited by PSC.
6	2 November 2023	PSC announced that shares would be issued as part of consideration for the acquisition of the business of a UK retail insurance broker.
7	17 November 2023	PSC completed the acquisition of Ensurance Limited.
8	20 February 2024	PSC announced earnings results for the half year ended 31 December 2023.
9	1 March 2024	PSC announced that 399,401 fully paid ordinary shares would be released from voluntary escrow on 11 March 2024. The shares subject to this release were issued as part consideration for the acquisition of Ensurance UK Limited.
10	13 March 2024	PSC confirmed that it had received multiple strategic approaches and is in discussions that may or may not lead to an offer being made for PSC.
11	8 May 2024	PSC entered the scheme implementation deed with Ardonagh.
12	16 May 2024	PSC released its response to ASX Aware Query in relation to ongoing speculation in the media regarding the proposed transaction.

Source: Public announcements, S&P Capital IQ

#### Key factors impacting PSC share trading

On 12 March 2024, an article in the Street Talk section of the Australian Financial Review, titled "PSC Insurance rides sector growth as Goldman field inbound interest" was published. In response to this article and following a query from the ASX, PSC released a statement on 13 March 2024 that noted "PSC confirms that it has received multiple strategic approaches and is in discussions that may or may not lead to an offer being made for PSC". Following this statement, there has been ongoing speculation in the media with respect to a potential acquisition of PSC. It appears that the share price has been impacted by the market anticipating a transaction.

### 3.7 VWAP analysis

Table 8 summarises PSC's VWAP before 13 March 2024 (i.e., the day that PSC confirmed that it was in discussions regarding a potential takeover), calculated based on PSC's share trading on the ASX.

Table 8: VWAP analysis before announcement of strategic approaches

Period to 12 March 2024	VWAP \$	Low price \$	High price \$	Total volume of shares traded million	Proportion of issued shares traded
1 day	4.85	4.80	4.88	0.2	0.1%
1 week	4.94	4.80	5.02	0.8	0.2%
2 weeks	4.91	4.76	5.02	3.6	1.0%
3 weeks	4.88	4.60	5.02	5.6	1.5%
4 weeks	4.78	4.50	5.02	9.3	2.6%
1 month	4.77	4.50	5.02	9.8	2.7%
2 months	4.76	4.47	5.02	11.8	3.2%
3 months	4.70	4.37	5.02	14.8	4.1%
6 months	4.62	4.20	5.02	23.7	6.5%
9 months	4.66	4.20	5.50	29.5	8.2%
12 months	4.68	4.20	5.50	38.5	10.7%

Source: S&P Capital IQ

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In relation to the table above, we note that during the 12 months before the announcements of strategic approaches and subsequent media speculation, PSC's shares traded in the range of \$4.20 and \$5.50.

### 3.8 Consolidated historical financial performance

The consolidated profit and loss of PSC for the financial year (FY) ended 30 June 2021, 30 June 2022, 30 June 2023 and the six months ended 31 December 2023 (HY24) is summarised in Table 9.

Table 9: Consolidated Group – P&L Statement

\$'000	FY21 Audited	FY22 Audited	FY23 Audited	HY24 Reviewed
<b>Revenue and other income</b>				
Fee and commission income	203,625	251,146	289,574	151,742
Other revenue	811	848	926	672
Interest income	352	296	5,071	5,749
Share of equity accounted results	805	605	(251)	49
Gain / (loss) on financial instruments	17,943	(6,616)	16,987	10,910
Investment income	1,052	478	2,196	430
<b>Total income</b>	<b>224,588</b>	<b>246,757</b>	<b>314,503</b>	<b>169,552</b>
<b>Expenses</b>				
Administration and other expenses	(24,735)	(38,903)	(49,172)	(20,264)
Depreciation expense - property, plant and equipment	(2,021)	(2,090)	(2,071)	(1,143)
Depreciation expense - right-of-use assets	(4,000)	(5,723)	(5,624)	(3,252)
Amortisation expense	(8,968)	(12,564)	(14,718)	(8,348)
Employee benefits expense	(102,259)	(121,217)	(138,659)	(79,944)
Finance costs	(8,947)	(8,038)	(8,983)	(5,961)
Finance costs - lease liabilities	(1,207)	(1,398)	(1,163)	(605)
Expected credit losses	(2,501)	(232)	(48)	(18)
Employee contractors	(3,022)	(2,863)	(3,296)	(1,554)
Information technology costs	(4,474)	(5,082)	(6,183)	(3,711)
Professional fees	(4,267)	(4,276)	(4,877)	(2,185)
<b>Total expenses</b>	<b>(166,401)</b>	<b>(202,386)</b>	<b>(234,794)</b>	<b>(126,985)</b>
<b>Profit before income tax expense</b>	<b>58,187</b>	<b>44,371</b>	<b>79,709</b>	<b>42,567</b>
Income tax expense	(17,463)	(17,035)	(23,306)	(12,755)
<b>Net profit from continuing operations</b>	<b>40,724</b>	<b>27,336</b>	<b>56,403</b>	<b>29,812</b>
<b>Reconciliation to Underlying EBITDA</b>				
(+) Income tax expense	17,463	17,035	23,306	12,755
(+) Finance costs	10,154	9,436	10,146	6,566
(+) Depreciation and amortisation	14,989	20,377	22,413	12,743
(-) Non-operating items	(6,685)	26,042	5,163	(3,922)
(-) AASB16 adjustment	(5,207)	(7,121)	(6,787)	(3,857)
<b>Underlying EBITDA (AASB16 adjusted)</b>	<b>71,438</b>	<b>93,105</b>	<b>110,644</b>	<b>54,097</b>
<i>Underlying EBITDA margin (%)</i>	<i>35.1%</i>	<i>37.1%</i>	<i>38.2%</i>	<i>35.7%</i>

Source: PSC FY21 to FY23 annual reports and Half-Year Report for the six months to 31 December 2023.

Note that the underlying EBITDA margin has been calculated using fee and commission income.

We make the following comments in relation to the financial performance of PSC.

- Revenue is largely comprised of fee and commission income. PSC acts as an agent of the insurer and customer and completes performance obligations predominantly prior to the inception of the insurance policy. Correspondingly, revenue is generally recognised at the invoice date. Fee and commission income has increased over the period due to PSC growing organically and through acquisitions.



- Share of equity accounted results relates to earnings from PSC's associates and joint ventures. PSC recognises its share of profit or loss proportionate to its proportional interest in the associate or joint venture.
- Gains and losses on financial instruments reflect the net changes in the fair value of PSC's financial assets and liabilities. Gains and losses on financial instruments over the historical period predominantly relate to changes in the fair value of PSC's investment in B.P. Marsh & Partners PLC, a company listed on the London Stock Exchange (AIM:BPM).
- Investment income relates to dividends received from investments in listed and unlisted companies and trusts (classified as financial instruments on the balance sheet). Investment income is recognised when the right to receive a dividend or distribution has been established.
- Employee benefits expense is PSC's largest operating expense, accounting for about 50% of total revenue, followed by administration and other expenses. The operating expenses of PSC have increased over the historical period, broadly in line with the increase in revenue.
- Non-operating items included in the Reconciliation to Underlying EBITDA primarily comprise gains and losses arising from the revaluation of deferred consideration on previous acquisitions, expenses relating to acquisition-related legal, professional and other costs, gains and losses on derivative hedges and foreign exchange movements relating to PSC's international operations, non-recurring employment costs, and employee share-based payment expenses.
- AASB16 adjustment included in the Reconciliation to Underlying EBITDA comprises depreciation expense on right-of-use assets and lease liability finance costs.
- Underlying EBITDA includes interest income arising from cash at bank, deposits and trust cash financial assets.
- PSC has been profitable over the historical period, with Underlying EBITDA and EBITDA margin increasing in each financial year. The lower HY24 EBITDA margin compared to FY22 and FY23 full-year EBITDA margin is due to annual seasonality, with the revenue peak period typically occurring around the end of the financial year (i.e. months of May and June).

### 3.9 Consolidated historical financial position

The consolidated balance sheet of PSC as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023 is summarised in Table 10.

Table 10: Statement of Financial Position

\$'000	30 June 2021 Audited	30 June 2022 Audited	30 June 2023 Audited	31 December 2023 Reviewed
<b>Current Assets</b>				
Cash and cash equivalents	47,824	106,110	71,370	66,822
Financial assets - trust cash	244,464	241,289	274,791	268,007
Receivables	8,446	10,264	11,547	12,174
Contract assets - broking	57,714	62,287	71,300	49,381
Financial assets - derivatives	519	-	1,049	707
Other assets	9,012	7,399	9,987	12,042
<b>Total current assets</b>	<b>367,979</b>	<b>427,349</b>	<b>440,044</b>	<b>409,133</b>
<b>Non-current assets</b>				
Receivables	1,461	1,022	707	1,046
Financial assets – investments in shares and unit trusts	50,567	44,755	60,359	75,566
Equity accounted investments	9,131	9,236	24,025	25,966
Property, plant and equipment	18,330	17,354	16,861	17,440
Intangible assets	420,880	457,295	519,892	547,652

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Right of use assets	20,516	19,818	18,525	16,509
Financial assets - derivatives	-	-	52	-
<b>Total non-current assets</b>	<b>520,885</b>	<b>549,480</b>	<b>640,421</b>	<b>684,179</b>
<b>Total assets</b>	<b>888,864</b>	<b>976,829</b>	<b>1,080,465</b>	<b>1,093,312</b>
<b>Current liabilities</b>				
Payables	263,620	263,241	299,362	291,986
Provisions	4,600	5,461	6,413	6,947
Current tax liabilities	5,081	6,316	6,510	4,188
Financial liabilities - derivatives	-	906	-	-
Lease liabilities	3,962	4,842	6,191	6,694
Contract liabilities - deferred revenue	5,169	7,653	12,291	11,814
Amounts payable to vendors	19,680	35,834	13,471	17,142
<b>Total current liabilities</b>	<b>302,112</b>	<b>324,253</b>	<b>344,238</b>	<b>338,771</b>
<b>Non-current liabilities</b>				
Payables	-	-	789	1,844
Borrowings	176,679	186,979	213,693	211,999
Provisions	613	541	691	797
Deferred tax liabilities	27,232	32,077	40,667	42,258
Financial liabilities - derivatives	48	-	-	-
Lease Liabilities	19,269	18,459	15,850	13,074
Contract liabilities - deferred revenue	354	360	412	404
Amounts payable to vendors	16,150	5,395	8,396	10,762
<b>Total non-current liabilities</b>	<b>240,345</b>	<b>243,811</b>	<b>280,498</b>	<b>281,138</b>
<b>Total liabilities</b>	<b>542,457</b>	<b>568,064</b>	<b>624,736</b>	<b>619,909</b>
<b>Net assets</b>	<b>346,407</b>	<b>408,765</b>	<b>455,729</b>	<b>473,403</b>
<b>Equity</b>				
Share capital	331,174	411,661	425,981	449,181
Reserves	(37,250)	(46,890)	(25,392)	(30,668)
Retained earnings	51,368	42,157	53,074	52,720
<b>Equity attributable to owners of PSC</b>	<b>345,292</b>	<b>406,928</b>	<b>453,663</b>	<b>471,233</b>
Non-controlling interests	1,115	1,837	2,066	2,170
<b>Total equity</b>	<b>346,407</b>	<b>408,765</b>	<b>455,729</b>	<b>473,403</b>

Source: PSC FY21 to FY23 annual reports and Half-Year Report for the six months to 31 December 2023.

We make the following comments in relation to the financial position of PSC.

- Receivables include amounts due from insurers for commercial services fees, sundry receivables and loans and receivables from related parties.
- Contract assets – broking represent the amounts due from policyholders for insurance arranged by PSC. The credit risk exposure of PSC in relation to these amounts is limited to commissions and fees charged. Contract assets are recognised after taking into account an allowance for expected losses.
- Financial assets – derivatives relate to foreign exchange forward contracts.
- Other assets comprise prepayments, bonds and deposits.
- Financial assets – investments in shares and unit trusts predominantly consist of shares in listed corporations and also shares and units held in private entities.
- Investments in associates and joint ventures are equity accounted. A summary of PSC's equity accounted investments is summarised in **Appendix G**.

- Property, plant and equipment include leasehold improvements, land and buildings, artwork, motor vehicles, office equipment and computer equipment. PSC owns its office headquarters located in East Melbourne. The property is recorded at the revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses. The carrying value of the property is reviewed at each reporting date to ensure it does not differ materially from its fair value. The latest property valuation was undertaken on 9 August 2023.
- Intangible assets include goodwill and identifiable intangible assets (customer relationships and brand names) that have arisen from acquisitions.
- Payables primarily comprise broking, reinsurance and underwriting agencies, and also include trade creditors, sundry creditors and accruals and related party payables (non-current).
- Borrowings include the following:
  - syndicated facility agreement, variable rate interest-only facility maturing in November 2026 with a limit of \$190.0 million plus \$6.3 million overdraft /bank guarantee facility;
  - note purchase agreement, fixed-rate interest-only facility maturing in November 2028 with a limit of £41.3 million; and
  - a property funding facility for its office premises.
- Contract liabilities represent PSC's obligation to transfer services to customers for which PSC has received consideration. Amounts recorded as contract liabilities are subsequently recognised as revenue when PSC transfers the contracted services to the customer.
- Amounts payable to vendors represent deferred and contingent consideration expected to be made for past acquisitions. Contingent consideration is based on the performance of the acquired business.
- Non-controlling interests reflect equity interests in subsidiaries not attributable directly or indirectly to PSC.
- PSC held \$71.2 million of cash, \$213.2 million of debt and \$23.8 million of lease liabilities as at 30 June 2024 based upon confidential, non-public financial information made available to us.

### 3.10 Historical statement of cash flows

The statements of cash flows for FY21, FY22, FY23 and HY24 is summarised in Table 11.

Table 11: Consolidated Statement of Cash Flows

\$'000	FY21 Audited	FY22 Audited	FY23 Audited	HY24 Reviewed
<b>Cash flow from operating activities</b>				
Receipts from customers	209,096	260,179	297,103	179,194
Payments to suppliers and employees	(144,462)	(169,999)	(193,388)	(114,981)
Trust distributions / dividends received	767	764	2,811	1,027
Interest received	293	244	5,031	5,745
Interest paid	(8,947)	(7,219)	(8,043)	(5,732)
Income tax paid	(12,106)	(14,903)	(20,783)	(14,389)
<b>Net cash provided by operating activities</b>	<b>44,641</b>	<b>69,066</b>	<b>82,731</b>	<b>50,864</b>
<b>Cash flow from investing activities</b>				
Payments for deferred consideration/business acquisitions	(74,119)	(60,578)	(69,041)	(19,327)
Payment for property, plant and equipment	(2,695)	(1,262)	(1,291)	(1,270)
Proceeds from sale of financial assets	401	-	142	-
Payment for financial assets	(373)	(75)	(21)	(6,043)
Payment for other investments	(468)	(648)	(235)	(161)

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Payment for associate investments	(938)	-	(16,335)	(3,882)
Proceeds from sale of equity investments	-	855	-	5,234
Net (payments) / proceeds from derivatives	406	404	(715)	645
<b>Net cash flow used in investing activities</b>	<b>(77,786)</b>	<b>(61,304)</b>	<b>(87,496)</b>	<b>(24,804)</b>
<b>Cash flow from financing activities</b>				
Proceeds from borrowings	15,481	98,740	20,000	-
Repayments of borrowings	-	(84,460)	-	-
Capital issued	60,000	80,000	-	-
Capital issuing costs	(1,313)	(1,487)	(54)	(50)
Underwritten dividend reinvestment	10,000	-	-	-
Proceeds from employee share issues	-	-	-	1,580
Proceeds from converted loan funded shares	150	250	-	-
Payment of lease liabilities	(4,627)	(6,700)	(6,394)	(3,773)
Dividends paid	(27,643)	(35,867)	(43,597)	(29,451)
Repayments of related parties loans and receivables	(123)	(289)	(1,531)	(40)
Proceeds from related parties loans and receivables	3,169	574	585	1,836
<b>Net cash (used in) / provided by financing activities</b>	<b>55,094</b>	<b>50,761</b>	<b>(30,991)</b>	<b>(29,898)</b>
<b>Reconciliation of cash</b>				
Cash at beginning of the year	25,973	47,824	106,110	71,370
Net (decrease) / increase in cash held	21,949	58,523	(35,756)	(3,838)
Effect of exchange rate fluctuation on cash held	(98)	(237)	1,016	(710)
<b>Cash at end of the year</b>	<b>47,824</b>	<b>106,110</b>	<b>71,370</b>	<b>66,822</b>

Source: PSC FY21 to FY23 annual reports and Half-Year Report for the six months to 31 December 2023.

We make the following comments in relation to the historical statements of cash flows for PSC.

- PSC's net cash provided by operating activities has been positive over the historical period and has grown in each financial year.
- The majority of cash flow from investing activities relates to payments for deferred consideration and business acquisitions.
- PSC raised capital in FY20 and FY21 through the placement of shares to selected institutional and sophisticated investors to fund its growth through acquisitions.
- PSC has paid dividends over the historical period and dividends have grown in each financial year.

### 3.11 FY24 EBITDA based earnings guidance

On 21 February 2024, PSC provided FY24 EBITDA based earnings guidance (**FY24 EBITDA Guidance**) in the range of \$125 million to \$130 million.<sup>13</sup> We consider the FY24 EBITDA Guidance of PSC to be reasonable based upon confidential, non-public financial information made available to us as at 30 June 2024.

<sup>13</sup> ASX announcement dated 21 February 2024  
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## 4. Industry overview

### 4.1 Introduction

PSC operates in the insurance brokerage industry primarily in Australia and the UK.

This industry includes individuals and businesses that act as agents or brokers to insurance companies selling insurance policies to businesses and retail consumers.

Insurance brokers are generally remunerated for the services they provide by the insurance company issuing the insurance policy or the purchaser of the insurance policy through:

- commissions from the sale of insurance policies (typically as a percentage of the insurance policy premiums);
- fees for providing underwriting services; and
- fees for providing risk management consulting services.

Commissions from the sale of insurance policies remain the primary revenue source for most industry participants, although many insurance brokers have diversified their service offerings to include underwriting services and risk management consulting services. As such, industry revenue tends to be sensitive to the size of the insurance policy premiums.

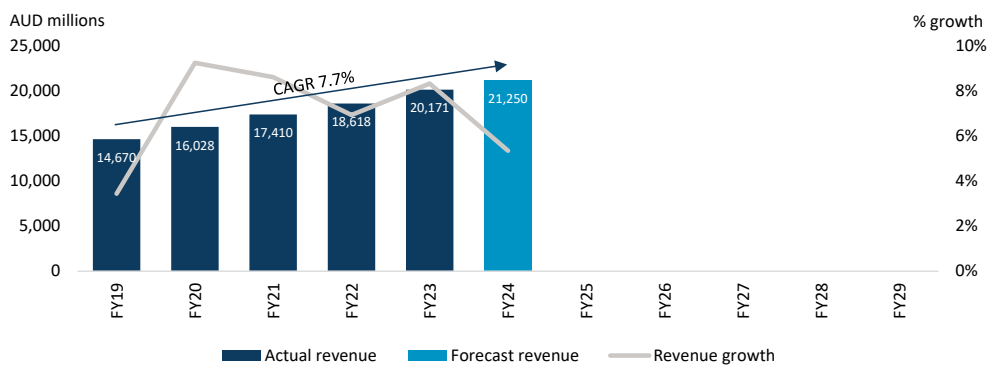
We have referred to IBISWorld reports in our overview of the industry.<sup>14</sup>

### 4.2 Australia

#### Current performance

Figure 5 summarises the historical revenue of the insurance brokerage industry in Australia.

Figure 5: Historical revenue of the insurance brokerage industry in Australia between FY19 and FY24



Source: IBISWorld

<sup>14</sup> IBISWorld Industry Report K6420 Insurance Brokerage in Australia, May 2024 and IBISWorld Industry Report K66.220 Insurance Agents & Brokers in the UK, September 2023

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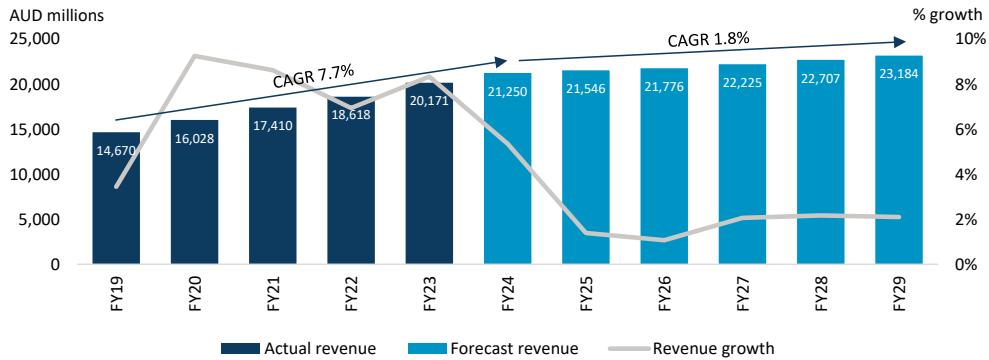
The revenue of the insurance brokerage industry in Australia has increased in the last five years as a result of:

- the effects of the COVID-19 pandemic on business continuity, including increased risks relating to supply chains and workforce;
- the heightened frequency and severity of natural disasters, such as floods and bushfires, increasing business disruption risk;
- the effects of climate change on climate-sensitive businesses that are seeking customised insurance coverage to protect against future disruptions;
- the increased frequency and breadth of cybersecurity-related incidents causing major business disruptions and financial loss, such as through ransomware attacks; and
- the recent increase in geopolitical instability disrupting supply chains and manufacturing, driven largely by conflicts in Eastern Europe and the Middle East.

### Outlook performance

Figure 6 summarises the historical and forecast revenue of the insurance brokerage industry in Australia.

Figure 6: Historical and forecast revenue of the insurance brokerage industry in Australia between FY19 and FY29



Source: IBISWorld

The increase in revenue in the insurance brokerage industry in Australia is forecast to slow over the next few years. This is partially because of a slowdown in the increase in insurance premiums, as COVID-19-associated risks wear off and supply chains affected by geopolitical tensions are addressed.

Other factors presenting challenges to the insurance brokerage industry in Australia include the increasing number of insurance companies selling directly to policyholders instead of insurance brokers and online insurance sales platforms targeting retail consumers.

Traditional factors impacting the number of policies sold in Australia include the expected increase, over the next few years, in the number of businesses, households and vehicles. Furthermore, medium-term inflationary pressures will prompt many households and businesses to engage brokers to re-evaluate their insurance needs.

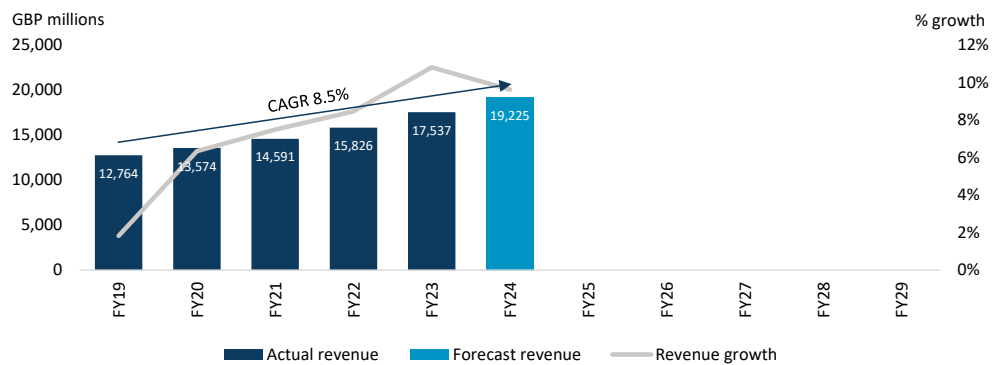
The increase in competition amongst insurance brokers and providers is expected to put pressure on profits from traditional income streams. This will be heightened by the expected increase in the uptake of online insurance comparison services and other technological advancements improving market efficiency. This trend is expected to prompt traditional insurance brokerage companies to branch out to more tailored advisory services in areas such as risk consulting and cybersecurity.

### 4.3 UK

#### Current performance

Figure 7 summarises the historical revenue of the insurance brokerage industry in the UK.

Figure 7: Historical revenue of the insurance brokerage industry in the UK between FY19 and FY24<sup>15</sup>



Source: IBISWorld

The revenue of the insurance brokerage industry in the UK has increased in the last five years as a result of:

- trends in digitalisation, as the volume and value of commercial and specialty lines such as cyber insurance have been increasing, driven by the rising frequency and severity of ransomware claims;
- geopolitical conflicts that have placed pressure on global supply chains as well as marine, aviation and transport insurance, which has adversely impacted insurance companies and has placed upward pressure on premiums;
- natural catastrophes have intensified with climate change, which has resulted in a significant increase in property insurance pricing; and
- legal requirements for many types of motor, property, and contents insurance, which have seen increases in premiums due to inflation and rising repair costs.

<sup>15</sup> Financial year in the UK begins on 6 April and ends on 5 April.

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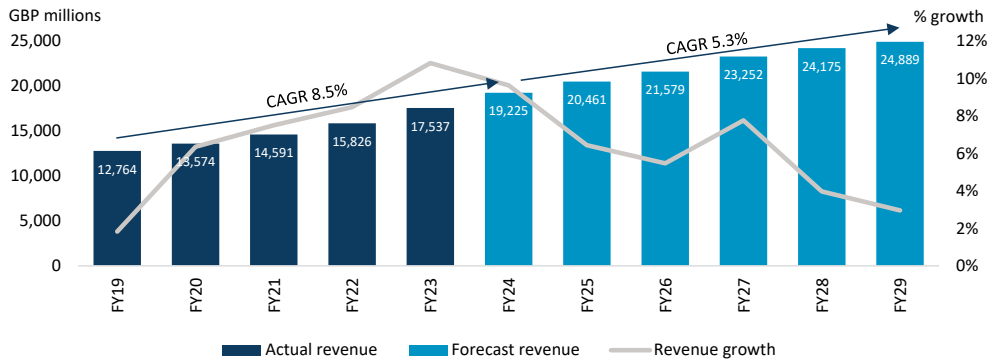
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**Outlook performance**

Figure 8 summarises the historical and forecast revenue of the insurance brokerage industry in the UK.

Figure 8: Historical and forecast revenue of the insurance brokerage industry in the UK between FY19 and FY29<sup>16</sup>



Source: IBISWorld

The introduction of the Financial Conduct Authority's (FCA) price-walking ban adds to pricing pressures as agents and brokers attempt to maintain margins. Additionally, the introduction of the FCA's Consumer Duty increased focus on consumer outcomes, meaning insurance intermediaries must take precautionary action on premium pricing to avoid regulatory scrutiny and fines.

Within commercial insurance lines, there is expected to be an increasing focus on specialty lines. Cyber lines are expected to continue their growth, albeit at a slower rate, as risks are better understood, and underwriting capacity increases globally. Additionally, ESG concerns are expected to be a greater priority for the industry, and new products and markets are expected to emerge as the 2050 net zero deadline draws closer.

Personal insurance lines are expected to remain steady over the medium term. An aging population is expected to drive increased demand for advisory services. Health, medical and accident insurance will benefit if NHS budgets are cut, waiting times grow and patients are dissatisfied. Additionally, pet insurance is expected to continue to grow.

**4.4 Key external drivers**

Insurance brokers and agents in Australia and the UK are exposed to the following key external drivers:

- **Number of businesses:** The number of businesses drives demand for commercial insurance, which accounts for a large proportion of insurance brokerage revenue. Businesses typically seek insurance for public liability, indemnity, employees and other risks. As the number of businesses grows, the number of potential clients for insurance intermediaries rises along with it, translating into more sales.
- **Real household disposable income:** Non-life insurance premiums are considered disposable expenditure, and lower income levels reduce demand for extensive insurance coverage. Falling disposable income hinders customers' willingness and ability to purchase insurance or extra cover, subduing demand for insurance brokers.
- **Number of motor vehicles:** Motor vehicle insurance, particularly for commercial vehicles, is an important channel for insurance brokerage activity. Growth in the number of motor vehicles heightens demand from compulsory third-party and other forms of insurance.

<sup>16</sup> Financial year in the UK begins on 6 April and ends on 5 April.

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- **Number of households:** The number of households is a major demand driver for policies related to home ownership, including home and contents insurance. These policies are often sold and purchased through insurance intermediaries. A growing number of households increases demand for home and contents insurance and building insurance.
- **Cost of natural disasters:** Consumer appetite for risk impacts demand for natural disaster related insurance. As natural disasters become more frequent and costly, risk appetites trend downwards, incentivising greater demand for insurance policies. Insurers typically raise premiums following large-scale natural disasters, which benefits insurance intermediaries.

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## 5. Valuation Methodology

### 5.1 Introduction

The assessment of whether the Scheme is 'in the best interests' of Shareholders as a whole involves estimating the fair value of the PSC shares on a controlling interest basis.

### 5.2 Valuation methodologies

RG 111 sets out the valuation methodologies that a valuer should generally consider when valuing businesses or securities for the purposes of transactions including share capital returns, selective capital reductions, schemes of arrangements, takeovers and prospectuses.

These valuation methodologies include the:

- Discounted Cash Flow (DCF) method;
- Capitalisation of Future Maintainable Earnings (CFME) method;
- Net Assets (NA) method;
- Quoted Market Price (QMP)<sup>17</sup>; and
- any recent genuine offers received by the target for the entire business<sup>18</sup>.

Each of these valuation methodologies may only be appropriate in certain circumstances.

The decision as to which valuation methodology is appropriate to apply depends on the nature of the business being valued, the most common methodology adopted in valuing such a business as well as the availability of relevant and reliable information.

Further details on these methodologies are set out in **Appendix C** of this IER.

### 5.3 Valuation methodology selected to value PSC

In selecting the appropriate methodology to value PSC, we have considered the available valuation methodologies, the nature of the operations of PSC, the historical financial performance, as well as the quality and availability of forecast financial information.

We have selected the CFME method, using an EBITDA based measure of earnings, as our primary valuation methodology to value PSC.

We have cross checked the reasonableness of our primary valuation method using the QMP method.

In our opinion, the most appropriate methodology to value PSC is the CFME method because PSC:

- has an established history of earnings and has traded profitably;
- is expected to continue operating as a going concern; and
- has sufficient earnings to justify a value greater than the value attributed to its underlying net tangible assets.

We have not applied the DCF method to value PSC because the PSC has not prepared suitably long-term and robust forecasts that could be relied upon or disclosed as part of this IER in accordance with RG 111.

<sup>17</sup> For listed securities when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale

<sup>18</sup> Or any business units or assets as a basis for valuation of those business units or assets

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We have not used the NA method because this method is generally more appropriate where the subject company is lossmaking, not expected to continue operating as a going concern, holds significant assets that are liquid (i.e., cash or listed investments) or is considered to be 'asset rich'.

Based on our enquiries we are not aware of any recent genuine offers received by PSC other than the Scheme.

We have not used the QMP as our primary valuation methodology because this is not strictly a valuation method. It is usually used as a cross check or where the circumstances prevent the use of any other valuation methodology. We note that PSC is a closely held company. This means that the market for PSC shares might be less liquid than an otherwise equivalent listed company that is not a closely held company and investors tend to place value upon and are willing to pay a premium for liquidity. As such, the PSC share price might not be reflective of their value.

#### **5.4 Review of information**

The audited financial information of PSC as at the Valuation Date was not available when preparing this IER. Consequently, we have relied upon the unaudited financial information of PSC as at the Valuation Date. We consider this information to be reasonable based on our enquiries and other corroborating information obtained from PSC. We also consider the FY24 EBITDA Guidance for PSC to be reasonable based upon confidential, non-public financial information made available to us. We have critically analysed and reviewed the information provided to us and made various enquiries to Management and Ardonagh as required in preparing this IER. We are satisfied that the information made available to us and relied upon to preparing this IER is materially accurate.

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## 6. Valuation of PSC shares

### 6.1 Summary

In our opinion, the fair value of the PSC shares, on a controlling interest basis, is between \$5.69 per share and \$6.65 per share.

Table 12: Summary - CFME method - valuation of a PSC share

	Units	Reference	Low value	High value
FY24 FME-based EBITDA <sup>19</sup>	\$ million	A	110.0	115.0
FY24 EBITDA multiple (controlling interest basis)	Times	B	18.0x	20.0x
<b>Enterprise value</b>	<b>\$ million</b>	<b>C = A x B</b>	<b>1,980.0</b>	<b>2,300.0</b>
Cash	\$ million	D1	71.2	71.2
Debt	\$ million	D2	(213.2)	(213.2)
Lease liabilities	\$ million	D3	(23.8)	(23.8)
Surplus assets	\$ million	D4	114.1	114.1
Surplus liabilities	\$ million	D5	(55.9)	(55.9)
<b>Equity value (controlling interest basis)</b>	<b>\$ million</b>	<b>E = C + D#</b>	<b>1,962.3</b>	<b>2,292.3</b>
<b>Total ordinary shares outstanding (excl. Loan Funded Shares)</b>	<b>#</b>	<b>F</b>	<b>344,743,101</b>	<b>344,743,101</b>
<b>Fair value per share (controlling interest basis)</b>	<b>\$ per share</b>	<b>G = E / F</b>	<b>5.6921</b>	<b>6.6494</b>

Source: FTI Consulting analysis.

The inputs and assumptions to our CFME method to value PSC are discussed below.

### 6.2 CFME method

In our view, earnings and earnings multiples based on EBITDA are less sensitive to differences in financing structures, depreciation and amortisation recognition accounting policies and effective tax rates (as compared to otherwise equivalent EBIT<sup>20</sup>, NPBT<sup>21</sup> or NPAT<sup>22</sup> based earnings and earnings multiples).

Therefore, we have used an EBITDA-based CFME method to value PSC.

In estimating the value of PSC, we have:

- estimated FME based on FY24 EBITDA normalised for unusual or non-recurring income and expenses;
- selected an appropriate FY24 EBITDA multiple range based on our review of potentially comparable listed companies and transactions; and
- identified other inputs such as cash, debt, surplus assets or liabilities.

Each of these inputs are discussed in further detail below.

### 6.3 Estimated FME (i.e., future maintainable earnings)

We have estimated FME to be between \$110.0 million and \$115.0 million for PSC.

FME is the level of sustainable earnings that can be expected to be derived from the existing operations of the business regardless of short-term economic fluctuations and excludes any one-off expenses or income.

<sup>19</sup> Future Maintainable Earnings (FME)

<sup>20</sup> Earnings Before Interest and Tax (EBIT)

<sup>21</sup> Net Profit Before Tax (NPBT)

<sup>22</sup> Net Profit After Tax (NPAT)

In estimating the FME for PSC, we have:

- reviewed the historical financial performance for FY21 to FY23 and noted that revenue increased and PSC remained profitable;
- discussed with Management the historical operating results as well as their expectations moving forward for FY24 and FY25, including the FY24 EBITDA Guidance;
- assessed the prospects and outlook for the brokerage industry in the regions where PSC operates; and
- considered the nature and quantum of the adjustments required to normalise EBITDA.

We have adopted a forward looking based measure of FME, rather than a historically based measure of FME, due to the significant revenue and EBITDA growth experienced by PSC as a result of the numerous acquisitions completed by PSC in the recent past.

Based on our review of the available information and discussions with Management, we have adopted the FY24 EBITDA Guidance and noted that various adjustments are required to align the definition of EBITDA used in the FY24 EBITDA Guidance to that relied upon in our subsequent analysis of the potentially comparable listed companies and transactions.

These adjustments relate to a:

- **Rental expense normalisation:** We have added back the estimated rental expense expected to be incurred by PSC for FY24 to notionally convert the operating leases of PSC into finance leases;
- **Interest income normalisation:** We have subtracted the interest income expected to be earned for FY24 even though some of the interest income generated from the cash held in trust accounts could be interpreted as being operational in nature; and
- **Other normalisations:** We have subtracted the share-based payments received by various management personnel and the directors of PSC, subtracted the income and expenses relating to the financial assets and investments in associates and the joint ventures of PSC, and also subtracted a one-off profit from the sale of business division.

Table 13 summarises our calculation of normalised FY24 EBITDA as well as our selected FY24 FME for PSC.

Table 13: Selected FY24 FME for PSC

\$ million	FY24 Low value	FY24 High value
FY24 EBITDA Guidance	125.0	130.0
Rental expense normalisation	7.7	7.7
Interest income normalisation	(13.2)	(13.2)
Other normalisations	(9.2)	(9.2)
<b>Normalised EBITDA</b>	<b>110.3</b>	<b>115.3</b>
<b>Normalised EBITDA (rounded)</b>	<b>110.0</b>	<b>115.0</b>
<b>Estimated FME</b>	<b>110.0</b>	<b>115.0</b>

Source: FTI Consulting analysis.

#### 6.4 Selected EBITDA multiple

We have selected a FY24 EBITDA multiple on a controlling interest basis for PSC between 18.0 times and 20.0 times as at the Valuation Date.

In selecting an appropriate EBITDA multiple range for PSC, we have considered the:

- share prices of potentially comparable listed companies;
- Initial Public Offering (IPO) share prices of potentially comparable listed companies; and the

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- prices achieved in mergers and acquisitions of potentially comparable companies.

Our review did not identify any potentially comparable transactions or IPOs that we considered to be sufficiently comparable to PSC and/or timely compared to the Valuation Date.

As such, in selecting an appropriate EBITDA multiple range to value PSC, we have considered the EBITDA multiples implied from the share prices of potentially comparable listed companies in Australia and overseas that are broadly comparable to PSC.

#### Potentially comparable listed company multiples

Table 14 summarises the potentially comparable listed company multiples.

Table 14: Potentially comparable listed company multiples

	Enterprise value \$ million	Actual FY23 EBITDA \$ million	FY23 EBITDA multiple	Forecast FY24 EBITDA \$ million	FY24 EBITDA multiple
PSC	-	110.6	-	127.5 <sup>23</sup>	-
<b>Potentially comparable listed companies</b>					
Maximum	223,585	10,298.3	40.3	10,266.1	25.3
75th percentile	90,342	4,237.4	25.5	5,037.7	22.3
Median	16,429	797.3	22.0	1,791.0	19.8
25th percentile	6,369	234.0	20.7	490.9	15.0
Minimum	735	60.4	13.4	116.2	12.6
Average	59,363	2,678.7	23.5	3,221.5	18.9

Source: Appendix D and FTI Consulting analysis.

**Notes:**

The Enterprise Value of PSC and the dependent FY23 and FY24 EBITDA multiples are not shown because the purpose of our analysis is to assess the fair value of a PSC share on a controlling interest basis which would be an input into these metrics. We have also assumed a 30% control premium in calculating Enterprise Value for potentially comparable listed companies.

We have compiled the implied EBITDA multiples of the potentially comparable listed companies in Appendix D of this IER.

The potentially comparable listed companies vary in terms of their countries of operation, size, products and services offered, profit margins, growth prospects and risk factors compared to PSC. Accordingly, none of the potentially comparable listed companies are considered to be directly comparable to PSC, but they still provide reasonable guidance for the purpose of selecting an appropriate EBITDA multiple for the valuation of PSC.

Compared to PSC the potentially comparable listed companies generally have:

- more scale based on revenue and earnings;
- more geographically diverse operations;
- more diversified product and service offerings;
- a comparable or higher revenue growth rate historically;
- a higher average growth of FY23 EBITDA and forecast FY24 EBITDA;
- a lower historical EBITDA margin; and have
- listed shares that are more liquid.

In our view, the above listed factors would result in a lower FY24 EBITDA multiple for PSC as compared to the potentially comparable listed companies. The median of the FY24 EBITDA of the potentially comparable listed company was 19.8

<sup>23</sup> The midpoint of the FY24 EBITDA Guidance of between \$125.0 million and \$130.0 million

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times and the average of the potentially comparable listed company was 18.9 times. We note that the highest observed FY24 EBITDA multiple for an Australian potentially comparable listed company was 19.4 times for the Steadfast Group Limited. Compared to PSC the Steadfast Group Limited is larger in scale based on its revenue and earnings, higher forecast growth for FY25 and its shares exhibit higher trading liquidity. As such, in our view, PSC would be expected to have a lower FY24 EBITDA multiple compared to the Steadfast Group Limited.

Therefore, based on the above, but taking a conservative approach, we have selected an EBITDA multiple, on a controlling interest basis, for the valuation of PSC to range between 18.0 times and 20.0 times.

## 6.5 Cash, debt, surplus assets and liabilities

Table 15 summarises the cash, debt, surplus assets and liabilities of PSC as at the Valuation Date.

Table 15: Summary of cash, debt, surplus assets and liabilities of PSC

	\$ million
Cash	71.2
Debt	(213.2)
Lease liabilities	(23.8)
<b>Net cash/(debt)</b>	<b>(165.9)</b>
7,385,504 shares in LSE listed BP Marsh & Partners plc (AIM:BPM) at a closing share price of \$9.8023	72.4
79,906,668 shares in the ASX listed AMA Group Limited (ASX:AMA) at a closing share price of \$0.0430	3.4
695,000 shares in the ASX listed Thorney Opportunities Ltd (ASX:TOP) at a closing share price of \$0.6800	0.5
126,263 shares in the ASX listed Thorney Technologies Ltd (ASX:TEK) at a closing share price of \$0.1250	0.0
Derivatives	0.2
Other financial assets (investments in shares and unit trusts)	3.6
<b>Total financial assets</b>	<b>80.1</b>
A property located at 96 Wellington Parade, East Melbourne	12.4
Investments in three associates <sup>24</sup>	21.5
<b>Total surplus assets</b>	<b>114.1</b>
Contingent consideration payments expected to be made to the vendors of businesses previously acquired by PSC	(22.6)
Non-controlling interests in the equity of PSC	(2.5)
Loan funded shares held by the various employees and directors of PSC <sup>25</sup>	(30.7)
2,000,000 PSC options held by Mr Robinson <sup>26</sup>	(0.2)
<b>Total surplus liabilities</b>	<b>(55.9)</b>

Source: Management and FTI Consulting analysis

## 6.6 Cross check to primary valuation methodology

We have cross checked our primary valuation methodology using the QMP method.

Table 16 summarises the PSC VWAP the day prior to the announcement of the Scheme and the 12 months prior to PSC confirming discussions of a potential takeover on 13 March 2024, the cumulative volume of PSC shares traded as well as this cumulative volume as a percentage of the Free Float.

<sup>24</sup> Carrying value of equity accounted investments as at the Valuation Date is \$24.9 million. This comprises investment in 15 associates and joint ventures. Management confirmed that the three largest investments, investments in Bay Building Group Pty Ltd, BSC Broking Pty Ltd and Eldin Risk Partners Limited, with an aggregate carrying value of \$21.5 million, are accounted for using the equity method. We consider the carrying value reasonable, having reviewed the limited profit and loss and balance sheet information provided to us. We have estimated the implied price to earnings ratios for two associates and the implied price-to-book ratio for one associate. The implied multiples appear to be within the range of multiples paid by PSC for past acquisitions. The remaining 12 entities are reported using a simplified, proportionate consolidation method, whereby PSC reports the proportionate share of revenues and expenses in its consolidated financial statements. We understand that the results of these entities are included in PSC's FME; therefore, we have not included these investments as surplus assets.

<sup>25</sup> We have estimated the value of the Loan Funded Shares using Black Scholes option valuation method as a primary valuation method and cross checked the valuation using binomial model.

<sup>26</sup> The 2,000,000 PSC options held by Mr Robinson expire 31 March 2025, are exercisable at \$6.50 and were issued under the Long Term Incentive Plan of PSC. These options will be cancelled for nil consideration if the Scheme is approved and proceeds.

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Table 16: Proportion of Free Float

Trading period	VWAP \$	Cumulative volume traded	Proportion of Free Float
7-May-24	5.5292	256,170	0.1%
12-Mar-24	4.8499	219,500	0.1%
1 week ending 12-Mar-24	4.9396	795,870	0.4%
2 weeks ending 12-Mar-24	4.9106	3,582,420	1.9%
1 month ending 12-Mar-24	4.7681	9,765,310	5.1%
2 months ending 12-Mar-24	4.7558	11,775,380	6.2%
3 months ending 12-Mar-24	4.6990	14,841,990	7.8%
6 months ending 12-Mar-24	4.6156	23,722,060	12.7%
9 months ending 12-Mar-24	4.6640	29,520,240	16.1%
12 months ending 12-Mar-24	4.6773	38,507,250	21.1%

Source: S&P Capital IQ and FTI Consulting analysis. Note that the Free Float changes over time and we have calculated this as an average over each relevant trading period

Table 16 shows that the shares of PSC were regularly traded and approximately 0.41% of the Free Float was traded on a weekly basis over the 12 months ending 12 March 2024. We also note that the average bid/ask spread for the PSC shares at the midpoint was 0.45% over the 12 months ending 12 March 2024<sup>27</sup> and that there were no significant and unexplained movements in the PSC share price based on our review at Section 3.6 of this IER. Overall, in our view, the shares of PSC appear to be thinly traded and comparatively less liquid than the average ASX listed company.

We note, however, that there is a sufficient trading history and our selected FY24 EBITDA multiple on a controlling interest basis for PSC is based on broadly comparable listed companies that traded in an active and liquid market. Therefore, in our view, it is appropriate to use the QMP method to value the PSC shares as a cross check to our primary valuation method.

Table 17 summarises our application of the QMP method using the PSC share price based VWAP (the day prior to the announcement of the Scheme on 8 May 2024 and the 12 months prior to PSC confirming discussions of a potential takeover on 13 March 2024) and our value of a PSC share on a controlling interest basis from our primary valuation methodology to calculate the implied premium for control.

Table 17: Implied premium for control

Trading period	VWAP \$	Low value CFME method	Low value Implied premium for control	High value CFME method	High value Implied premium for control
Reference:	A	B1	C1 = B1 / A - 1	B2	C2 = B2 / A - 1
7-May-24	5.5292	5.6921	2.9%	6.6494	20.3%
<b>12-Mar-24</b>	<b>4.8499</b>	<b>5.6921</b>	<b>17.4%</b>	<b>6.6494</b>	<b>37.1%</b>
7 days ending 12-Mar-24	4.9396	5.6921	15.2%	6.6494	34.6%
14 days ending 12-Mar-24	4.9106	5.6921	15.9%	6.6494	35.4%
1 month ending 12-Mar-24	4.7681	5.6921	19.4%	6.6494	39.5%
2 months ending 12-Mar-24	4.7558	5.6921	19.7%	6.6494	39.8%
3 months ending 12-Mar-24	4.6990	5.6921	21.1%	6.6494	41.5%
6 months ending 12-Mar-24	4.6156	5.6921	23.3%	6.6494	44.1%
9 months ending 12-Mar-24	4.6640	5.6921	22.0%	6.6494	42.6%
12 months ending 12-Mar-24	4.6773	5.6921	21.7%	6.6494	42.2%

<sup>27</sup> The bid/ask spread of a listed company must not cause the market capitalisation to be materially impacted by whether the last traded share price occurred at the bid or ask price



Source: S&P Capital IQ and FTI Consulting analysis

In relation to Table 17 we note that:

- the PSC share price increased 15.5% from a closing price of \$4.85 on 12 March 2024 (i.e., the day before PSC confirmed that it was in discussions regarding a potential takeover) to a closing price of \$5.60 on 7 May 2024 (i.e., the day before the announcement of the Scheme) reflecting an accumulating market based expectation that a takeover would occur<sup>28</sup>;
- a shareholder with a controlling equity interest in a company has the ability to select directors, officers and management that directly control the operations of a company and can also direct the distribution of cash or other property, buy or sell assets, obtain or restructure debt. Each of these actions can impact the value of a controlling equity interest and the ultimate return received by all shareholders. It is generally accepted that the value of an investment in shares that gives an investor a controlling position in a company will include a premium for control reflecting the incremental value of this control;
- the share price or VWAP of a listed company, such as PSC, will typically reflect the price of portfolio interest in the company that is unable to individually exert any form of control over the company. As such, from a valuation perspective, the PSC share price or VWAP would exclude any premium for control;
- the implied premium for control that ranged between 17.4% and 37.1% on 12 March 2024 (i.e., the difference between the CFME method value per share and the PSC share price based VWAP) is not unreasonable for PSC based on our takeover premium study contained at **Appendix F** of this IER.

Therefore, based on our QMP method, we do not consider the outcome from our primary valuation methodology to be unreasonable.

### 6.7 Valuation conclusion

In our opinion, the fair value of a PSC share on a controlling interest basis is between \$5.69 and \$6.65 per share.

<sup>28</sup> Over the same period the S&P ASX 200 Index (^XJO) as a proxy for the market increased 1.0%

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## 7. Assessment of the Scheme

### 7.1 Conclusion

In our opinion the Scheme is 'in the best interests' of Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.

In preparing this IER we have assessed the fair value of a PSC share as at the 30 June 2024 Valuation Date, being the date of the most recent financial information available to us. The audited financial information of PSC as at the Valuation Date was not available when preparing this IER. Consequently, we have relied upon the unaudited financial information of PSC as at the Valuation Date. We consider this information to be reasonable based on our enquiries and other corroborating information obtained from PSC. Regardless, we will also consider the veracity of the opinions currently expressed in this IER, and advise the Shareholders accordingly, after the audited financial information of PSC as at the Valuation Date becomes available. Furthermore, we have made enquiries up to the date of this IER to confirm that there has been no material change to the operations and performance of PSC or Ardonagh. Further details of these opinions and the supporting reasoning is summarised below.

### 7.2 Basis of assessment

The Scheme will be 'in the best interests' of Shareholders if:

- the Scheme is 'fair'; or
- the Scheme is 'reasonable'.

The Scheme will be 'fair' to Shareholders if the value of the Cash Consideration of \$6.19 per PSC share is greater than or equal to the fair value of a PSC share on a controlling interest basis.

The Scheme will be 'reasonable' if the advantages outweigh the disadvantages of the Scheme from the perspective of the Shareholders as a whole. In this regard we have considered the:

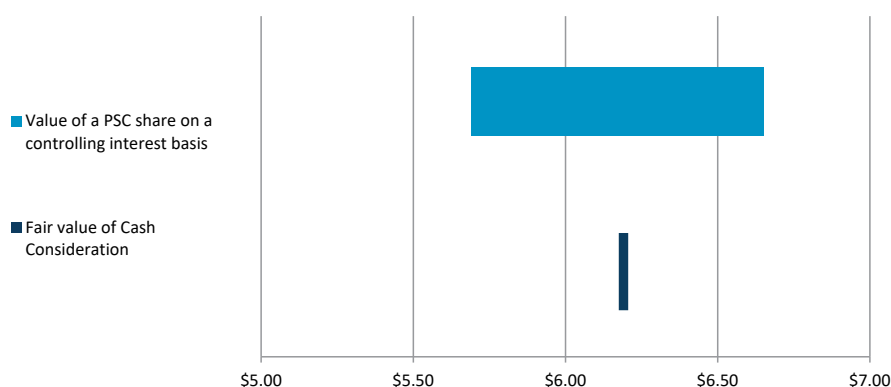
- existence of any premium for control;
- transaction costs;
- opportunity to realise the investment;
- risk exposures mitigated;
- recommendation of the Directors;
- likelihood of a superior offer being made;
- potential tax consequences;
- potentially divergent circumstances of individual Shareholders;
- ability to participate in the future financial performance and growth of PSC;
- alternative investments with similar characteristics to PSC; and
- possibility that a superior offer may occur.

### 7.3 Fairness

In our opinion the Cash Consideration of \$6.19 per PSC share component of the Scheme is 'fair'.

Figure 9 summarises our assessment of whether the Cash Consideration of \$6.19 per PSC share is 'fair' by comparing the Cash Consideration of \$6.19 per PSC share being offered to Shareholders to our estimated fair value range of a PSC share on a controlling interest basis.

Figure 9: Fairness assessment



Source: FTI Consulting analysis.

Figure 9 shows that the Cash Consideration of \$6.19 per PSC share is within our estimated fair value range of a PSC share on a controlling interest basis of between \$5.69 and \$6.65 per share. Our fair value range reflects 100% ownership of PSC and, therefore, incorporates a control premium. As our valuation includes a control premium, our range of values per share is higher than the price at which we expect PSC Shares would trade on the ASX in the absence of the Scheme.

RG 111.11 indicates that an offer (i.e., the Cash Consideration) is 'fair' if the value of the offer is greater than or equal to the value of the securities that are subject to the offer (i.e., a PSC share).

As such, we have determined that the Cash Consideration of \$6.19 per PSC share is 'fair' in accordance with RG 111.

#### 7.4 Reasonableness

In our opinion the Scheme is 'reasonable'.

RG 111 states that an offer is 'reasonable' if it is considered to be 'fair'. Therefore, the Scheme is 'reasonable' because we have previously determined the Cash Consideration to be 'fair'.

However, for completeness, we have also identified below the potential advantages and disadvantages that are associated with the 'reasonableness' of the Scheme from the perspective of the Shareholders.

#### Advantages

##### Premium to traded share price

Ardonagh will acquire 100.0% of the PSC shares.

The Cash Consideration of \$6.19 per PSC share represents a premium of:

- 10.5% to the PSC share price of \$5.60 on 7 May 2024 (i.e., the closing share price the day before the announcement of the Scheme on 8 May 2024);
- 16.2% to the one-month VWAP of \$5.33 ending on 7 May 2024;
- 22.2% to the three-month VWAP of \$5.07 ending on 7 May 2024;
- 27.0% to the six-month VWAP of \$4.88 ending on 7 May 2024;

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- 28.0% to the 12-month VWAP of \$4.84 ending on 7 May 2024;
- 27.6% to the undisturbed PSC share price of \$4.85 on 12 March 2024 (i.e., the closing PSC share price the day before PSC confirmed that it was in discussions regarding a potential takeover on 13 March 2024<sup>29</sup>);
- 29.8% to the undisturbed one-month VWAP of \$4.77 ending on 12 March 2024;
- 31.7% to the undisturbed three-month VWAP of \$4.70 ending on 12 March 2024;
- 34.0% to the undisturbed six-month VWAP of \$4.62 ending on 12 March 2024; and
- 32.3% to the undisturbed 12-month VWAP of \$4.68 ending on 12 March 2024.

Therefore, Ardonagh is paying a premium that is not unreasonable based on our takeover premium study located at **Appendix F** of this IER. It is common that the acquirers of a controlling interest in a listed company, such as PSC, pay a premium over the value implied by the traded share price, to reflect the acquirer obtaining control over the strategy and operations, as well as extract synergies from the integration of the listed company. However, the level of premium observed in the takeover of listed companies varies and depends largely on the circumstances of the transaction, the competitive tension in the sale process and the level of synergies available to the potential acquirers.

#### No transaction costs

Shareholders will be able to exchange their PSC shares for the Cash Consideration without incurring any brokerage costs if the Scheme is approved. These transaction costs will effectively be incurred by Ardonagh if the Scheme proceeds.

#### The Scheme will provide Shareholders with the opportunity to realise their investment in PSC

Approximately 12.6% of the total issued shares of PSC were traded during the 12 months ended 7 May 2024 (i.e., the day before the announcement of the Scheme) and approximately 10.7% of the total issued shares of PSC were traded during the 12 months ended 12 March 2024 (i.e., the day before PSC confirmed that it was in discussions regarding a potential takeover). This level of liquidity implies that the Shareholders may have some difficulty selling their PSC shares on the market and potentially incur some slippage costs representing the difference between the price expected to be realised and the price actually realised as a result of a lack of depth or liquidity in the share market. These slippage costs also increase for Shareholders holding larger parcels of PSC shares. As such, the Scheme provides Shareholders with an opportunity to realise their investment in PSC without incurring any slippage costs.

#### The risk exposures mitigated if the Scheme proceeds

Shareholders will no longer be subject to the risk inherent in the business conducted by PSC and the volatility associated with the share price of an ASX listed company if the Scheme proceeds. These risks include macroeconomic factors, business and consumer confidence and broader industry cycles. PSC has a number of growth opportunities available, but these take time to implement and have execution risk. The growth rate of revenue for the insurance brokerage industry is also expected to slow into the future along with increasing competition particular from other platforms (e.g., online and the vertical integration of the insurance companies themselves).

#### The likelihood of a superior offer emerging is low

An alternative merger option for PSC has not emerged since the announcement of the Scheme on 8 May 2024. The Directors have advised that the Scheme is the only merger option currently available to PSC and the Directors are not aware of any impending alternative merger options. As such, it is unlikely that a superior offer will emerge.

#### Disadvantages

##### Potential capital gains tax consequences

There may be capital gains tax consequences for Shareholders if the Scheme proceeds.

<sup>29</sup> <https://www.insurancenews.com.au/breaking-news/psc-confirms-discussions-over-potential-takeover>

### **Some Shareholders may individually consider that the Scheme is not in their own best interests**

Some Shareholders may consider that the Scheme is not in their own best interests in view of their individual circumstances. There is no obligation for individual Shareholders to agree with the unanimous recommendation of the Directors or agree with the conclusions expressed in this IER.

### **Unable to participate in the future financial performance and growth of PSC**

The Shareholders will lose their exposure to the business of PSC and the ability to participate in any further potential upside in the business of PSC if the Scheme is approved.

### **It may be difficult to identify or invest in an alternative company with similar characteristics to that of PSC**

Shareholders may prefer to retain their PSC shares and maintain their existing investment in an ASX listed company. It may be difficult to identify and invest in alternative company that has a risk, return and liquidity profile equivalent to PSC.

### **An alternative and superior offer may emerge**

It is possible that an alternative and superior offer may occur in the future. However, as at the date of this IER, the Directors have advised that the Scheme is the only merger option currently available to PSC and the Directors are not aware of any impending alternative merger options.

### **Other factors relating to the Scheme**

#### **Rollover Shareholders**

It is a condition precedent that certain Rollover Shareholders (being the shareholders associated with five of the Directors) elect to receive the scrip in Ardonagh for an agreed minimum proportion of their PSC shares. Based on our enquiries and review of the available information, in our view, the circumstances of the Rollover Shareholders under the Scheme may not be a material concern for Shareholders in their decision of whether to approve the Scheme. The scrip in Ardonagh (consisting of the Ardonagh D Shares and Tara D Shares) to be received by the Rollover Shareholders is not an advantage or disadvantage of the Scheme from the perspective of the Shareholders and does not impact the Cash Consideration of \$6.19 per PSC share to be received by Shareholders. The Ardonagh D Shares and Tara D Shares are entitled to receive dividends, rank equally with the other ordinary shareholders in the event of winding up the companies, do not have voting rights or board representation and can only be sold by the Rollover Shareholders when the A class shares are sold. The indicative value of the Ardonagh D Shares or Tara D Shares to be issued to the Rollover Shareholders per PSC share is unlikely to be worth more than the Cash Consideration of \$6.19 per PSC share based on our review and analysis of confidential information provided by Ardonagh. As at the date of this IER, the Rollover Shareholders had made a binding election to receive the Ardonagh D Shares or Tara D Shares in accordance with the terms of the Scheme and had effectively already formed their own view as to the merits of the scrip in Ardonagh.

#### **Director recommendation**

The independent directors of PSC (Melvyn Sims and Joanne Dawson) and the Board have considered the Scheme and recommend that Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding in this IER, and continuing to conclude, that the Scheme is 'in the best interests' of Shareholders. Subject to these same qualifications, the independent director and of PSC and the Board intends to vote, or procure the voting of, all PSC shares that they hold or control in favour of the Scheme.

#### **Consequences if the Scheme does not proceed**

The current PSC share price reflects a market-based expectation that the Scheme will proceed. If the Scheme is not successful and does not proceed, then the PSC share price is likely to decrease towards the level observed prior to the announcement of the Scheme. Note that the break fee of \$22.6 million mentioned in the Scheme Booklet will not be incurred by PSC if the Scheme does not proceed solely because the Shareholders choose to not approve the Scheme.

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### 7.5 Conclusion on the Scheme

In our opinion the Scheme is 'in the best interests' of Shareholders as a whole in the absence of a superior offer because the Cash Consideration component of the Scheme is 'fair' and, as a result, the Scheme is also 'reasonable'.

In preparing this IER we have assessed the fair value of a PSC share as at the 30 June 2024 Valuation Date, being the date of the most recent financial information available to us. The audited financial information of PSC as at the Valuation Date was not available when preparing this IER. Consequently, we have relied upon the unaudited financial information of PSC as at the Valuation Date. We consider this information to be reasonable based on our enquiries and other corroborating information obtained from PSC. Regardless, we will also consider the veracity of the opinions currently expressed in this IER, and advise the Shareholders accordingly, after the audited financial information of PSC as at the Valuation Date becomes available. Furthermore, we have made enquiries up to the date of this IER to confirm that there has been no material change to the operations and performance of PSC or Ardonagh.

## 8. Limitations and Disclosures

### 8.1 Qualifications

FTI Consulting is an Australian Financial Services authorised representative (No. 001269325) under the Act and the Senior Managing Director signing this IER is qualified to provide this IER. FTI Consulting provides a range of corporate advisory services and has advised on numerous takeovers, valuations, acquisitions and restructures.

This IER is prepared by Fiona Hansen, B Com, Hon Acc Science, CAANZ, CA(SA), CA certified Business Valuations Specialist and a Senior Managing Director at FTI Consulting and head of the Valuation Advisory practice in Melbourne. Fiona has over 30 years of experience in corporate finance, providing valuation advice and preparing independent expert's reports.

Fiona has been assisted by qualified and experienced valuation professional staff of FTI Consulting.

John Dowell is a Managing Director at FTI Consulting and is responsible for the review of this IER and its calculations for quality assurance purposes. John has over 30 years of experience in corporate finance and preparing and reviewing transaction-oriented valuations for private and publicly listed companies including independent expert's reports for IPOs and secondary market activity. John was previously a senior partner at Grant Thornton Australia heading the corporate finance practice. John holds a Bachelor of Commerce from Monash University.

Jonathan McLean is a Senior Director at FTI Consulting and is responsible for the day-to-day management of this engagement, including undertaking the valuation and drafting the IER. Jonathan specialises in independent expert's reports for transactions and expert witness reports for litigation purposes. Jonathan holds a Bachelor of Business (Banking and Finance) and is a CFA Charterholder.

Marija Stojanovic is a Senior Director at FTI Consulting and is responsible for the day-to-day management of this engagement, including undertaking the valuation and drafting the IER. Marija specialises in the valuation of businesses, intangible assets and derivatives. Marija holds a Master of Professional Accounting and a Master of Business Administration, is a CFA Charterholder and a Member of Chartered Accountants Australia and New Zealand (CAANZ).

### 8.2 Disclaimers

The Directors have engaged FTI Consulting to prepare this IER setting out our opinion as to whether the Scheme is 'in the best interests' of Shareholders as a whole and to set out our reasons for that opinion (i.e., if it is 'fair and reasonable' in the absence of a superior offer emerging) to assist Shareholders in their decision of whether to approve the Scheme. This IER will form a part of the Scheme Booklet that is to be sent to Shareholders. This IER has not been prepared for any other purpose or for use by any other person.

Approval of the Scheme is a consideration for the Shareholders based on their expectations of various factors including the value and future prospects of PSC, the terms of the Scheme, market conditions and their particular circumstances including their risk profile, liquidity preference, portfolio strategy and tax position. Shareholders should carefully consider the Scheme Booklet in its entirety. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their professional advisers.

FTI Consulting does not accept any responsibility to any person other than the Directors and Shareholders for the use of this IER outside the stated purpose without the written consent of FTI Consulting. Except in accordance with the stated purpose, no extract, quote or copy of this IER, in whole or in part, should be reproduced without our prior written consent as to the form and context in which it may appear.

The numbers presented throughout this IER in tables might not match back to source documents or manually add up due to rounding.

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### 8.3 Current market conditions

Our opinion is based on the economic, market and other conditions that prevailed at the date of this IER. These economic, market and other conditions can change significantly over relatively short periods of time and changes in these conditions may result in a valuation or a dependent opinion becoming quickly out dated and in need of revision. FTI Consulting reserves the right to revise any valuation or other opinion in the light of material information existing at the 30 June 2024 that subsequently becomes known to FTI Consulting.

### 8.4 Currency

All references to '\$' and 'dollars' are references to Australian dollars unless stated otherwise.

### 8.5 Independence

Prior to accepting this engagement, FTI Consulting considered its independence with respect to the Scheme in view of RG 112 and APES 110 Code of Ethics for Professional Accountants (including Independent Standards). We concluded that there are no conflicts of interest with respect to PSC, Ardonagh or the Scheme.

In prior financial years from 2021 to 2024, FTI Consulting has on occasion provided limited scope valuation services to PSC strictly for financial reporting compliance purposes<sup>30</sup>. FTI Consulting EMEA has from time to time provided various consulting services to the Ardonagh Group, which are not connected to or in any way related to the current transaction and we do not consider this work to pose a conflict of interest. FTI Consulting has not provided any strategic or operational decisions or planning related services or advice to PSC.

FTI Consulting has had no involvement with, or interest in, the outcome of the approval of the Scheme other than this IER prepared for the benefit of the Shareholders. We are not aware of any matter or circumstance that would preclude us from preparing this IER on the grounds of independence under either regulatory or professional requirements.

FTI Consulting is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this IER. Except for these fees, FTI Consulting will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this IER. The payment of this fee is in no way contingent upon the success or failure of the Scheme.

### 8.6 Consents

FTI Consulting consents to the issuance of this IER in the form and context in which it has been included in the Scheme Booklet. Apart from this IER, FTI Consulting is not responsible for the contents of the Scheme Booklet, or any other document or announcement associated with the Scheme. FTI Consulting acknowledges that this IER may be lodged with regulatory bodies.

### 8.7 Reliance on information

The statements and opinions contained in this report are given in good faith and are based upon FTI Consulting's consideration and assessment of information provided by PSC and their advisors. FTI Consulting believes the information provided to be reliable, complete and not misleading, and we have no reason to believe that any material facts have been withheld. The information provided has been evaluated through analysis, inquiry and review for the purpose of forming our opinion.

The procedures adopted by FTI Consulting in forming our opinion may have involved an analysis of financial information and accounting records. This did not include verification work nor constitute an audit or review in accordance with

<sup>30</sup> These included various purchase price allocations and a review of goodwill impairment testing models



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Australian auditing and Assurance Standards and consequently does not enable us to become aware of all significant matters that might be identified in an audit or review. Accordingly, we do not express an audit or review opinion.

It was not FTI Consulting's role to undertake, and FTI Consulting has not undertaken, any commercial, technical, financial, legal, taxation or other due diligence, or other similar investigative activities in respect of the Scheme. FTI Consulting understands that the Directors have been advised by legal, accounting and other appropriate advisors in relation to such matters, as necessary. FTI Consulting does not provide any warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Directors and/or their advisors. An opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion, rather than an audit or detailed investigation and it is in this context that FTI Consulting advises that it is not in a position, nor is it practical for FTI Consulting, to undertake a detailed investigation or extensive verification exercise.

It is understood that, except where noted, the accounting information provided to FTI Consulting was prepared in accordance with generally accepted accounting principles (including adoption of Australian equivalents to International Financial Reporting Standards) and prepared in a manner consistent with the method of accounting used by PSC in previous accounting periods.

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## APPENDIX A: GLOSSARY OF TERMS

Term	Definition
\$ or AUD	Australian Dollar
ACCC	Australian Competition and Consumer Commission
Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFS	Australian Financial Services
APES 225	Accounting Professional & Ethical Standards Board Limited professional standard APES 225 Valuations Services
Ardonagh	The Ardonagh Group
Ardonagh D Shares	The non-voting D shares in Ardonagh Holdco Limited
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Board	PSC's board of directors
Cash Consideration	Cash of \$6.19 per PSC share
CFME	Capitalisation of future maintainable earnings method
DCF	Discounted cash flow method
Directors	The directors of PSC
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FCA	Financial Conduct Authority
FME	Future maintainable earnings
Free Float	The number of shares that are readily and freely tradable in the secondary market
FSG	Financial Services Guide
FTI Consulting	FTI Consulting (Australia) Pty Ltd ACN 160 397 811 AFSL Authorised Representative # 001269325
FY	Financial year ended or ending 30 June
FY24 EBITDA Guidance	EBITDA based earnings guidance provided by PSC in the ASX announcement dated 21 February 2024
General Shareholders	The shareholders of PSC other than Rollover Shareholders
HY24	Six months ended 31 December 2023
IER	Independent Expert's Report
IPO	Initial public offering
IVSC	International Valuation Standards Council
Loan Funded Share	A PSC share issued under the PSC long term incentive plan pursuant to a limited recourse loan made available by PSC to the recipient to fund the acquisition of such PSC Share in whole or in part
Management	The management of PSC

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Term	Definition
NA	Net assets method
NPAT	Net profit after tax
NPBT	Net profit before tax
PSC	PSC Insurance Group Limited
QMP	Quoted market price
RG 111	Regulatory Guide 111: <i>Content of Expert Reports</i>
RG 112	Regulatory Guide 112: <i>Independence of experts</i>
RG 60	Regulatory Guide 60: <i>Schemes of arrangement</i>
Rollover Shareholders	Certain directors and senior management of PSC (or the entities that they control)
RP	Reliance Partners
Scheme	The proposed scheme of arrangement
Scheme Booklet	The scheme booklet issued to the Shareholders by PSC that details all relevant information within the knowledge of the Directors that has not previously been disclosed that is material to the decision of the Shareholders when considering whether to approve the Scheme, as required under Section 412(1) of the Act.
Shareholders	The General Shareholders and the Rollover Shareholders to the extent that they are receiving the Cash Consideration
Tara D Shares	The non-voting D shares in Tara Topco Limited
UK	United Kingdom
Valuation Date	30 June 2024
VWAP	Volume Weighted Average Price of PSC shares traded on the ASX

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## APPENDIX B: SOURCE OF INFORMATION

We have been provided with the following information that has been used in our Valuation Report:

- Accounting Professional & Ethical Standards Board Limited professional standard APES 225 'Valuation Services' January 2024
- Accounting Professional & Ethical Standards Board Limited professional standard APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' June 2023
- ASIC guidance notes and regulatory guides as applicable
- ASIC Regulatory Guides, RG60, RG111, RG112
- Board papers
- Confidential information including documents provided via dataroom
- Consolidated audited financial statements of PSC for the period FY19, FY20, FY21, FY22, FY23 and reviewed interim financial statements for six months ending 31 December 2023
- Corporate structure, debt and equity related documentation
- Documents detailing the loan funded shares of PSC
- Draft and final Scheme Booklet
- Financial information by segment for the period FY21, FY22 and FY23
- IBISWorld paper titled 'Insurance Agents & Brokers in the UK' dated September 2023
- IBISWorld paper titled 'Insurance Brokerage in Australia' dated May 2024
- Information sourced from S&P Capital IQ and Connect 4
- Loan Funded Shares Invitation Letters and Loan Agreements for certain employees
- Number of shares held in ASX listed and LSE listed companies by PSC
- PSC Insurance Group Limited Long Term Incentive Plan Rules dated 4 November 2015
- Property valuation report of 94-96 Wellington Parade, East Melbourne, VIC, 3002
- Top 20 shareholder list prepared by PSC
- Valuation standards provided by the International Valuation Standards Council (IVSC)
- Various ASX announcements of PSC
- Various financial information relating to the associates of PSC
- Unaudited year to date financial information as at 31 March 2024, 30 April 2024 and the 2019 to 2023 equivalents as well as the unaudited year to date financial information as at 30 June 2024

We have also had discussions with the Directors, the management of PSC and their advisors.

## APPENDIX C: VALUATION METHODOLOGIES

RG 111 sets out the valuation methodologies that a valuer should generally consider when valuing businesses or securities for the purposes of transactions including share capital returns, selective capital reductions, schemes of arrangements, takeovers and prospectuses.

These valuation methodologies include the:

- DCF method;
- CFME method;
- NA method;
- QMP method<sup>31</sup>; and
- any recent genuine offers received by the target for the entire business<sup>32</sup>.

Each of these valuation methodologies fall within one of three valuation approaches being the income approach, market approach and asset approach.

These three valuation approaches and their subset valuation methodologies are discussed in further detail below.

### Income approach

An income approach based valuation methodology provides an indication of value by converting the cash flows or earnings generated by the asset into a single risk and time adjusted value.

The income approach includes the:

- DCF method;
- CFME method; and the
- option pricing method.

### DCF method

The DCF method assesses the value of asset by discounting the future cash flows generated by an asset to a present value by applying an appropriate discount rate.

This discount rate reflects the time value of money and the inherent risk of the asset being valued.

A terminal value may be incorporated where an asset is assumed to have an infinite life reflecting the value beyond the end of an explicit forecast cash flow period.

The DCF method is appropriate where sufficiently long term and robust forecast cash flows are available, including assets with a finite life or volatile future cash flows.

### CFME method

The CFME method estimates the value of an asset based on its future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from the share prices of comparable listed companies and/or transactions involving comparable companies. The CFME method is appropriate where there is an established history of stable earnings and there is an expectation to continue trading as a going concern.

<sup>31</sup> For listed securities when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale

<sup>32</sup> Or any business units or assets as a basis for valuation of those business units or assets

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#### Option pricing method

The valuation of an option is a function of the underlying share price to which the option may convert, the remaining life of the option, the exercise price, the risk free rate and the anticipated yield of the underlying share. The price of an option is the sum of its intrinsic value and its time value. Intrinsic value is based on the difference between the option's exercise price and the current underlying share price and time value is the residual value of the option's premium above any intrinsic value.

The two most common types of options are American and European. American options can be exercised by the option holder at any time from the date of purchase up to and including the expiry date. European options can be exercised by the option holder only on the expiry date.

It is possible to derive a formula that determines the price for some option structures. This is referred to as an 'analytic' approach. The most common example of an analytic approach is the Black Scholes formula. The Black Scholes formula can be used to price simple options or rights, where option exercise is only possible upon expiry. The advantage of this approach is that it allows for the full distribution of outcomes whilst being computationally efficient. However, it can only be used in a narrow range of circumstances.

Option structures may involve the possibility of exercise prior to the expiry of the option or alternatively, a performance hurdle. Analytic approaches may not be available for these complicated option structures. Consequently, it is necessary to use a computational technique such as a binomial tree methodology. In a binomial methodology, the time to expiry is divided into discrete steps and the share prices are allowed to move up or down within each discrete step of time. A large number of discrete steps result in a closer approximation of the underlying movements in the share price. The value of the security at each discrete step is determined, and the present value of the future outcomes is weighted by their probability. Binomial methodologies are more flexible than analytic approaches. They can cope with a variety of complications including early exercise and absolute return hurdles. However, the implementation of a binomial methodology can be more complicated.

#### Market approach

A market approach based valuation methodology provides an indication of value by comparing the asset with identical or similar assets for which price information is available.

The market based approach includes the following valuation methodologies:

- QMP method; and
- industry specific methods.

The QMP method involves an analysis of the recent share trading history of a listed company, adjusted to reflect a 100% interest in the equity of the listed company, and can provide an indication of value where the market is active and liquid. However, the QMP method is ordinarily as a cross check to other valuation methodologies or where the circumstances prevent the use of another valuation methodology.

Industry specific methods estimate the value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the value of an asset than other valuation methodologies because they do not account for company specific factors and are typically only used as a cross checks.

#### Asset approach

An asset approach based valuation methodology provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost incurred to obtain an asset of equal utility through purchase or construction.

The asset approach includes the following valuation methodologies:

- orderly realisation of assets;
- liquidation of assets; and
- net assets on a going concern basis.

The orderly realisation of assets method estimates the value of the net assets by estimating the amount that would be distributed to its shareholders after the payment of all liabilities are satisfied including realisation costs and taxation, assuming that the company is wound up in an orderly manner.

The liquidation of assets method is similar to the orderly realisation of assets method except that the liquidation method assumes that the assets are sold in a shorter timeframe. Since wind up or liquidation of the company may or may not be contemplated, this method in its strictest form may not necessarily be appropriate.

The net assets on a going concern basis estimates the value of the net assets of the company but does not take into account realisation costs. The net asset value of a company trading as a going concern will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The assets based methods are relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business.

The net realisable assets method is also used as a cross check for the values derived using other methods.



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**APPENDIX D: POTENTIALLY COMPARABLE LISTED COMPANIES**

Table 18: Potentially comparable listed company descriptions

Listed company	Description
PSC Insurance Group Limited	PSC Insurance Group Limited provides diversified insurance services in Australia, the United Kingdom, Hong Kong, and New Zealand. It operates through four segments: Distribution, Agency, United Kingdom, and Group. The company provides commercial and life insurance broking, as well as workers compensation consulting services. It also offers underwriting services in the construction, and plant and equipment industries; hospitality, accommodation, equipment hire, and professional risks industries and classes; and medical and healthcare industries, as well as operates an online travel insurance business under the Travel Insuranz and Insure4Less brands. In addition, it underwrites property and liability insurance; and offers reinsurance. PSC Insurance Group Limited was incorporated in 2010 and is based in East Melbourne, Australia.
AUB Group Limited	AUB Group Limited engages in the insurance broking and underwriting businesses in Australia and New Zealand. The company provides insurance broking and advisory services primarily to SME clients; distributes ancillary products; and designs, distributes, and manages insurance products on behalf of licensed insurance companies. It also offers support services, such as loss adjustment, investigations, claims management, and claim legal support services; and automated quoting and binding, white-labelling, and technological support services, as well as ExpressCover, and BizCover, a digital SME insurance platform with multi-channel presence and insurance offerings. The company was formerly known as Austbrokers Holdings Limited and changed its name to AUB Group Limited in November 2015. The company was incorporated in 1885 and is headquartered in North Sydney, Australia.
Steadfast Group Limited	Steadfast Group Limited provides general insurance brokerage services Australasia, Asia, and Europe. It also offers insurance underwriting services and related services. The company provides various business insurance products, such as aviation, business pack and interruption, contract works, corporate travel, cyber, events, farm, marine, management and product liability, professional indemnity, public liability, trade credit, and workers' compensation insurance. In addition, it offers personal insurance products, including home and contents, landlord, life, motor, and strata insurance. The company operates a network of general insurance brokers and underwriting agencies. Steadfast Group Limited was incorporated in 1996 and is headquartered in Sydney, Australia.
Aon plc	Aon plc, a professional services firm, provides a range of risk and human capital solutions worldwide. It offers commercial risk solutions, including retail brokerage, specialty solutions, global risk consulting and captives management, and affinity programs; and health solutions, such as health and benefits brokerages, and health care exchanges. The company also provides treaty and facultative reinsurance, as well as insurance-linked securities, capital raising, strategic advice, restructuring, and mergers and acquisitions services; and corporate finance advisory services. In addition, it offers strategic design consulting services on their retirement programs, actuarial services, and risk management services; and advice services on developing and maintaining investment programs across various plan types, including defined benefit plans, defined contribution plans, endowments, and foundations for public and private companies, and other institutions. Aon plc was founded in 1919 and is headquartered in Dublin, Ireland.

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Listed company	Description
Arthur J. Gallagher & Co.	Arthur J. Gallagher & Co., together with its subsidiaries, provides insurance and reinsurance brokerage, consulting, and third-party property/casualty claims settlement and administration services to entities and individuals worldwide. It operates in Brokerage and Risk Management segments. The Brokerage segment offers retail and wholesale insurance and reinsurance brokerage services; assists retail brokers and other non-affiliated brokers in the placement of specialized and hard-to-place insurance; and acts as a broker/wholesaler, managing general agent, and managing general underwriter for distributing specialized insurance coverages to underwriting enterprises. This segment performs activities, including marketing, underwriting, issuing policies, collecting premiums, appointing and supervising other agents, paying claims, and negotiating reinsurance; and offers services in the areas of insurance and reinsurance placement, risk of loss management, and management of employer-sponsored benefit programs. The Risk Management segment provides contract claim settlement and administration services; and claims management, loss control consulting, and insurance property appraisal services. The company offers its services through a network of correspondent brokers and consultants. It serves commercial, industrial, public, religious, and nonprofit entities, as well as underwriting enterprises. Arthur J. Gallagher & Co. was founded in 1927 and is headquartered in Rolling Meadows, Illinois.
Brown & Brown, Inc.	Brown & Brown, Inc. markets and sells insurance products and services in the United States, Canada, Ireland, the United Kingdom, and internationally. It operates through four segments: Retail, National Programs, Wholesale Brokerage, and Services. The Retail segment provides property and casualty, employee benefits insurance products, personal insurance products, specialties insurance products, risk management strategies, loss control survey and analysis, consultancy, and claims processing services. It serves commercial, public and quasi-public entities, professional, and individual customers. The National Programs segment offers professional liability and related package insurance products for dentistry, legal, eyecare, insurance, financial, physicians, real estate title professionals, as well as supplementary insurance products related to weddings, events, medical facilities, and cyber liabilities. This segment also provides public entity-related and specialty programs through a network of independent agents; and program management services for insurance carrier partners. The Wholesale Brokerage segment markets and sells excess and surplus commercial and personal lines insurance through independent agents and brokers. The Services segment offers third-party claims administration and medical utilization management services in the workers' compensation and all-lines liability arenas, Medicare Set-aside, Social Security disability, Medicare benefits advocacy, and claims adjusting services. Brown & Brown, Inc. was founded in 1939 and is headquartered in Daytona Beach, Florida.
FP Partner Inc.	FP Partner Inc. provides insurance services for individuals and corporations. It offers life and non-life insurance products; and face-to-face and online consultation, product explanation, contract procedure, and after-sales services. FP Partner Inc. was founded in 2005 and is based in Tokyo, Japan.
Goosehead Insurance, Inc	Goosehead Insurance, Inc. operates as a holding company for Goosehead Financial, LLC that engages in the provision of personal lines insurance agency services in the United States. The company offers homeowner's, automotive, dwelling property, flood, wind, earthquake, excess liability or umbrella, motorcycle, recreational vehicle, general liability, property, and life insurance products and services. As of December 31, 2023, it operated 1,415 franchise locations. The company was founded in 2003 and is headquartered in Westlake, Texas.
Marsh & McLennan Companies, Inc.	Marsh & McLennan Companies, Inc., a professional services company, provides advice and solutions to clients in the areas of risk, strategy, and people worldwide. It operates through Risk and Insurance Services, and Consulting segments. The Risk and Insurance Services segment offers risk management services, such as risk advice, risk transfer, and risk control and mitigation solutions, as well as insurance and reinsurance broking, strategic advisory services, and analytics solutions, and insurance program management services. It serves businesses, public entities, insurance companies, associations, professional services organizations, and private clients. The Consulting segment provides health, wealth and career advice, solutions and products; and specialized management, strategic, economic, and brand consulting services. Marsh & McLennan Companies, Inc. was founded in 1871 and is headquartered in New York, New York.

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Listed company	Description
Ryan Specialty Holdings, Inc.	Ryan Specialty Holdings, Inc. operates as a service provider of specialty products and solutions for insurance brokers, agents, and carriers in the United States, Canada, the United Kingdom, Europe, and Singapore. It offers distribution, underwriting, product development, administration, and risk management services by acting as a wholesale broker and a managing underwriter. The company serves commercial, industrial, institutional, and government sectors. Ryan Specialty Holdings, Inc. was founded in 2010 and is headquartered in Chicago, Illinois.
The Baldwin Insurance Group, Inc.	The Baldwin Insurance Group, Inc. operates as an independent insurance distribution firm that delivers insurance and risk management solutions in the United States. It operates through three segments: Insurance Advisory Solutions; Underwriting, Capacity & Technology Solutions; and Mainstreet Insurance Solutions. The Insurance Advisory Solutions segment provides commercial risk management, employee benefits, and private risk management solutions for businesses and high-net-worth individuals, as well as their families. The Underwriting, Capacity & Technology Solutions segment offers Future platform, that manufactures technology-enabled insurance products suite comprises personal, commercial, and specialty lines; specialty wholesale broker business that delivers professionals, individuals, and niche industry businesses; and reinsurance brokerage services. The Mainstreet Insurance Solutions segment provides personal insurance, commercial insurance, and life and health solutions to individuals and businesses in communities. The company was formerly known as BRP Group, Inc. and changed its name to The Baldwin Insurance Group, Inc. in May 2024. The Baldwin Insurance Group, Inc. was founded in 2011 and is headquartered in Tampa, Florida.
Willis Towers Watson Public Limited Company	Willis Towers Watson Public Limited Company operates as an advisory, broking, and solutions company worldwide. It operates through two segments: Health, Wealth & Career and Risk & Broking. The company offers strategy and design consulting, plan management service and support, broking and administration services for health, wellbeing, and other group benefit program, including medical, dental, disability, life, voluntary benefits and other coverages; actuarial support, plan design, and administrative services for pension and retirement savings plans; retirement consulting services and solutions; and integrated solutions that consists of investment discretionary management, pension administration, core actuarial, and communication and change management assistance services. It also provides advice, data, software, and products to address clients' total rewards and talent issues; and risk advice, insurance brokerage, and consulting services in the areas of property and casualty, affinity, risk and analytics, aerospace, construction, global markets direct & facultative, financial, executive and professional risks, financial solutions, crisis management, surety, marine, and natural resources. In addition, the company offers integrated solutions that consists of investment discretionary management, pension administration, core actuarial, and communication and change management assistance services; and software and technology, risk and capital management, products and product pricing, financial and regulatory reporting, financial and capital modeling, M&A, outsourcing, and business management services. The company was formerly known as Willis Group Holdings Public Limited Company and changed its name to Willis Towers Watson Public Limited Company in January 2016. Willis Towers Watson Public Limited Company was founded in 1828 and is based in London, the United Kingdom.

Source: S&P Capital IQ.

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ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

Table 19: Potentially comparable listed company multiples for actual FY23 and forecast FY24

Listed company	Latest financial year end	Enterprise Value \$ million	Actual FY23 EBITDA \$ million	Actual FY23 EBITDA margin %	Actual FY23 EBITDA multiple	Forecast FY24 EBITDA \$ million	Forecast FY24 EBITDA margin %	Forecast FY24 EBITDA multiple
<b>PSC Insurance Group Limited</b>	<b>30/06/2023</b>	<b>n/a</b>	<b>110.6</b>	<b>38.2%</b>	<b>n/a</b>	<b>127.5<sup>33</sup></b>	<b>n/a</b>	<b>n/a</b>
<b>Australian Insurance Brokerage Companies:</b>								
AUB Group Limited	30/06/2023	5,544	219.5	26.5%	25.3	438.7	32.9%	12.6
Steadfast Group Limited	30/06/2023	10,119	463.6	31.7%	21.8	520.8	30.9%	19.4
<b>International Insurance Brokerage Companies:</b>								
Aon plc	31/12/2023	151,210	6,715.9	34.2%	22.0	7,469.4	31.8%	20.2
Arthur J. Gallagher & Co.	31/12/2023	121,235	4,625.3	33.0%	25.7	5,405.0	31.1%	22.4
Brown & Brown, Inc.	31/12/2023	54,557	2,116.1	34.3%	25.2	2,417.1	34.6%	22.6
FP Partner Inc.	30/11/2023	735	60.4	19.3%	13.4	n/a	n/a	n/a
Goosehead Insurance, Inc.	31/12/2023	2,938	71.4	18.7%	40.3	116.2	25.9%	25.3
Marsh & McLennan Companies, Inc.	31/12/2023	223,585	10,298.3	30.9%	21.3	10,266.1	28.1%	21.8
Ryan Specialty Holdings, Inc.	31/12/2023	16,429	797.3	26.8%	20.2	1,164.9	31.4%	14.1
The Baldwin Insurance Group, Inc.	31/12/2023	7,194	248.5	13.9%	28.3	480.9	23.1%	15.0
Willis Towers Watson Public Limited Company	31/12/2023	59,449	3,849.4	27.7%	15.1	3,935.8	26.4%	15.1
<b>Maximum</b>	-	<b>223,585</b>	<b>10,298.3</b>	<b>34.3%</b>	<b>40.3</b>	<b>10,266.1</b>	<b>34.6%</b>	<b>25.3</b>
<b>75th percentile</b>	-	<b>90,342</b>	<b>4,237.4</b>	<b>32.3%</b>	<b>25.5</b>	<b>5,037.7</b>	<b>31.7%</b>	<b>22.3</b>
<b>Median</b>	-	<b>16,429</b>	<b>797.3</b>	<b>27.7%</b>	<b>22.0</b>	<b>1,791.0</b>	<b>31.0%</b>	<b>19.8</b>
<b>25th percentile</b>	-	<b>6,369</b>	<b>234.0</b>	<b>22.9%</b>	<b>20.7</b>	<b>490.9</b>	<b>26.8%</b>	<b>15.0</b>
<b>Minimum</b>	-	<b>735</b>	<b>60.4</b>	<b>13.9%</b>	<b>13.4</b>	<b>116.2</b>	<b>23.1%</b>	<b>12.6</b>
<b>Average</b>	-	<b>59,363</b>	<b>2,678.7</b>	<b>27.0%</b>	<b>23.5</b>	<b>3,221.5</b>	<b>29.6%</b>	<b>18.9</b>

Source: S&P Capital IQ, Table 9 and FTI Consulting analysis.

Note that we have assumed a 30% control premium in calculating Enterprise Value. The FY23 EBITDA and FY23 EBITDA margins are based on the actual FY23 financial year, and the FY24 EBITDA and FY24 EBITDA margins are based on the forecast FY24 financial year. The EBITDA multiples and EBITDA margins for the listed companies were also calculated using trading currency based financial information. The Enterprise Value of PSC, and the dependent FY23 and FY24 EBITDA multiples, are not shown because the purpose of our analysis is to assess the fair value of a PSC share on a controlling interest basis, which would be an input into these metrics.

<sup>33</sup> The midpoint of the FY24 EBITDA. Guidance of between \$125.0 million and \$130.0 million



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Table 20: Potentially comparable listed company year-on-year revenue growth

Listed company	Latest financial year end	Revenue growth % Actual FY20	Revenue growth % Actual FY21	Revenue growth % Actual FY22	Revenue growth % Actual FY23	Revenue growth % Forecast FY24
<b>PSC Insurance Group Limited</b>	<b>30/06/2023</b>	<b>52.5%</b>	<b>17.4%</b>	<b>23.3%</b>	<b>15.3%</b>	<b>n/a</b>
<b>Australian Insurance Brokerage Companies:</b>						
AUB Group Limited	30/06/2023	9.2%	4.9%	5.9%	122.1%	61.0%
Steadfast Group Limited	30/06/2023	18.5%	10.2%	23.5%	25.5%	15.0%
<b>International Insurance Brokerage Companies:</b>						
Aon plc	31/12/2023	0.5%	10.2%	2.3%	7.2%	17.3%
Arthur J. Gallagher & Co.	31/12/2023	(1.6%)	17.6%	3.7%	15.6%	21.1%
Brown & Brown, Inc.	31/12/2023	9.4%	16.8%	16.9%	17.9%	10.8%
FP Partner Inc.	30/11/2023	n/a	20.9%	22.4%	19.3%	17.8%
Goosehead Insurance, Inc.	31/12/2023	51.2%	29.2%	38.5%	24.9%	15.1%
Marsh & McLennan Companies, Inc.	31/12/2023	3.4%	15.1%	4.5%	9.7%	7.2%
Ryan Specialty Holdings, Inc.	31/12/2023	34.0%	40.9%	19.5%	18.4%	22.1%
The Baldwin Insurance Group, Inc.	31/12/2023	74.8%	135.5%	72.9%	24.3%	13.8%
Willis Towers Watson Public Limited Company	31/12/2023	2.9%	4.4%	(1.5%)	7.0%	5.1%
<b>Maximum</b>	<b>-</b>	<b>74.8%</b>	<b>135.5%</b>	<b>72.9%</b>	<b>122.1%</b>	<b>61.0%</b>
<b>75th percentile</b>	<b>-</b>	<b>30.1%</b>	<b>25.1%</b>	<b>23.0%</b>	<b>24.6%</b>	<b>19.5%</b>
<b>Median</b>	<b>-</b>	<b>9.3%</b>	<b>16.8%</b>	<b>16.9%</b>	<b>18.4%</b>	<b>15.1%</b>
<b>25th percentile</b>	<b>-</b>	<b>3.1%</b>	<b>10.2%</b>	<b>4.1%</b>	<b>12.7%</b>	<b>12.3%</b>
<b>Minimum</b>	<b>-</b>	<b>(1.6%)</b>	<b>4.4%</b>	<b>(1.5%)</b>	<b>7.0%</b>	<b>5.1%</b>
<b>Average</b>	<b>-</b>	<b>20.2%</b>	<b>27.8%</b>	<b>19.0%</b>	<b>26.5%</b>	<b>18.8%</b>

Source: S&P Capital IQ, Table 9 and FTI Consulting analysis.

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Table 21: Potentially comparable listed company year-on-year EBITDA growth

Listed company	Latest financial year end	EBITDA growth % FY20	EBITDA growth % FY21	EBITDA growth % FY22	EBITDA growth % FY23	EBITDA growth % FY24
<b>PSC Insurance Group Limited</b>	<b>30/06/2023</b>	<b>47.1%</b>	<b>32.4%</b>	<b>30.3%</b>	<b>18.8%</b>	<b>15.2%</b>
<b>Australian Insurance Brokerage Companies:</b>						
AUB Group Limited	30/06/2023	38.4%	12.5%	(2.4%)	100.7%	99.9%
Steadfast Group Limited	30/06/2023	27.2%	15.0%	21.6%	27.9%	12.3%
<b>International Insurance Brokerage Companies:</b>						
Aon plc	31/12/2023	13.5%	(20.8%)	47.3%	12.2%	8.9%
Arthur J. Gallagher & Co.	31/12/2023	31.2%	22.4%	34.0%	14.4%	14.4%
Brown & Brown, Inc.	31/12/2023	14.7%	23.4%	14.7%	17.9%	11.8%
FP Partner Inc.	30/11/2023	n/a	n/a	n/a	46.9%	n/a
Goosehead Insurance, Inc	31/12/2023	57.8%	(28.3%)	31.1%	113.1%	59.2%
Marsh & McLennan Companies, Inc.	31/12/2023	11.8%	31.0%	2.5%	14.1%	(2.4%)
Ryan Specialty Holdings, Inc.	31/12/2023	73.9%	32.4%	17.8%	20.5%	43.0%
The Baldwin Insurance Group, Inc.	31/12/2023	14.9%	332.2%	38.0%	51.5%	89.4%
Willis Towers Watson Public Limited Company	31/12/2023	3.8%	11.3%	(1.9%)	1.6%	0.1%
<b>Maximum</b>	-	<b>73.9%</b>	<b>332.2%</b>	<b>47.3%</b>	<b>113.1%</b>	<b>99.9%</b>
<b>75th percentile</b>	-	<b>36.6%</b>	<b>29.1%</b>	<b>33.3%</b>	<b>49.2%</b>	<b>55.2%</b>
<b>Median</b>	-	<b>21.1%</b>	<b>18.7%</b>	<b>19.7%</b>	<b>20.5%</b>	<b>13.4%</b>
<b>25th percentile</b>	-	<b>13.8%</b>	<b>11.6%</b>	<b>5.6%</b>	<b>14.2%</b>	<b>9.6%</b>
<b>Minimum</b>	-	<b>3.8%</b>	<b>(28.3%)</b>	<b>(2.4%)</b>	<b>1.6%</b>	<b>(2.4%)</b>
<b>Average</b>	-	<b>28.7%</b>	<b>43.1%</b>	<b>20.3%</b>	<b>38.3%</b>	<b>33.7%</b>

Source: S&P Capital IQ, Table 9 and FTI Consulting analysis. Note that the EBITDA growth % for FY24 is based on the midpoint of the FY24 EBITDA Guidance of \$125.0 million to \$130.0 million

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## APPENDIX E: POTENTIALLY COMPARABLE TRANSACTIONS

Table 22: Potentially comparable transaction descriptions

Target company	Description
<p><b>Initial public offerings:</b></p> <p>Ryan Specialty Holdings, Inc. (NYSE:RYAN)</p>	<p>Ryan Specialty Holdings, Inc. operates as a service provider of specialty products and solutions for insurance brokers, agents, and carriers in the United States, Canada, the United Kingdom, Europe, and Singapore. It offers distribution, underwriting, product development, administration, and risk management services by acting as a wholesale broker and a managing underwriter. The company serves commercial, industrial, institutional, and government sectors. Ryan Specialty Holdings, Inc. was founded in 2010 and is headquartered in Chicago, Illinois.</p>
<p><b>Recent PSC Insurance Group Limited transactions:</b></p> <p>Ensurance Limited</p>	<p>Ensurance Limited provides customized insurance solutions in Australia and the United Kingdom. The company offers solutions for construction, liability product, and terrorism and sabotage. The company is based in Bondi Junction, Australia. As of November 17, 2023, Ensurance Limited operates as a subsidiary of PSC Insurance Group Limited.</p>
<p><b>Other transactions:</b></p> <p>AA Limited</p>	<p>AA Limited provides breakdown cover for its consumer members in the United Kingdom. It also offers roadside assistance cover to manufacturers, roadside programs, banks, leasing and rental companies, and SMEs; and motor, home, and other insurance. In addition, the company provides education for learner drivers; driver education, training, and compliance for individuals, companies, and organizations; service, maintenance, and repair services to B2B customers; and insurance broking serving personal members and non-members. Further, it operates a platform to sell used car and vans; and sells financial products. The company was founded in 1905 and is based in Basingstoke, United Kingdom.</p>
<p>Alleghany Corporation</p>	<p>Alleghany Corporation provides property and casualty reinsurance and insurance products in the United States and internationally. It operates in three segments: Reinsurance, Insurance, and Alleghany Capital. The Reinsurance segment offers fire, allied lines, auto physical damage, and homeowners multiple peril reinsurance products; and casualty and other reinsurance products, such as medical malpractice, ocean marine and aviation, accident and health, mortgage, surety, and credit reinsurance products, as well as directors' and officers', errors and omissions, general, and auto liability reinsurance. This segment distributes its products and services through brokers; as well as directly to insurance and reinsurance companies. The Insurance segment underwrites specialty insurance coverages in the property, umbrella/excess, general, directors' and officers', and professional liability lines; surety products comprising commercial and contract surety bonds; and workers' compensation insurance products. This segment distributes its products through independent wholesale insurance brokers, and retail and general insurance agents. The Alleghany Capital segment provides precision automated machine tool solutions; manufactures custom trailers and truck bodies for the moving and storage industry, and other markets; design, engineering, procurement, construction management, and validation services for pharmaceutical and biotechnology industries; products and services for the funeral and cemetery industries, and precast concrete markets; and hotel management and development services, as well as operates as a toy and musical instrument company, and structural steel fabricator and erector. It also owns and manages improved and unimproved commercial land, and residential lots. As of December 31, 2021, it owned approximately 77 acres of property. It was founded in 1929 and is based in New York. Alleghany Corporation operates as a subsidiary of Berkshire Hathaway Inc.</p>

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**Target company**

**Description**

American National Group Inc.

American National Group Inc., through its subsidiaries, provides life insurance products in the United States. The company issues fixed index and rate annuities, as well as single premium immediate annuities. It markets its products through independent agents, including independent marketing organizations, broker/dealers, banks, and registered investment advisors. The company was formerly known as American Equity Investment Life Holding Company and changed its name to American National Group Inc. in May 2024. American National Group Inc. was incorporated in 1995 and is based in West Des Moines, Iowa.

American National Group, Inc.

American National Group, Inc., together with its subsidiaries, provides life insurance, annuities, property and casualty insurance, health insurance, credit insurance, and pension products in the United States, the District of Columbia, and Puerto Rico. The company offers life insurance, annuities, business insurance, health insurance, auto insurance, homeowners' insurance, renters insurance, collector car insurance, recreational vehicles, farm and ranch insurance, specialty products, pension risk transfers. It distributes its products through career, multiple-line, and independent agents, as well as direct marketing channels; brokers and financial institutions; managing general underwriters; and multiple-line and managing general agents. American National Group, Inc. was formerly known as American National Insurance Company and changed its name to American National Group, Inc. in July 2020. The company was incorporated in 1905 and is headquartered in Galveston, Texas. American National Group, Inc. operates as a subsidiary of Bamr Us Holdings LLC.

April SA

April SA, together with its subsidiaries, designs, manages, and distributes insurance solutions and assistance services for individuals, professionals, and businesses. The company offers various health and personal protection insurance solutions for various professional sectors, such as consultants, brokers, chartered accountants, wholesalers, the fast food trade, butchers, hair salons, hotels-cafes-restaurants, real estate professionals, pharmacists, freight and passenger transportation companies, medical transportation companies, cafeterias, and the motor industries. It also provides insurance products for chronic illness, medical monitoring, accidents, etc.; loan insurance; property and casualty insurance, such as motor insurance, liability insurance, sailing financing and insurance, two-wheeler, and real estate protection insurance; and mobility and legal protection insurance products. It sells its products through a network of agencies and call centers. The company was founded in 1988 and is headquartered in Lyon, France.

Argo Group International Holdings, Inc.

Argo Group International Holdings, Inc. underwrites specialty insurance and reinsurance products in the property and casualty markets. The company operates in two segments, U.S. Operations and International Operations. It offers primary and excess specialty casualty, general liability, commercial multi-peril, and workers compensation, as well as product, environmental, and auto liability insurance products; management liability, transaction liability, and errors and omissions liability insurance; primary and excess property, inland marine, and auto physical damage insurance; and surety, animal mortality, and ocean marine insurance products. The company also provides directors and officers liability, errors and omissions liability, and employment practices liability insurance; international casualty and motor treaties insurance; professional indemnity and medical malpractice insurance; direct and facultative excess insurance, North American and international binders, and residential collateral protection for lending institutions; and personal accident, aviation, cargo, yachts, and onshore and offshore marine insurance products. It markets its products through wholesale and retail agents, managing general agents, brokers, and third-party intermediaries. The company was founded in 1948 and is based in New York, New York. Argo Group International Holdings, Inc. operates as a subsidiary of BNRE Triangle Acquisition Inc.

Assiteca S.p.A.

Assiteca S.p.A. provides insurance consultancy and broking services in Italy. The company offers disaster recovery, renewable energy, directors and officers liability, health, logistics, transport, cargo, and credit insurance products; and property damage, business interruption, theft, robbery, and general/employer's liability insurance, as well as transport policies for small and medium-sized companies in the food industry. It also provides technical analysis of corporate risks. The company was incorporated in 1982 and is based in Milan, Italy. As of May 31, 2022, Assiteca S.p.A. operates as a subsidiary of Howden Broking Group Limited.

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Target company	Description
Blue Lantern Health, LLC	Blue Lantern Health, LLC, a health insurance technology company, develops and operates Medicare and private health insurance marketplaces, agent technology systems, and insurance policy administration platforms. It operates healthinsurance.com, which helps customers to learn, shop, and purchase Medicare Advantage and private health insurance plans. The company also offers a suite of technology products that allow business partners to enroll their customers into a range of products; and Agile Admin, an insurance sales management platform for licensed insurance agents. It serves consumers, insurance carriers, agents and brokers, and strategic partners. The company was formerly known as Benefytt Technologies, Inc. and changed its name to Blue Lantern Health, LLC in September 2023. Blue Lantern Health, LLC was founded in 2008 and is based in Tampa, Florida.
Coaction Global, Inc.	Coaction Global, Inc. offers property and casualty insurance products and services. It provides entrepreneurial specialty insurance; underwrites insurance coverages in the lines of commercial auto, general liability, workers' compensation, and commercial multiple perils; and offers claims handling services. It serves casualty and construction, manufacturing, hospitality and leisure, sales and services, retail and wholesale, consumer service, marine and energy, media and entertainment, professional service, real estate, sports, executive liability, oil and gas, and transportation industries. The company was formerly known as ProSight Global, Inc. and changed its name to Coaction Global, Inc. in April 2022. Coaction Global, Inc. was founded in 2009 and is based in Morristown, New Jersey with additional offices in Glendale, California and New York, New York.
F&G Annuities & Life, Inc. (NYSE:FG)	F&G Annuities & Life, Inc. provides fixed annuities and life insurance products in the United States. The company portfolio includes fixed indexed annuities, multi-year guarantee annuities, and pension risk transfer solution, as well as indexed universal life insurance, institutional funding agreements, and index-linked annuities. It serves retail annuity and life customers, as well as institutional clients. The company was founded in 1959 and is headquartered in Des Moines, Iowa. F&G Annuities & Life, Inc. is a subsidiary of Fidelity National Financial, Inc.
GAINSCO, Inc.	GAINSCO, Inc. operates as a property and casualty insurance holding company. The company offers non-standard personal auto products, including coverage for third party liability, bodily injury, and physical damage, as well as collision and coverage for theft, physical damage, and other perils for an insured's vehicle. It is also involved in automotive sales and service, auto racing, and investment activities. The company offers its automobile insurance products under the GAINSCO Auto Insurance brand through independent partner agents and Website comparison shopping places. GAINSCO, Inc. was founded in 1978 and is based in Dallas, Texas. As of December 31, 2020, GAINSCO, Inc. operates as a subsidiary of State Farm Mutual Automobile Insurance Company.
Generel S.p.A.	Generel S.p.A. provides non-life insurance to the retail customers in Italy. It offers medical expense; motor vehicle; other car; marine, aviation and transport; fire and other property damage; general liability; credit insurance and surety; and other insurance products. Generel S.p.A. was formerly known as Società Cattolica di Assicurazione S.p.A. and changed its name to Generel S.p.A. in July 2023. The company was founded in 1896 and is based in Trieste, Italy. Generel S.p.A. operates as a subsidiary of Assicurazioni Generali S.p.A.
Hastings Group Holdings Limited	Hastings Group Holdings Limited, together with its subsidiaries, underwrites general insurance products in the United Kingdom. The company is involved in the underwriting and brokerage of private car, van, bike, and home insurance under various brands, including Hastings Direct, Hastings PREMIER, Hastings ESSENTIAL, Hastings Direct YouDrive, InsurePink, and People's Choice. It also operates as a digital insurance provider. Hastings Group Holdings Limited was formerly known as Hastings Group Holdings plc and changed its name to Hastings Group Holdings Limited in December 2020. The company was founded in 1996 and is based in Bexhill-on-Sea, United Kingdom with additional sites in Leicester, Gibraltar, and London. Hastings Group Holdings Limited operates as a subsidiary of Hastings Group (Consolidated) Limited.





Target company	Description
ICPEI Holdings Inc.	<p>ICPEI Holdings Inc., through its subsidiaries, offers property and casualty insurance products and services in Canada. It operates in Personal Lines and Commercial Lines segments. The company offers Personal Lines segment underwrites automobile and personal property insurance. The Commercial Lines segment designs and underwrites commercial property, automobile, and liability insurance. It distributes its insurance products through a network brokers. The company was formerly known as EFH Holdings Inc. and changed its name to ICPEI Holdings Inc. in July 2021. ICPEI Holdings Inc. was founded in 1987 and is based in Mississauga, Canada. As of May 31, 2024, ICPEI Holdings Inc. operates as a subsidiary of Desjardins Groupe d'assurances Générales Inc.</p> <p>Midwest Holding Inc., a financial services company, engages in life and annuity insurance business in the United States. The company offers multi-year guaranteed and fixed indexed annuity products through independent distributors comprising independent marketing organizations. It also provides asset management services to third-party insurers and reinsurers; and product development, distribution support, policy administration, and asset/liability management services. Midwest Holding Inc. was incorporated in 2003 and is based in Lincoln, Nebraska. As of December 31, 2023, Midwest Holding Inc. was taken private.</p> <p>National General Holdings Corp., a specialty personal lines insurance holding company, provides various insurance products and services in the United States and internationally. The company's Property and Casualty segment offers standard, preferred, and nonstandard automobile insurance products; recreational vehicle (RV) insurance that carry RV-specific endorsements comprising automatic personal effects coverage, optional replacement cost coverage, RV storage coverage, and full-time liability coverage; and homeowners insurance products consisting of property and liability coverages for one- and two-family, and owner-occupied residences; and additional personal umbrella coverage to the homeowners. It also provides small business automobile insurance products, which covers liability and physical damage for light-to-medium duty commercial vehicles; motorcycle insurance products for various types of motorcycles, golf carts, and all-terrain vehicles; and lender-placed insurance products, including fire, home, and flood products, as well as collateral protection insurance and guaranteed asset protection products for automobiles. It sells its products through retail store fronts, web/mobile, phone contact centers, and kiosks; and agents and affinity partners. The company's Accident and Health segment provides accident and non-major medical health insurance products, such as accident/AD&amp;D coverage in the event of bodily injury or death; hospital indemnity; short-term medical plans; cancer/critical illness policies; stop loss programs; medicare supplement insurance policies; basic dental coverage; and life insurance for individuals. It sells its products through agents, managing general underwriters, employers, internet, and directly. The company was formerly known as American Capital Acquisition Corporation. The company was founded in 1939 and is headquartered in New York, New York. National General Holdings Corp. operates as a subsidiary of Allstate Insurance Holdings, LLC.</p>
Net Insurance S.p.A.	<p>Net Insurance S.p.A. provides non-life insurance to individuals and families, as well as small and medium-sized businesses in Italy. It offers medical expenses, income protection, fire and other damage to property, general liability, credit and suretyship, legal protection, assistance, and various financial losses insurance. The company was founded in 2000 and is based in Rome, Italy. Net Insurance S.p.A. operates as a subsidiary of Net Holding S.P.A.</p>



Target company	Description
Protective Insurance Corporation	<p>Protective Insurance Corporation, through its subsidiaries, engages in marketing and underwriting of property and casualty insurance products. It offers commercial automobile insurance products, such as commercial motor vehicle liability, physical damage, and general liability insurance; workers' compensation insurance; medical and indemnity insurance products; non-trucking motor vehicle liability insurance; fidelity and surety bonds; and inland marine insurance products consisting of cargo insurance, as well as workers' compensation insurance for the commercial automobile industry. The company also provides various additional services, such as risk surveys and analyses, safety program design and monitoring, government compliance assistance, loss control, and cost studies; research, development, and consultation in connection with new insurance programs that comprise the development of systems to assist customers in monitoring their accident data; and claims handling services to clients with self-insurance programs. It primarily operates in the United States, Puerto Rico, Canada, and Bermuda.</p> <p>Protective Insurance Corporation was formerly known as Baldwin &amp; Lyons, Inc. and changed its name to Protective Insurance Corporation in August 2018. The company was incorporated in 1930 and is headquartered in Carmel, Indiana. Protective Insurance Corporation operates as a subsidiary of Progressive Commercial Holdings, Inc.</p>
RSA Insurance Group Limited	<p>RSA Insurance Group Limited, together with its subsidiaries, provides non-life insurance and reinsurance to individuals, small businesses, and corporate clients in the United Kingdom, Canada, the United States, France, Spain, Ireland, Europe, and internationally. It offers income protection, motor vehicle liability, other motor vehicle, fire and other damage to property, general liability, legal expenses, and various financial losses insurance, as well as marine, aviation, and transport insurance; and property reinsurance. It sells its insurance products through its partners and brokers, and direct to consumer channels. The company was founded in 1706 and is based in London, United Kingdom. RSA Insurance Group Limited operates as a subsidiary of 2283485 Alberta Ltd.</p>
The National Security Group, Inc.	<p>The National Security Group, Inc. offers a diversified line of insurance products and services. It offers life, health and accident, and property and casualty insurance products; and annuities. The company was founded in 1947 and is based in Elba, Alabama. The National Security Group, Inc. operates as a subsidiary of VR Insurance Holdings, Inc.</p>
TM hf.	<p>As of March 30, 2021, TM hf. was acquired by Kvika banki hf., a specialized bank, provides asset management and investment products and services in Iceland and the United Kingdom. Its products and services include fund management services; finances to enterprises; loans to institutional investors; financing solutions, including project financing, portfolio financing, bridge lending, mezzanine lending, and wholesale funding for fintech solution providers; securities brokerage and foreign exchange market services; and advisory services related to investments and financing with a focus on corporate acquisitions and divestments, and initial public offerings. The company's products and services also include investment banking services with a focus on acquisitions, divestments and mergers, financing and financial restructuring, and listings and delisting of equities and bonds; services to listed companies, and companies seeking to list on a regulated stock exchange; private banking and deposit products and services to high-net worth individuals, businesses, and market participants. It also provides property and casualty, marine, and life and health insurance products and services primarily in Iceland; asset leasing products and services by financing commercial equipment, real estate, and vehicles for companies and individuals; and operational lease services. The company was founded in 1956 and is headquartered in Reykjavik, Iceland.</p>
Treat Insurance Group, Inc.	<p>Treat Insurance Group, Inc. underwrites specialty casualty insurance products in the United States. The company underwrites business, predominantly workers' compensation, accident and health, and medical professional liability products. It also offers various services, including issuing carrier, claims administration, and reinsurance brokerage services. The company offers its products through program partners and managing general agents. Treat Insurance Group, Inc. was founded in 1996 and is headquartered in Wayzata, Minnesota. As of April 21, 2023, Treat Insurance Group, Inc. was taken private.</p>

Source: S&P Capital IQ.

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Table 23: Potentially comparable transaction multiples

Target company	Transaction date	Percent Sought %	Implied Equity Value \$ million	LTM EBITDA \$ million	LTM EBITDA margin %
<b>Initial public offerings:</b>					
Ryan Specialty Holdings, Inc. (NYSE:RYAN)	07/21/2021	N/A	3,515.9	519.6	30.2%
<b>Recent PSC Insurance Group Limited transactions:</b>					
Ensurance Limited	11/17/2023	100.0%	25.2	0.275	7.9%
<b>Other transactions:</b>					
AA Limited	03/09/2021	100.0%	397.0	385.1	15.4%
Alleghany Corporation	10/19/2022	100.0%	15,386.7	1,364.7	8.0%
American National Group Inc.	05/02/2024	79.6%	6,491.8	980.7	20.3%
American National Group, Inc.	05/25/2022	100.0%	6,959.5	963.2	10.3%
April SA	06/13/2019	64.9%	1,428.4	149.4	9.1%
Argo Group International Holdings, Inc.	11/16/2023	100.0%	1,542.1	5.7	0.2%
Assitica S.p.A.	05/31/2022	87.0%	367.6	23.0	16.4%
Blue Lantern Health, LLC	08/21/2020	100.0%	602.2	46.4	8.9%
Coaction Global, Inc.	08/04/2021	100.0%	759.1	140.7	12.8%
F&G Annuities & Life, Inc. (NYSE:FG)	06/01/2020	92.1%	4,175.6	702.3	8.8%
GAINSCO, Inc.	12/31/2020	100.0%	548.0	65.4	10.6%
Hastings Group Holdings Limited	10/29/2021	69.3%	2,083.3	373.9	4.1%
ICPEI Holdings Inc.	11/16/2020	70.3%	3,008.3	206.4	15.1%
Midwest Holding Inc.	02/28/2023	66.9%	65.6	9.9	12.1%
National General Holdings Corp.	12/21/2023	100.0%	152.3	26.5	18.2%
Net Insurance S.p.A.	01/04/2021	100.0%	5,667.8	1,004.7	14.0%
Protective Insurance Corporation	04/06/2023	67.4%	257.2	22.1	17.6%
RSA Insurance Group Limited	06/01/2021	100.0%	434.9	72.5	10.6%
The National Security Group, Inc.	06/01/2021	100.0%	12,774.1	160.7	2.7%
TM hf.	06/30/2022	100.0%	57.7	2.7	3.0%
Trean Insurance Group, Inc.	03/30/2021	100.0%	350.3	58.6	25.9%
	04/21/2023	53.1%	484.4	18.4	4.1%

Source: S&P Capital IQ

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## APPENDIX F: TAKEOVER PREMIUM STUDY

Consistent with the requirements of RG 111, we have assumed a 100% ownership interest in valuing PSC and a control premium of 30% when calculating the implied EBITDA multiples from the share prices of the potentially comparable listed companies.

A control premium is an amount or percentage added to the share price of a listed company to reflect some or all of the control held by the investor in a specific equity interest of a listed company. A controlling equity interest in a listed company has the ability to select directors, officers and management that directly control the operations of a listed company and can also direct the distribution of cash or other property, buy or sell assets, obtain or restructure debt. Each of these actions can impact the value of a controlling equity interest and the ultimate return received by all shareholders. It is generally accepted that the value of an investment in shares that gives an investor a controlling position in a listed company will include a premium for control reflecting the incremental value of this control.

The control premiums paid in transactions involving listed companies generally range between 20% and 40%, but can vary over time and be influenced by other industry and macroeconomic factors. As a result a valuation expert should not mechanically apply the control premiums observed in an academic study to the share price of a potentially comparable listed company without considering the facts and circumstances of the transaction being considered. Therefore, we have prepared the following a takeover premium study reviewing the control premiums paid by the acquirers of listed companies involved in insurance across Australia, America, Canada and Europe between 1 June 2019 and 30 June 2024.

Table 24: Results of the takeover premium study

Transaction date	Target	Implied 100% equity value \$ million	Control premium percentage # before announcement		
			1 day	1 week	1 month
19-Oct-22	Alleghany Corporation	15,386.72	25.3	30.4	23.3
01-Jan-22	Athene Holding Ltd.	14,425.87	16.5	21.8	28.1
01-Jun-21	RSA Insurance Group Limited	12,774.11	49.0	61.4	48.6
25-May-22	American National Group Inc.	6,959.49	10.0	15.7	22.8
02-May-24	American National Group Inc.	6,491.81	18.9	28.7	33.8
04-Jan-21	National General Holdings Corp.	5,667.76	65.1	59.7	54.5
01-Jun-20	F&G Annuities & Life, Inc.	4,175.63	3.1	29.8	25.1
16-Nov-20	Hastings Group Holdings Limited	3,008.26	47.1	46.0	27.9
7-May-24 <sup>34</sup>	<b>PSC Insurance Group Limited</b>	<b>2,255.66<sup>35</sup></b>	<b>12.0</b>	<b>15.7</b>	<b>16.2</b>
12-Mar-24 <sup>36</sup>	<b>PSC Insurance Group Limited</b>	<b>2,255.66<sup>37</sup></b>	<b>27.6</b>	<b>25.3</b>	<b>29.8</b>
29-Oct-21	Genertel S.p.A.	2,083.25	11.5	35.8	36.8
16-Nov-23	Argo Group International Holdings, Inc.	1,542.07	6.7	8.1	11.9
13-Jun-19	April SA	1,428.37	24.9	37.1	35.0
04-Aug-21	Coaction Global, Inc.	759.08	(9.4)	(0.4)	(2.8)
28-Jul-22	Metromile, Inc.	693.43	18.8	12.3	14.7
21-Aug-20	Blue Lantern Health, LLC	602.21	38.6	56.8	70.1
31-Dec-20	GAINSCO, Inc.	548.00	223.0	215.8	182.6
21-Jan-20	Charles Taylor Limited	516.19	51.1	56.4	56.8
21-Apr-23	Trean Insurance Group, Inc.	484.39	97.1	107.1	165.1
01-Jun-21	Protective Insurance Corporation	434.89	55.2	55.5	63.3
09-Mar-21	AA Limited	397.02	10.1	2.9	47.1
31-May-22	Assiteca S.p.A.	367.58	43.5	56.2	103.8
30-Mar-21	TM hf.	350.25	(2.2)	(1.2)	13.8
06-Apr-23	Net Insurance S.p.A.	257.15	18.8	26.7	30.1
21-Dec-23	Midwest Holding Inc.	152.35	97.4	105.0	70.9
28-Feb-23	ICPEI Holdings Inc.	65.64	90.5	77.8	77.8
30-Jun-22	The National Security Group, Inc.	57.73	77.2	81.7	67.7

<sup>34</sup> The day before the announcement of the Scheme on 8 May 2024

<sup>35</sup> 364,404,674 PSC shares outstanding x Cash Consideration of \$6.19 per PSC share

<sup>36</sup> The day before PSC confirmed that it was in discussions regarding a potential takeover on 13 March 2024

<sup>37</sup> 364,404,674 PSC shares outstanding x Cash Consideration of \$6.19 per PSC share

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Transaction date	Target	Implied 100% equity value \$ million	Control premium percentage # before announcement		
			1 day	1 week	1 month
17-Nov-23	Ensurance Limited	25.20	39.8	43.3	39.8
<b>Implied 100% equity value less than \$1.0 billion</b>					
Maximum		759.08	223.0	215.8	182.6
75th percentile		532.10	83.9	79.7	74.3
Median		397.02	43.5	56.2	63.3
25th percentile		204.75	18.8	19.5	35.0
Minimum		25.20	(9.4)	(1.2)	(2.8)
Average		380.74	56.6	59.7	66.7
<b>Implied 100% equity value more than \$1.0 billion</b>					
Maximum		15,386.72	65.1	61.4	54.5
75th percentile		9,866.80	36.2	41.6	35.9
Median		5,667.76	18.9	30.4	28.1
25th percentile		2,545.76	10.7	25.3	24.2
Minimum		1,428.37	3.1	8.1	11.9
Average		6,722.12	25.3	34.0	31.6

Source: S&P Capital IQ and FTI Consulting analysis. Note that the maximum, 75th percentile, median, 25th percentile, minimum and average metrics exclude PSC which has been shown for illustrative purposes.

Table 24 summarises that the control premiums paid for these listed companies varies significantly between transactions but generally range between 20% and 40% for listed companies with an implied 100% equity value of more than \$1.0 billion.

In our view, the implied control premiums paid for listed companies within an implied 100% equity value of less than \$1.0 billion include a number of small-to-medium enterprises that are of limited relevance to the assessment of an appropriate control premium to value PSC.

Therefore, in our opinion, selecting a control premium of 30% when calculating the implied EBITDA multiples from the share prices of the potentially comparable listed companies is not unreasonable.

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## APPENDIX G: EQUITY ACCOUNTED INVESTMENTS

Interests held in associated companies are summarised in the table below.

Table 25: Summary of associates and joint ventures

Entity	Principal place of business	Ownership interest	Acquisition date
<b>Associates</b>			
Bay Building Group Pty Ltd	Australia	40.00%	31-Dec-22
BCS Broking Pty Ltd	Australia	50.00%	19-May-17
Eldin Risk Partners Limited	United Kingdom	40.00%	23-Dec-22
<b>Reliance Partners entities</b>			
RP-Baulkham Hills Pty Ltd	Australia	50.00%	15-Jan-16
RP-Bundoora Pty Ltd	Australia	50.00%	15-Jan-16
RP-Carlton Pty Ltd	Australia	50.00%	15-Jan-16
RP-Doncaster Pty Ltd	Australia	50.00%	15-Jan-16
RP-Exchange Insurance Pty Ltd	Australia	50.00%	27-Mar-20
RP Intergrum Pty Ltd	Australia	50.00%	15-Jan-16
RP-My Insurance Kit Pty Ltd	Australia	50.00%	27-Mar-20
RP-Melbourne Pty Ltd	Australia	50.00%	15-Oct-18
RP Professional Risk Pty Ltd	Australia	50.00%	5-Aug-19
RP-Quayside Pty Ltd	Australia	50.00%	15-Jan-16
RP Randwick Pty Ltd	Australia	50.00%	15-Jan-16
RP-Tullamarine Pty Ltd	Australia	50.00%	15-Jan-16

Source: Management

## APPENDIX H: VALUATION OF LOAN FUNDED SHARES

Our valuation of Loan Funded Shares using the Black-Scholes option pricing model is summarised below.

Table 26: Summary of valuation of Loan Funded Shares

Issue year	# of Loan Funded Shares <sup>38</sup>	Fair value of Loan Funded Shares \$ million			Average per share \$
		Low	High	Mid	
FY16	1,000,000	3.9	3.9	3.9	3.89
FY17	-	-	-	-	-
FY18	-	-	-	-	-
FY19	1,123,966	2.2	2.2	2.2	1.94
FY20	402,657	0.8	0.8	0.8	1.97
FY21	4,164,622	7.9	7.9	7.9	1.90
FY22	8,294,957	10.1	10.8	10.5	1.26
FY23	998,171	1.0	1.1	1.1	1.09
FY24	3,406,700	4.1	4.7	4.4	1.29
<b>Total</b>	<b>19,391,073</b>	<b>30.0</b>	<b>31.4</b>	<b>30.7</b>	<b>1.58</b>

Source: FTI Consulting analysis

### Overview

The Loan Funded Shares were issued to certain executives and management personnel under PSC's Long Term Incentive Plan. The recipients of Loan Funded Shares are offered to buy PSC shares at a pre-determined price set at an issue date. To fund the purchase of the shares, recipients are issued with interest-free loans that become payable at maturity, with recourse limited to the value of the underlying PSC shares. If the share price at maturity is below the loan value per share, the recipient can repay the loan in the way of surrendering or transferring the Loan Funded Shares to PSC. Holders of Loan Funder Shares have voting rights and are entitled to dividends. As such, the payout of the Loan Funded Shares is materially equivalent to the payout of a European call option, where the holder of an option benefits from appreciation of the share price above the issue price (loan value) while the downside is limited to zero (the holder can surrender shares if the share price is lower than the loan value).

Table 27 summarises the key inputs adopted in our valuation of the Loan Funded Shares.

Table 27: Loan Funded Shares terms and valuation assumptions

Parameter	Value	Commentary
Exercise price	\$1.00 to \$4.80	Loan value per Loan Funded Share (equivalent to issue price).
Current price of the underlying asset	\$4.85	PSC's close share price on 12 March 2024, the last trading day prior to takeover speculations.
Dividend yield	0%	Holders of Loan Funded Shares receive cash dividends during the vesting period, as specified in PSC's Long Term Incentive Plan and Invitation Letters. Since the holders benefit from dividends, the calculated value of Loan Funded Shares should not be reduced for the value of dividends. Therefore, we set the dividend yield assumption to zero.
Volatility of the returns of the underlying asset	25% to 30%	Based on the observed historical volatility of PSC share price (total return). We have placed limited reliance on observed 4-year and 5-

<sup>38</sup> This reported number of Loan Funded Shares does not include those that were forfeited after the Valuation Date or are expected to be forfeited as at the date of this IER based on our correspondence with Management.

## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

PSC Insurance Group Limited  
Independent Expert's Report and Financial Services Guide



Time to expiry	0.25 years to 5.17 years	year volatility, as these periods might have been impacted by COVID-19. Our analysis is set out in Table 28 below.
Risk free rates	4.08% to 4.17%	Measured from the Valuation Date to the loan maturity date.
Performance hurdles	Nil	Continuously compounded yield of Australian Government Bonds as at Valuation Date. Maturity matched to the time to expiry of the Loan Funded Shares, where possible.
Vesting conditions	Time based	n/a The holder must remain an employee of PSC for a period from the acquisition date until the vesting date. The vesting date coincides with the loan maturity date, except for 2.1 million Loan Funded Shares that vested before the Valuation Date and were granted an extension of the loan for an additional term.

Source: PSC Insurance Group Limited Long Term Incentive Plan dated 4 November 2015, Invitation Letters and Loan Agreements for specified employees, S&P Capital IQ, FTI Consulting analysis

The observed historical volatility of the PSC share price is set out in Table 28.

Table 28: Observed historical volatility of PSC share price (total return) to 12 March 2024

Period to 12 March 2024	Annualised volatility
6 months	22.3%
1 year	30.4%
2 years	29.8%
3 years	31.8%
4 years	35.9%
5 years	35.7%

Source: S&P Capital IQ, FTI Consulting analysis

Note: Volatility is calculated based on PSC's adjusted daily close share prices observed over the specified period. PSC's share price was adjusted to reinvest cash dividends.





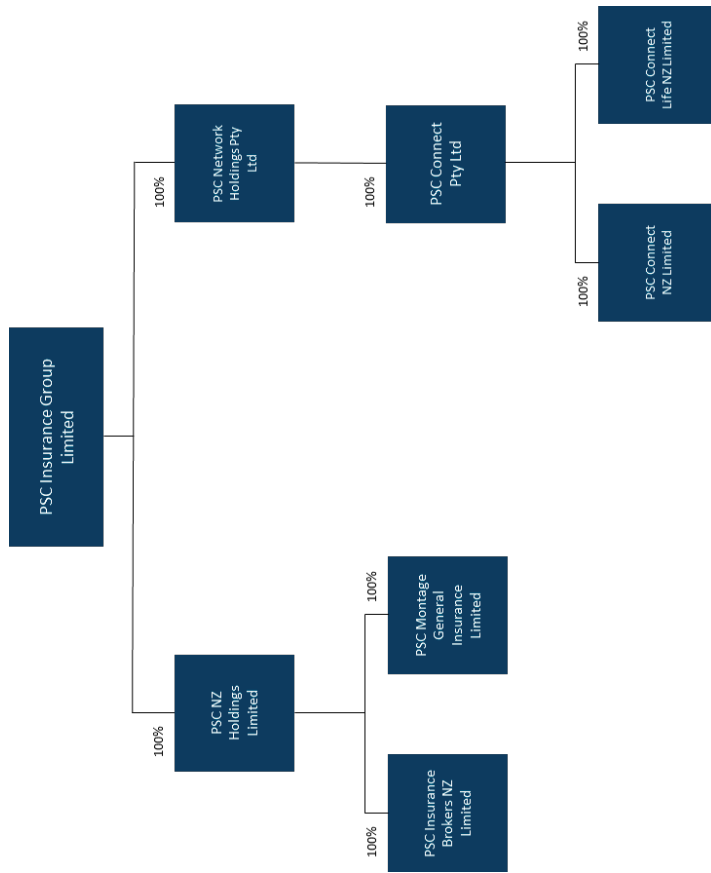
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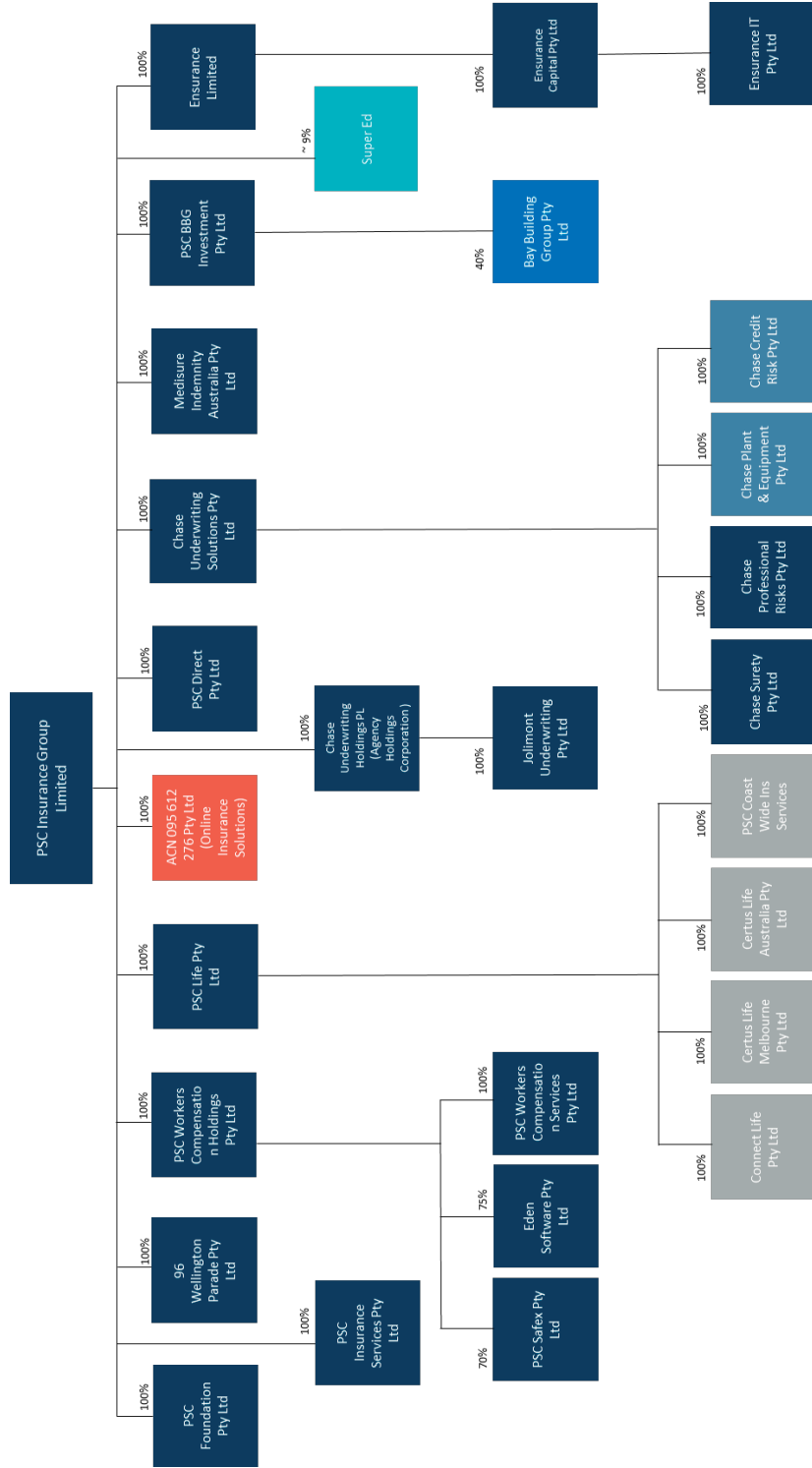
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**New Zealand Operations**



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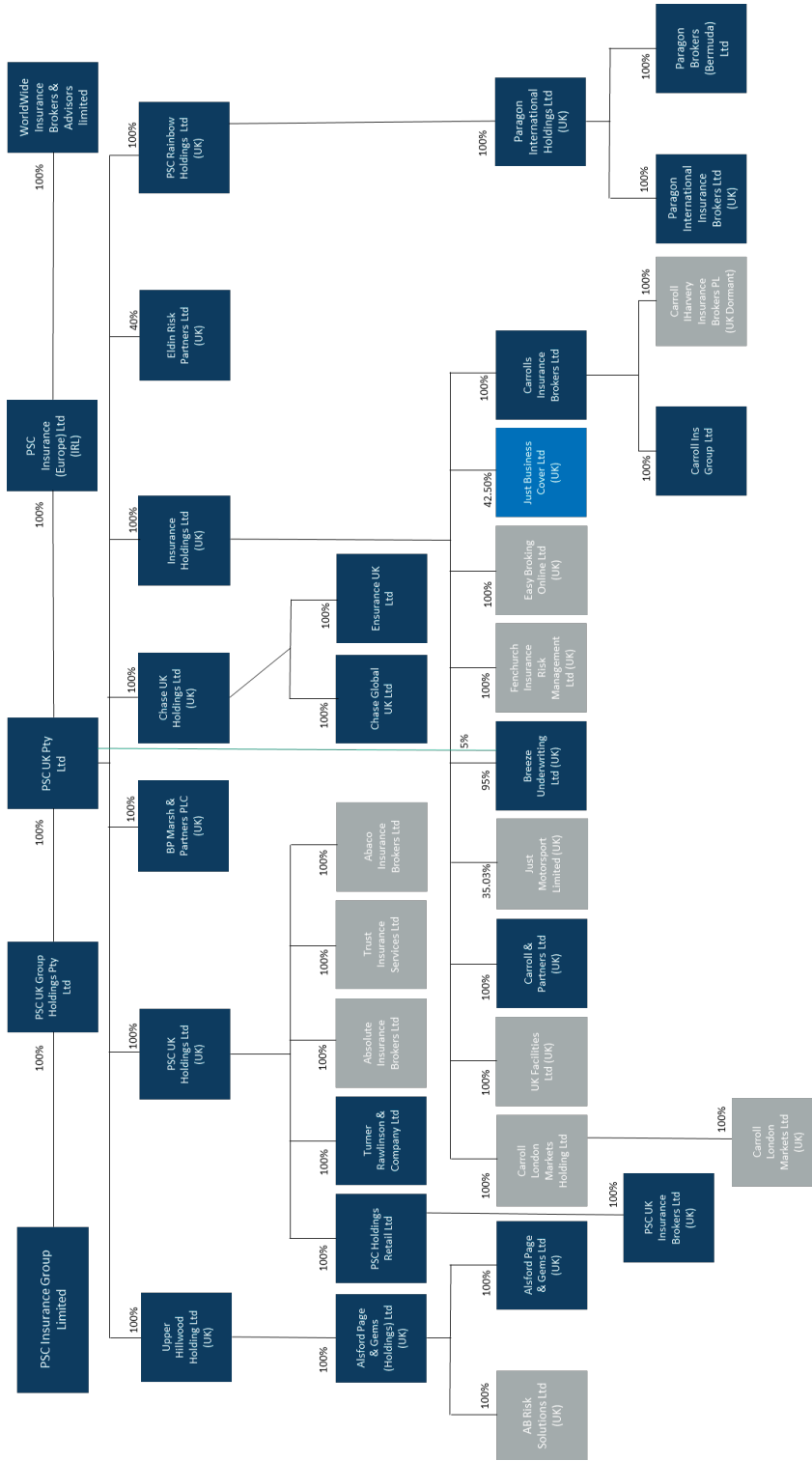
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UK Operations (Including Ireland and Bermuda)



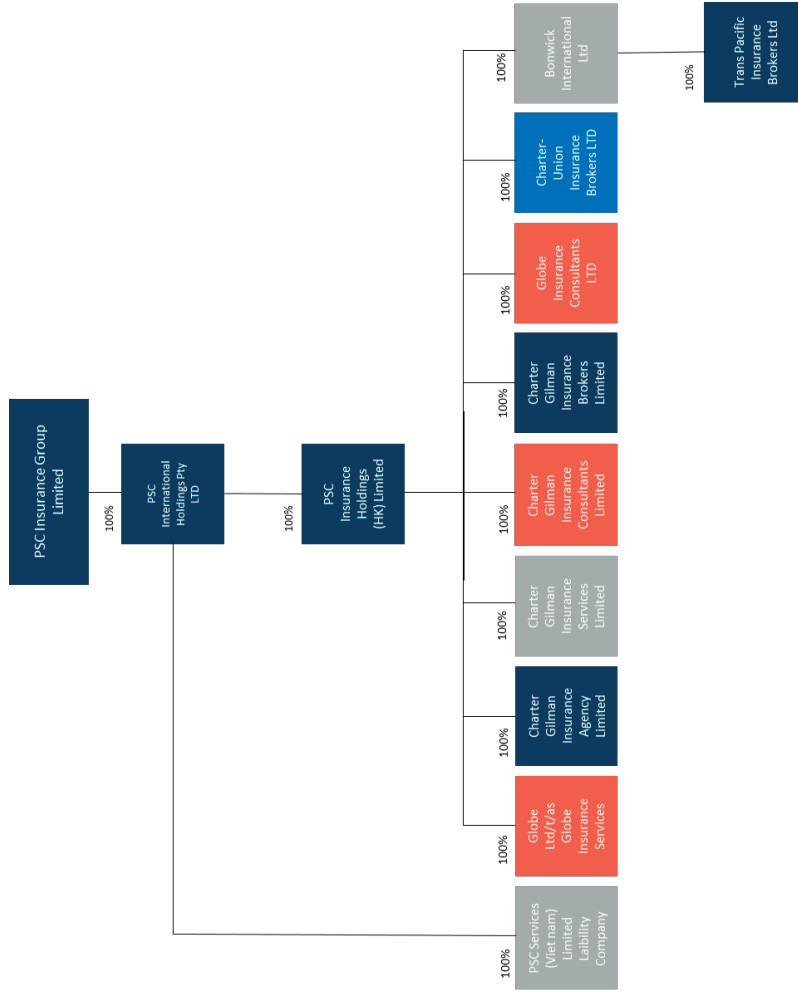
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## Hong Kong and Asian Operations



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## ANNEXURE 3 INDEPENDENT EXPERT'S REPORT (continued)

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# ANNEXURE 4

## SCHEME

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### Scheme of Arrangement

**PSC Insurance Group Limited ACN 147 812 164**  
and

**Each Scheme Participant**





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**Scheme of Arrangement**


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**Parties**

Name	<b>PSC Insurance Group Limited ACN 147 812 164</b>
Address	96 Wellington Parade, East Melbourne VIC 3002
Email	trobinson@pscinsurance.com.au and joshua.reid@pscinsurance.com.au (copied to: catherine.merity@maddocks.com.au)
Contact	Tony Robinson and Joshua Reid
Short name	<b>PSC</b>
Name	<b>The Scheme Participants (as defined below)</b>
Short name	<b>Scheme Participants</b>

**The parties agree****1. Definitions****1.1 Defined terms**

In this Scheme:

**Adviser** means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, tax adviser or technical or other expert adviser, or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in connection, directly or indirectly, with the Scheme.

**Ardonagh Holdco** means Ardonagh Holdco Limited, a private par value limited liability company incorporated in Jersey with company number 139528.

**Ardonagh Share** means a D share of £0.01 each in the capital of Ardonagh Holdco.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means, as the context requires, ASX Limited ACN 008 624 691 or the financial markets operated by it.

**Authority** means any:

- (a) government, government department, government agency or government authority;
- (b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity, tribunal, agency or person carrying out any statutory authority or function, including the Takeovers Panel, ASIC and the UK Financial Conduct Authority;



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- (c) any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government; or
- (d) other entity or person (whether autonomous or not) having powers or jurisdiction under:
  - (i) any statute, regulation, ordinance, by-law, order or proclamation, or the common law; or
  - (ii) the rules of any recognised stock or securities exchange.

**Bidder** means Rosedale Bidco Pty Ltd ACN 677 065 548.

**Bidder Group** means Bidder and each of its Related Bodies Corporate.

**Bidder Loan Note Instrument** means the loan note instrument constituting 10% fixed rate unsecured subordinated loan notes due 2027 to be entered into by Bidder on or before the Implementation Date in the form agreed to by PSC and Bidder.

**Bidder Parties** means Bidder, Ardonagh Holdco, Tara Topco and Ardonagh Group Holdings Limited.

**Business Day** means a day that is a 'business day' as defined in the Listing Rules.

**Cash Scheme Consideration** means an amount equal to A\$6.19 cash, less the amount per Share of any dividend or capital return declared or paid by PSC on or after the date of the Scheme Implementation Deed, for each Scheme Share payable to a Scheme Participant under clauses 5.3.1 or 5.3.2(a).

**CHESS** means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

**Constituent Documents** means the shareholders agreement relating to Ardonagh Holdco and Tara Topco, as amended and restated, and the memorandum and articles of association of Ardonagh Holdco and/or Tara Topco (as relevant) as adopted, in each case on the terms agreed between PSC and the Bidder in writing on or about the date of the Scheme Implementation Deed subject to any permitted variations or amendments following the date of the Scheme Implementation Deed.

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

**Court** means the Federal Court of Australia or another court having jurisdiction in relation to the Scheme as agreed between PSC and the Bidder.

**Deed Poll** means the deed poll executed on or about 25 July 2024 by the Bidder Parties in favour of the Scheme Participants substantially in the form of Attachment 4 of the Scheme Implementation Deed (or in such other form as the Bidder and PSC may agree in writing, such agreement not to be unreasonably withheld or delayed).

**Delivery Time** means 8:00 am on the Second Court Date.

**Effective** means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**End Date** means the later of:

## ANNEXURE 4 SCHEME (continued)



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- (a) the date 9 months after the date of the Scheme Implementation Deed; or
- (b) such later date as the Bidder and PSC may agree in writing, each acting reasonably.

**Excluded Shareholder** means any Shareholder who is a member of the Bidder Group or any Shareholder who holds any Shares on behalf of, or for the benefit of, any member of the Bidder Group and does not hold Shares on behalf of, or for the benefit of, any other person.

**First Court Date** means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act directing PSC to convene the Scheme Meeting to consider the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**HoldCo Securities** means:

- (a) in relation to the Relevant Shareholders listed in paragraphs (a), (d) and (e) of the definition of Relevant Shareholder and any Relevant Shareholder falling within paragraph (f) of the definition of Relevant Shareholder and who is a resident of Australia for tax purposes, a fully paid Ardonagh Share; and
- (b) in relation to the Relevant Shareholders listed in paragraphs (b) and (c) of the definition of Relevant Shareholder and any Relevant Shareholder falling within paragraph (f) of the definition of Relevant Shareholder and who is a resident of the United Kingdom for tax purposes, Loan Notes, to ultimately be exchanged for one fully paid Tara Share or Ardonagh Share per £5 principal amount of Loan Notes pursuant to the Put and Call Option Deed (subject to any adjustment in accordance with clause 5.3.3).

**Implementation Date** means the date that is 5 Business Days after the Record Date, or such other date as PSC and the Bidder agree in writing.

**LFS** means a loan funded share issued to a person under PSC's Long Term Incentive Plan.

**LFS Scheme Participant** means a Scheme Participant who holds any LFS as at the Implementation Date.

**Listing Rules** means the official listing rules of the ASX as amended, waived or modified from time to time.

**Loan Note** means a loan note issued by the Bidder under the Bidder Loan Note Instrument.

**Put and Call Option Deed** means the deed to be entered into on or around the Implementation Date between, amongst others, the beneficial holders specified in paragraphs (b) and (c) of the definition of Relevant Shareholder and any Relevant Shareholder falling within paragraph (f) of the definition of Relevant Shareholder (or its Related Body Corporate or the beneficial holder of the Scheme Shares) and who is a resident of the United Kingdom for tax purposes, the Bidder and Ardonagh Holdco, in the form agreed to by PSC and the Bidder.

**Qualifying Transaction** means:

- (a) an issue of shares by any member of the Upstream Bidder Group raising at least £175 million, whether in one issue or a series of related issues;
- (b) an issue of shares by any member of the Upstream Bidder Group as consideration for the acquisition of any material business or asset from a third party with an implied value of at least £175 million (in respect of the shares issued);



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- (c) an issue of shares by any member of the Upstream Bidder Group upon conversion of any instruments issued by a member of the Bidder Group after the date of the Scheme Implementation Deed with an implied value of at least £175 million; or
- (d) a transfer of shares in any member of the Upstream Bidder Group (other than by a member of the Upstream Bidder Group to another member of the Bidder Group), representing at least 5% of the issued capital of the relevant member of the Upstream Bidder Group.

**Record Date** means 7:00 pm on the second Business Day after the Effective Date.

**Register** means the register of members of PSC kept on behalf of PSC by the Share Registry.

**Registered Address** means, in relation to a Scheme Participant, the address shown in the Register as at the Record Date.

**Related Body Corporate** has the meaning given in sections 9 and 50 of the Corporations Act.

**Relevant Shareholder** means:

- (a) McHalem No 2 Pty Ltd ACN 651 492 643 as trustee for Paul Dwyer Family Trust and P & M Dwyer Pty Ltd ACN 124 100 974 as trustee for the P&M Dwyer Superannuation Fund (an entity controlled by Paul Dwyer) (**PD Entities**);
- (b) HSBC Custody Nominees (Australia) Limited ACN 003 094 568 as custodian for Tara Falk (**TF Entity**);
- (c) HSBC Custody Nominees (Australia) Limited ACN 003 094 568 as custodian for James Kalbassi (**JK Entity**);
- (d) Glendale Dwyer Pty Ltd ACN 163 644 200 as trustee for the Dwyer Family Trust (an entity controlled by John Dwyer) (**JD Entity**);
- (e) Austin Superannuation Pty Ltd ACN 097 307 901 as trustee for the Brian Austin Superannuation Fund (an entity controlled by Brian Austin) (**BA Entity**); and
- (f) any other Shareholder(s) as agreed between Bidder and PSC at least 3 Business Days prior to the First Court Date,

provided that person is a Scheme Participant.

**Relevant Shares** means in respect of:

- (a) the PD Entities, 13,121,629 Scheme Shares in aggregate between them;
- (b) the TF Entity, 1,553,686 Scheme Shares;
- (c) the JK Entity, 1,328,963 Scheme Shares;
- (d) the JD Entity, 7,934,125 Scheme Shares;
- (e) the BA Entity, 5,487,254 Scheme Shares; and
- (f) for a Relevant Shareholder in paragraph (f) of that definition, the number of Scheme Shares specified in its Subscription Form.

## ANNEXURE 4 SCHEME (continued)



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**Representatives** means in respect of a party, any person acting for or on behalf of that party (including any Related Body Corporate of that party, and any director, officer, employee, agent, affiliate, contractor or Adviser of that party or its Related Bodies Corporate).

**Scheme** means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by PSC and the Bidder.

**Scheme Consideration** means the consideration to be provided to Scheme Participants under the terms of this Scheme for the transfer of the Scheme Shares to Bidder, determined in accordance with clause 5.3.

**Scheme Implementation Deed** means the scheme implementation deed dated 8 May 2024 between the Bidder, PSC and Ardonagh Group Holdings Limited relating to (among other things) the implementation of this Scheme.

**Scheme Meeting** means the meeting or meetings of Shareholders (other than Excluded Shareholders) ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act and includes any meeting or meetings convened following any adjournment or postponement of that meeting or meetings.

**Scheme Participant** means a Shareholder on the Record Date, other than an Excluded Shareholder.

**Scheme Shares** means all Shares held by the Scheme Participants as at the Record Date.

**Scheme Transfer** means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or may include a master transfer of all or part of the Scheme Shares.

**Second Court Date** means the first day of hearing of an application made to the Court by PSC for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Separate Account** has the meaning given in clause 5.4.4(b).

**Share** means a fully paid ordinary share issued in the capital of PSC.

**Share Registry** means Link Market Services Limited.

**Shareholder** means each person who is registered in the Register as the holder of Shares.

**Subscription Documents** means, in respect of a Relevant Shareholder, the documents annexed to their Subscription Form (together with any amendments agreed to in writing between PSC and the Bidder) or any replacement documents as contemplated under the terms of the Subscription Form to account for any adjustment under clause 5.3.3.

**Subscription Form** means a form issued by or on behalf of PSC for the purposes of a Relevant Shareholder (or its Related Body Corporate or the beneficial holder of the Scheme Shares) receiving their Scheme Consideration partly in the form of HoldCo Securities and partly in the form of cash, in a form agreed to by PSC and Bidder.

**Subscription Submission** means the valid lodgement by a Relevant Shareholder and (in the case of any Relevant Shareholder that holds Scheme Shares in the capacity as a custodian) the beneficial holder of the Scheme Shares of a Subscription Form in order to receive Scheme Consideration partly in the form of HoldCo Securities and partly in the form of cash.



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**Subsidiary** has the meaning given in the Corporations Act.

**Tara Share** means a D ordinary share of £0.01 each in the capital of Tara Topco.

**Tara Topco** means Tara Topco Limited, an exempted company incorporated in the Cayman Islands with company number OC-381964.

**Trust Account** means an Australian dollar denominated trust account with an Australian bank which attracts interest at a commercial rate and is operated by PSC as trustee for the Scheme Participants (except that any interest on the amount deposited (less bank fees and other charges) will accrue for the benefit of the Bidder), details of which PSC must notify to Bidder no later than 5 Business Days before the Implementation Date.

**Unclaimed Money Act** means the *Unclaimed Money Act 2008* (VIC).

**Upstream Bidder Group** means each of Tara Topco, Ardonagh Finco plc and each entity interposed between Tara Topco and Ardonagh Finco plc or any one of them as the context requires.

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## 2. Preliminary matters

- 2.1 PSC is a listed public company limited by shares that is admitted to the official list of the ASX (ASX: PSI), incorporated in Australia and registered in Victoria, Australia with its registered office at 96 Wellington Parade, East Melbourne, Victoria, 3002, Australia. The Shares are quoted for trading on the ASX.
- 2.2 As at the date of the Scheme Implementation Deed:
- 2.2.1 364,404,674 Shares were on issue; and
- 2.2.2 2,000,000 options were on issue which are not quoted on any financial market.
- 2.3 The Bidder is an unlisted company limited by shares and an indirect subsidiary of Tara Topco. The Bidder is registered in Victoria with its registered office at Level 7, 545 Queen Street, Brisbane QLD 4000.
- 2.4 The Bidder, Ardonagh Group Holdings Limited and PSC have entered into the Scheme Implementation Deed and the Bidder Parties have executed the Deed Poll.
- 2.5 If this Scheme becomes Effective:
- 2.5.1 the Bidder Parties must pay or procure the provision of the Scheme Consideration (as applicable) in accordance with the terms of this Scheme and the Deed Poll; and
- 2.5.2 all of the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to the Bidder and PSC will enter the name of the Bidder in the Register in respect of the Scheme Shares.

---

## 3. Conditions

### 3.1 Conditions precedent

The Scheme is conditional on:

## ANNEXURE 4 SCHEME (continued)



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- 3.1.1 as at the Delivery Time, all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1.6 of the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- 3.1.2 neither the Scheme Implementation Deed nor the Deed Poll being terminated in accordance with its terms by the Delivery Time;
- 3.1.3 this Scheme being approved by the Court on the Second Court Date under section 411(4)(b) of the Corporations Act, including with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by PSC and the Bidder (such agreement or consent not to be unreasonably withheld or delayed);
- 3.1.4 such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are agreed or consented to in writing by PSC and the Bidder (such agreement or consent not to be unreasonably withheld or delayed) having been satisfied; and
- 3.1.5 the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme having come into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.
- 3.2 **Effect of conditions precedent**
- The satisfaction of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and clause 5 and the binding effect of this Scheme.
- 3.3 **Certificate**
- 3.3.1 At the hearing on the Second Court Date, PSC and the Bidder will provide to the Court a certificate (or such other evidence as the Court may require) confirming (in respect of matters within their knowledge) whether or not the conditions in clauses 3.1.1 and 3.1.2 have been satisfied or waived (but in the case of the condition in 3.1.1 only in respect of those conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1.6 relating to Court approval of the Scheme) included for that party's benefit).
- 3.3.2 The certificates given by PSC and the Bidder under clause 3.3.1 constitute conclusive evidence that the conditions in clauses 3.1.1 and 3.1.2 have been satisfied or waived as at the Delivery Time in accordance with the terms of the Scheme Implementation Deed.
- 3.4 **Termination and End Date**
- Without limiting any rights under the Scheme Implementation Deed, if:
- 3.4.1 the Scheme Implementation Deed is terminated in accordance with its terms; or
- 3.4.2 the Scheme does not become Effective by the End Date,
- then, unless PSC and the Bidder otherwise agree in writing (and, if required, as approved by the Court), this Scheme will lapse and each of PSC and the Bidder are released from any further obligation to take steps to implement the Scheme.





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#### **4. Implementation of this Scheme**

##### **4.1 Lodgement of Court orders with ASIC**

If the conditions set out in clauses 3.1.1 to 3.1.4 are satisfied, PSC must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible, and in any event by no later than 5:00 pm on the Business Day following the day on which the Court approves this Scheme or such later date as PSC and the Bidder agree in writing.

##### **4.2 Transfer of Scheme Shares**

4.2.1 Subject to the Scheme becoming Effective, on the Implementation Date:

- (a) the Scheme Consideration must be provided in the manner contemplated in clause 5;
- (b) subject to the payment or provision of the Scheme Consideration by or on behalf of the Bidder in accordance with clause 5 and the Deed Poll, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to the Bidder, without the need for any further act by any Scheme Participant (other than acts performed by PSC or its officers as attorney and agent for Scheme Participants under clause 8.5), by:
  - (i) PSC delivering to the Bidder a duly completed and executed Scheme Transfer (as the attorney and agent of each Scheme Participant as transferor under clause 8.5) to transfer all Scheme Shares to the Bidder (and one or more Scheme Transfers can be a master transfer of all or part of all of the Scheme Shares) for registration; and
  - (ii) the Bidder duly executing the Scheme Transfer (as transferee) and delivering it to PSC for registration.

4.2.2 Immediately following receipt of the Scheme Transfer in accordance with clause 4.2.1(b), PSC must enter, or procure the entry of, the name of the Bidder in the Register in respect of all of the Scheme Shares.

#### **5. Scheme Consideration**

##### **5.1 Scheme Consideration**

Subject to the terms of this Scheme, on the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Participant in accordance with clauses 5.2 to 5.6.

##### **5.2 Subscription procedure**

- 5.2.1 PSC must provide or procure the provision of a Subscription Form to each Relevant Shareholder and (in the case of any Relevant Shareholder that holds Scheme Shares in the capacity as a custodian) the beneficial holder of the Scheme Shares.
- 5.2.2 Each Relevant Shareholder and (in the case of any Relevant Shareholder that holds Scheme Shares in the capacity as a custodian) the beneficial holder of the

## ANNEXURE 4 SCHEME (continued)



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Scheme Shares must complete, sign and lodge the Subscription Form in accordance with the terms and conditions of the Subscription Form, unless Bidder and PSC agree otherwise in their absolute discretion.

### 5.3 Determination of Scheme Consideration

- 5.3.1 If a Scheme Shareholder is not a Relevant Shareholder, then the Scheme Consideration applicable to that Scheme Shareholder is the Cash Scheme Consideration for each Scheme Share held by that Scheme Shareholder.
- 5.3.2 If a Scheme Shareholder is a Relevant Shareholder, then the Scheme Consideration applicable for that Scheme Shareholder for each Scheme Share held by that Scheme Shareholder is:
- (a) the Cash Scheme Consideration per Scheme Share in respect of the number of Scheme Shares held by the Relevant Shareholder for which the Relevant Shareholder has not made, or is not entitled to make, a Subscription Submission to receive HoldCo Securities, provided that under no circumstances shall a Relevant Shareholder be entitled to receive Cash Scheme Consideration for its Relevant Shares; plus
  - (b) provided the Relevant Shareholder has made a valid Subscription Submission and subject to clause 5.5.3, 0.6515594 fully paid Ardonagh Shares per Scheme Share (subject to any adjustment in accordance with clause 5.3.3) in respect of the number of Scheme Shares held by the Relevant Shareholder for which the Relevant Shareholder (or its Related Body Corporate or the beneficial holder of the Scheme Shares) has subscribed (pursuant to the Subscription Form) to receive Scheme Consideration in Ardonagh Shares; or
  - (c) provided the Relevant Shareholder has made a valid Subscription Submission and subject to clause 5.5.3, Loan Notes of £3.257797 principal amount per Scheme Share in respect of the number of Scheme Shares held by the Relevant Shareholder for which the Relevant Shareholder (or its Related Body Corporate or the beneficial holder of the Scheme Shares) has subscribed (pursuant to the Subscription Form) to receive Scheme Consideration in Loan Notes, to ultimately be exchanged for 1 Tara Share or Ardonagh Share (at its election) per £5 principal amount of Loan Notes (subject to any adjustment in accordance with clause 5.3.3) in accordance with the Put and Call Option Deed.
- 5.3.3 If, following 8 May 2024 and prior to the Implementation Date:
- (a) Tara Topco or Ardonagh Holdco undertakes a reorganisation of its share capital, the number of Ardonagh Shares or Tara Shares to ultimately be issued per Scheme Share will be adjusted proportionately (such that the Relevant Shareholder (or its Related Body Corporate or the beneficial holder of the Scheme Shares) will hold the same number of Ardonagh Shares or Tara Shares that they would hold if the reorganisation occurred after the Implementation Date (and the Loan Notes ultimately exchanged for Tara Shares or Ardonagh Shares as applicable)); or
  - (b) there is Qualifying Transaction at a price, or which implies a price, per Tara Share which is less than £5, the number of Ardonagh Shares to ultimately be issued per Scheme Share pursuant to clause 5.3.2(b) and the number of Ardonagh Shares or Tara Shares to ultimately be issued per £5 principal amount of Loan Notes pursuant to clause 5.3.2(c) will be adjusted by recalculating the number of Ardonagh Shares and Tara Shares to be issued to the Relevant Shareholders (or its Related Body Corporate or the



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beneficial holder of the Scheme Shares) using the price (or implied price) of a Tara Share under the Qualifying Transaction (using the same exchange rate as was used to calculate the numbers set out in clause 5.3.2) or as agreed in accordance with clause 5.3.4.

- 5.3.4 If the price, or implied price, of a Tara Share under a Qualifying Transaction is not clear (for example, if there were an issue of preference shares), the Bidder and PSC must negotiate any adjustment to the number of Ardonagh Shares and Tara Shares to ultimately be issued per Scheme Share in good faith.

### 5.4 Provision of Cash Scheme Consideration

- 5.4.1 The Bidder must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds, an amount equal to the aggregate amount of the Cash Scheme Consideration payable to each Scheme Participant (less any amount to be retained in accordance with clause 5.6), into the Trust Account, such amount to be held by PSC as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account).

- 5.4.2 Subject to the Bidder complying with clause 5.4.1 and subject to clause 5.6, on the Implementation Date, PSC must pay or procure the payment from the Trust Account to each Scheme Participant the Cash Scheme Consideration attributable to that Scheme Participant in respect of the relevant Scheme Participant's Scheme Shares.

- 5.4.3 PSC's obligation under clause 5.4.2 will be satisfied by PSC:

- (a) where a Scheme Participant has, before the Record Date, made an election in accordance with the requirements of the Share Registry to receive dividend payments from PSC by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or
- (b) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Participant by prepaid post to their address shown in the Register as at the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.8), for the relevant amount.

- 5.4.4 In the event that:

- (a) either:
  - (i) a Scheme Participant does not have an address recorded in the Register; or
  - (ii) PSC as the trustee for the Scheme Participant believes that a Scheme Participant is not known at the Scheme Participant's address recorded in the Register,

and no account has been notified in accordance with clause 5.4.3 or a deposit into such an account is rejected or refunded; or

- (b) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.10,

## ANNEXURE 4 SCHEME (continued)



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the Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the Unclaimed Money Act) and PSC as the trustee for the Scheme Participant may credit the amount payable to the relevant Scheme Participant to a separate bank account of PSC (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. To avoid doubt, if the amount is not credited to the Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. PSC must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- 5.4.5 To the extent that, following satisfaction of PSC's obligations under clauses 5.4.2, 5.4.3 and 5.4.4, there is a surplus in the amount held by PSC as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by PSC to the Bidder.

5.5 **Provision of HoldCo Securities as part of Scheme Consideration**

- 5.5.1 Subject to clause 5.5.3, Ardonagh Holdco must, before no later than 12.00 noon (or such later time as the Bidder and PSC may agree in writing) on the Implementation Date, procure that the name of the Relevant Shareholder entitled to be issued Ardonagh Shares under this Scheme is entered in Ardonagh Holdco's register of members as the holder of those Ardonagh Shares. The Bidder must, by no later than 12.00 noon (or such later time as the Bidder and PSC may agree in writing) on the Implementation Date, procure that the name of the Relevant Shareholder entitled to be issued Loan Notes under this Scheme is entered into the Bidder's register of noteholders in respect of those Loan Notes. A Relevant Shareholder or the beneficial holder of the Scheme Shares entitled to be issued HoldCo Securities under this Scheme may, in the Subscription Form, direct that the HoldCo Securities to which they are entitled be issued to a Related Body Corporate of the Relevant Shareholder or the beneficial holder of the Scheme Shares (in which case such Related Body Corporate or beneficial holder's name and details will be entered into Ardonagh Holdco's register of members or the Bidder's register of noteholders (as applicable)).

- 5.5.2 Subject to clause 5.5.3, on or before the Business Day that is five Business Days after the Implementation Date:

- (a) Ardonagh Holdco must send or procure the sending of to each person to whom Ardonagh Shares are issued under this Scheme:
- (i) a certificate reflecting the issue of such Ardonagh Shares;
  - (ii) a letter from Ardonagh HoldCo confirming that any corporate authorities or necessary shareholder consents or resolutions of Ardonagh Holdco authorising the issuance of such Ardonagh Shares were properly obtained; and
  - (iii) an extract of the register of members of Ardonagh Holdco showing such persons as holders of the relevant Ardonagh Shares; and
- (b) Tara Topco must send to each person to whom Loan Notes are issued under this Scheme:
- (i) a certificate reflecting the issue of Tara Shares pursuant to arrangements entered into under the Put and Call Option Deed; and



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- (ii) a letter from Tara Topco confirming that any corporate authorities or necessary shareholder consents or resolutions of Tara Topco authorising the issuance of such Tara Shares were properly obtained; and
- (iii) an extract of the register of members of Tara Topco showing such persons as holders of the relevant Tara Shares.

5.5.3 Neither the Bidder nor Ardonagh Holdco will be required to issue any HoldCo Securities to a Relevant Shareholder unless and until: (i) the requirements in clause 5.2.2 have been satisfied; and (ii) the Subscription Documents have been duly signed in accordance with the terms and conditions of the Subscription Form by:

- (a) the Relevant Shareholder or, in the case of any Relevant Shareholder that holds Relevant Shares in the capacity as a custodian, the beneficial owner of those Relevant Shares; and
- (b) the "Relevant Individual" (as defined in the Subscription Documents) relating to that Relevant Shareholder,

and such duly signed counterparts have been delivered to the Bidder. Despite any other term of this Scheme, the Bidder and Ardonagh Holdco may, in their sole discretion, delay the issue of any HoldCo Securities to a Relevant Shareholder until the Relevant Shareholder has delivered or caused to be delivered the duly signed counterparts described above and the Subscription Form in respect of that Relevant Shareholder, duly signed by the parties contemplated in clause 5.2.2.

## 5.6 LFS

5.6.1 Each LFS Scheme Participant irrevocably directs and authorises the Bidder to withhold and retain from the Cash Scheme Consideration attributable to that LFS Scheme Participant, an amount equal to the amounts owing by that LFS Scheme Participant to PSC (as set out in the notice delivered by PSC to that LFS Scheme Participant prior to the Implementation Date).

5.6.2 With effect from the Implementation Date:

- (a) in accordance with the Scheme Implementation Deed and the Deed Poll, Bidder assumes each LFS Scheme Participant's liability to PSC in respect of their LFS; and
- (b) each of PSC and Bidder acknowledges and agrees that each LFS Scheme Participant will have no further liability to PSC or Bidder in respect of their LFS.

## 5.7 Status of HoldCo Securities

Subject to this Scheme becoming Effective, each of Bidder and Ardonagh Holdco (as applicable) must:

5.7.1 issue the applicable HoldCo Securities required to be issued under this Scheme on terms such that each such HoldCo Security will rank equally in all respects with each other such HoldCo Security of the same type on issue at the time (if any) (and in the case of Tara Shares or Ardonagh Shares ultimately issued pursuant to the Put and Call Option Deed, Tara Topco and Ardonagh Holdco must ensure that each such Tara Share will rank equally in all respects with each other such Tara Share on issue at the time and each such Ardonagh Share will rank equally in all respects with each other such Ardonagh Share on issue at the time); and

## ANNEXURE 4 SCHEME (continued)



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- 5.7.2 ensure that each applicable HoldCo Security required to be issued under this Scheme (and Tara Topco and Ardonagh Holdco must ensure that each Tara Share or Ardonagh Share (as applicable) ultimately issued pursuant to the Put and Call Option Deed) is duly and validly issued in accordance with the Constituent Documents and all applicable laws and is fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the Constituent Documents).
- 5.8 **Joint holders**
- In the case of Scheme Shares held in joint names:
- 5.8.1 any Cash Scheme Consideration will be taken to be paid to the joint holders upon payment to the holder whose name appears first in the Register as at the Record Date; and
- 5.8.2 any cheque or other document required to be sent under this Scheme will be sent to the holder whose name appears first in the Register as at the Record Date.
- 5.9 **Orders of a Court or other Authority**
- If written notice is given to PSC (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Authority that:
- 5.9.1 requires payment to be made to a third party in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with this Scheme, then PSC shall be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- 5.9.2 prevents PSC from making a payment to any particular Scheme Participant in accordance with this Scheme, or the payment of such consideration is otherwise prohibited by applicable law, PSC shall be entitled to retain an amount, in Australian dollars, equal to the amount of the relevant payment until such time as payment in accordance with this Scheme is permitted by that order or direction or otherwise by law.
- 5.10 **Cancellation and reissue of cheques**
- 5.10.1 PSC may cancel a cheque issued under this clause 5 if the cheque:
- (a) is returned to PSC; or
  - (b) has not been presented for payment within six months after the date on which the cheque was sent.
- 5.10.2 During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to PSC (or the Share Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under this clause 5.10 must be reissued.
- 5.11 **Fractional entitlements**
- 5.11.1 Where the calculation of the Cash Scheme Consideration to be issued to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.



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- 5.11.2 Where the calculation of the Scheme Consideration comprising HoldCo Securities to be issued to a particular Relevant Shareholder (or its Related Body Corporate or the beneficial holder of the Scheme Shares) would result in that person becoming entitled to a fraction of a HoldCo Security, the fractional entitlement will be rounded down to the nearest whole number.

---

## 6. Dealings in Scheme Shares

### 6.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Shares or other alterations to the Register will only be recognised if:

- 6.1.1 in the case of dealings of the type to be effected using CHES, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and
- 6.1.2 in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Record Date at the place where the Register is kept,

and PSC must not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

### 6.2 Register

- 6.2.1 PSC must register or procure the registration of registrable transmission applications or transfers of Shares in accordance with clause 6.1 by no later than the Record Date.
- 6.2.2 PSC will not accept for registration or recognise for any purpose any transmission application or transfer in respect of the Shares received after 5.00pm on the Record Date, other than to the Bidder in accordance with this Scheme.
- 6.2.3 If this Scheme becomes Effective, each entry which is current on the Register as at the Record Date is the sole evidence of entitlement to the Scheme Consideration on the terms of this Scheme in respect of the Shares relating to that entry.
- 6.2.4 If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and PSC will be entitled to disregard any such disposal, purported disposal or agreement or other dealing.
- 6.2.5 For the purpose of determining entitlements to the Scheme Consideration, PSC must procure the maintenance of the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.
- 6.2.6 All statements of holding for Shares (other than statements of holding in favour of an Excluded Shareholder) will cease to have effect after the Record Date as documents of title in respect of those Shares and, as from that date, each entry

## ANNEXURE 4 SCHEME (continued)



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current at that date on the Register (other than entries in respect of an Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

- 6.2.7 As soon as practicable after the Record Date, and in any event at least 3 Business Days before the Implementation Date, PSC will procure that details of the names, Registered Addresses and holdings of Shares for each Scheme Participant as shown in the Register as at the Record Date are made available to the Bidder in the form the Bidder reasonably requires.

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**7. Quotation of Shares**

- 7.1 PSC must apply to ASX for suspension of trading in Shares on ASX with effect from the close of trading on the Effective Date.
- 7.2 On a date after the Implementation Date to be determined by the Bidder (acting reasonably and subject to the Listing Rules), PSC must apply to ASX for the termination of the official quotation of Shares on ASX and to have PSC removed from the official list of ASX.

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**8. General Scheme provisions**

**8.1 Consent to amendments to this Scheme**

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- 8.1.1 PSC may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which the Bidder has consented in writing; and
- 8.1.2 each Scheme Participant agrees to any such alterations or conditions which counsel for PSC has consented in accordance with clause 8.1.1.

**8.2 Scheme Participants' agreements and warranties**

- 8.2.1 Each Scheme Participant:
- (a) agrees to the transfer of their Scheme Shares to Bidder together with all rights and entitlements attaching to those Shares in accordance with this Scheme;
  - (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
  - (c) agrees that after the transfer of their Scheme Shares to the Bidder, any statement of holdings for Shares relating to their Scheme Shares will not constitute evidence of title to those Scheme Shares; and
  - (d) acknowledges and agrees that this Scheme binds PSC and all Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).
- 8.2.2 Each Scheme Participant is taken to have warranted to the Bidder, and appointed and authorised PSC as its attorney and agent to warrant to the Bidder, on the Implementation Date that, as at the Implementation Date:





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

### 8.3 Title to and rights in Scheme Shares

- 8.3.1 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to the Bidder, vest in the Bidder free from all:
  - (a) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
  - (b) restrictions on transfer of any kind.
- 8.3.2 Subject to the provision of the Scheme Consideration to each Scheme Participant in accordance with clauses 5.4 and 5.5, the Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by PSC of the Bidder in the Register as the holder of the Scheme Shares. The Bidder's entitlement to be registered in the Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

### 8.4 Appointment of sole proxy

From the Implementation Date, subject to the provision of the Scheme Consideration by the Bidder in accordance with clause 5 and until PSC procures the registration of the Bidder as the holder of all Scheme Shares in the Register, each Scheme Participant:

- 8.4.1 is deemed to have irrevocably appointed the Bidder as attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any Shareholders' resolution whether in person, by proxy or by corporate representative;
- 8.4.2 undertakes not to attend or vote at any Shareholders' meetings or sign any Shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4.1);
- 8.4.3 must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and

## ANNEXURE 4 SCHEME (continued)



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8.4.4 acknowledges and agrees that in exercising the powers conferred by clause 8.4.1, the Bidder and any director, officer, secretary or agent nominated by the Bidder under that clause may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

#### 8.5 Authority given to PSC

Each Scheme Participant, without the need for any further act:

8.5.1 on the Effective Date, irrevocably appoints PSC and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) enforcing the Deed Poll against the Bidder Parties; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to and to implement this Scheme and the transactions contemplated by it, including executing, as agent and attorney of each Scheme Participant, the Scheme Transfer as contemplated by clause 4.2,

and PSC accepts such appointment; and

8.5.2 on the Implementation Date, irrevocably appoints PSC and each of its directors, officers and secretaries (jointly and each of them severally) to do and execute all acts, matters, things and documents on the part of each Scheme Participant necessary to implement this Scheme, including (without limitation) executing, as agent and attorney of each Scheme Participant, the Scheme Transfer or transfers in relation to Scheme Shares as contemplated by clause 8.5.1, and PSC accepts such appointment.

PSC, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally, or jointly and severally).

#### 8.6 Binding effect of this Scheme

This Scheme binds PSC and all of the Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of PSC.

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### 9. Interpretation

9.1 In this Scheme, unless expressed to the contrary:

- 9.1.1 words denoting the singular include the plural and vice versa;
- 9.1.2 the word 'includes' in any form is not a word of limitation;
- 9.1.3 where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;
- 9.1.4 headings and sub-headings are for ease of reference only and do not affect the interpretation of this Scheme; and
- 9.1.5 a reference to:



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- (a) a gender includes all other genders;
- (b) any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;
- (c) any instrument (such as a deed, agreement or document) is to that instrument (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time and from time to time;
- (d) writing includes writing in digital form;
- (e) 'this Scheme' is to this Scheme as amended from time to time;
- (f) 'A\$', '\$', 'AUD' or 'dollars' is a reference to Australian dollars;
- (g) a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Scheme;
- (h) a reference to time in this Scheme is a reference to the time in Melbourne, Victoria, Australia (being Australian Eastern Standard Time or Australian Eastern Daylight Time, as applicable);
- (i) any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;
- (j) a person includes a firm, partnership, joint venture, association, corporation or other body corporate;
- (k) a person includes the legal personal representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and
- (l) any body (**Original Body**) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

9.2 A clause in this Scheme must not be construed adversely to a party merely because that party prepared it or caused it to be prepared.

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## 10. General

### 10.1 Stamp duty

The Bidder must:

- 10.1.1 pay all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to the Bidder pursuant to this Scheme or the Deed Poll; and
- 10.1.2 indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 10.1.1.

## ANNEXURE 4 SCHEME (continued)



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**10.2 Consent**

Each Scheme Participant consents to PSC and the Bidder doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

**10.3 Notices**

10.3.1 If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to PSC, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at PSC's registered office or at the office of the Share Registry.

10.3.2 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Participant will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

**10.4 Governing law and jurisdiction**

10.4.1 This Scheme is governed by the laws in force in New South Wales, Australia.

10.4.2 Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.4.2(a).

**10.5 Further action**

PSC (on its own behalf and on behalf of each Scheme Participant) must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

**10.6 No liability when acting in good faith**

Each Scheme Participant agrees that none of PSC, the Bidder Parties or any of their respective Representatives, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

# ANNEXURE 5

## DEED POLL

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# ANNEXURE 5 DEED POLL



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DX 10284 Sydney Stock Exchange

## Deed Poll

In favour of each Scheme Participant

**Rosedale Bidco Pty Ltd**

**Ardonagh Group Holdings Limited**

**Ardonagh Holdco Limited**

**Tara Topco Limited**



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**Deed Poll**
**Dated** 25 July 2024
 

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**Parties**

Name	<b>Rosedale Bidco Pty Ltd ACN 677 065 548</b>
Address	Level 7, 545 Queen Street, Brisbane QLD 4000
Email	<a href="mailto:aurelio.cusaro@ardonagh.com">aurelio.cusaro@ardonagh.com</a> (copied to: <a href="mailto:Adam.Charles@hsf.com">Adam.Charles@hsf.com</a> <a href="mailto:Baden.Furphy@hsf.com">Baden.Furphy@hsf.com</a> )
Contact	Aurelio Cusaro
Short name	<b>Bidder</b>
Name	<b>Ardonagh Group Holdings Limited company number 13789356</b>
Address	2 Minster Court, Mincing Lane, London, United Kingdom, EC3R 7PD
Email	<a href="mailto:aurelio.cusaro@ardonagh.com">aurelio.cusaro@ardonagh.com</a> (copied to: <a href="mailto:Adam.Charles@hsf.com">Adam.Charles@hsf.com</a> <a href="mailto:Baden.Furphy@hsf.com">Baden.Furphy@hsf.com</a> )
Contact	Aurelio Cusaro
Short name	<b>Bidder Guarantor</b>
Name	<b>Ardonagh Holdco Limited company number 139528</b>
Address	3rd Floor, 44 Esplanade, St Helier, Jersey, JE 4 9WG
Email	<a href="mailto:aurelio.cusaro@ardonagh.com">aurelio.cusaro@ardonagh.com</a> (copied to: <a href="mailto:Adam.Charles@hsf.com">Adam.Charles@hsf.com</a> <a href="mailto:Baden.Furphy@hsf.com">Baden.Furphy@hsf.com</a> )
Contact	Aurelio Cusaro
Short name	<b>Ardonagh Holdco</b>
Name	<b>Tara Topco Limited company number OC-381964</b>
Address	c/o Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands
Email	<a href="mailto:aurelio.cusaro@ardonagh.com">aurelio.cusaro@ardonagh.com</a> (copied to: <a href="mailto:Adam.Charles@hsf.com">Adam.Charles@hsf.com</a> )





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Contact	<a href="mailto:Baden.Furphy@hsf.com">Baden.Furphy@hsf.com</a>
Short name	Aurelio Cusaro
	<b>Tara Topco</b>

**In favour of**

Name	<b>Each Scheme Participant (as defined in the Scheme Implementation Deed)</b>
Short name	<b>Scheme Participant</b>

---

## Background

- A. On 8 May 2024, the Bidder, the Bidder Guarantor and PSC Insurance Group Limited ACN 147 812 164 (**PSC**) entered into a scheme implementation deed (**Scheme Implementation Deed**).
- B. Under the Scheme Implementation Deed, the Bidder has, among other things, agreed to provide or procure the provision of the Scheme Consideration to the Scheme Participants in consideration for the acquisition by the Bidder of all of the Scheme Shares.
- C. In accordance with the Scheme Implementation Deed, the Bidder, Tara Topco and Ardonagh Holdco each enters into this deed poll for the purpose of covenanting in favour of the Scheme Participants to perform its obligations and actions under the Scheme Implementation Deed (in the case of the Bidder) and the Scheme (in the case of each of the Bidder, Tara Topco and Ardonagh Holdco). The Bidder Guarantor is entering into this deed poll for the purpose of guaranteeing that the Bidder undertakes such actions.

## ANNEXURE 5 DEED POLL (continued)



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**The parties agree****1. Definitions and Interpretation****1.1 Defined terms**

Unless the context otherwise requires:

- 1.1.1 terms defined in the Scheme (other than words and expressions defined in this deed poll) have the same meaning when used in this deed poll; and
- 1.1.2 terms defined in the Scheme Implementation Deed but not in the Scheme (other than words and expressions defined in this deed poll) have the same meaning when used in this deed poll.

**1.2 Interpretation**

The rules in clause 9 of the Scheme apply in interpreting this deed poll (unless the context makes it clear that a rule is not intended to apply), save that references to 'Deed' in that clause will be taken to be references to 'deed poll'.

**1.3 Nature of deed poll**

The Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco each acknowledges and agrees that:

- 1.3.1 this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and
- 1.3.2 under the Scheme, each Scheme Participant irrevocably appoints PSC and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent to enforce this deed poll against the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco on behalf of that Scheme Participant.

**2. Conditions precedent and termination****2.1 Conditions**

The obligations of the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco under this deed poll are subject to the Scheme becoming Effective.

**2.2 Termination**

This deed poll and the obligations of the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco under this deed poll will automatically terminate, and the terms of this deed poll will be of no further force or effect if:

- 2.2.1 the Scheme Implementation Deed is terminated in accordance with its terms; or
- 2.2.2 the Scheme does not become Effective by the End Date,

unless PSC and the Bidder otherwise agree in writing (and, if required, as approved by the Court).



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### 2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 in addition and without prejudice to any other available rights, powers or remedies:

- 2.3.1 the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco are released from their obligations to further perform this deed poll; and
- 2.3.2 each Scheme Participant retains any rights, powers or remedies they have against the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco in respect of any breach of this deed poll which occurred before it was terminated.

### 3. Scheme obligations and actions

- 3.1 Subject to clause 2, each of Bidder, Tara Topco and Ardonagh Holdco undertakes in favour of each Scheme Participant that it will duly and punctually observe and perform all obligations and actions attributed to it under the Scheme as if named as a party to the Scheme, including all obligations and actions attributed to it relating to the provision, or procuring the provision, of the Scheme Consideration, in accordance with the terms of the Scheme.
- 3.2 Subject to clause 2, the Bidder Guarantor undertakes in favour of each Scheme Participant that it will unconditionally and irrevocably procure and guarantee the due and punctual performance by the Bidder of all obligations contemplated of it under clause 3.1.
- 3.3 Each of the Bidder and Ardonagh Holdco covenants in favour of the Relevant Shareholders that the HoldCo Securities which are issued to Relevant Shareholders in accordance with the terms of the Scheme, and Tara Topco and Ardonagh Holdco each covenants in favour of the Relevant Shareholders that the Tara Shares or Ardonagh Shares (as applicable) which are issued to the Relevant Shareholders pursuant to the Put and Call Option Deed, will:
  - 3.3.1 in the case of an Ardonagh Share, be validly issued in accordance with the Constituent Documents, and rank equally in all respects with each Ardonagh Share so issued;
  - 3.3.2 in the case of a Loan Note, be validly issued and rank equally in all respects with each Loan Note so issued;
  - 3.3.3 in the case of Tara Shares or Ardonagh Shares ultimately issued pursuant to the Put and Call Option Deed, be validly issued in accordance with the Constituent Documents and rank equally in all respects with each other such Tara Share or Ardonagh Share (as applicable) on issue at the time; and
  - 3.3.4 in the case of the Ardonagh Shares, the Loan Notes and the Tara Shares or Ardonagh Shares ultimately issued pursuant to the Put and Call Option Deed, be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under applicable Constituent Documents).
- 3.4 With effect from the Implementation Date, the Bidder agrees to assume the liabilities of each LFS Scheme Participant in respect of their LFS and meet all obligations of each LFS Scheme Participant in respect of their outstanding loans to PSC.
- 3.5 Each of Ardonagh Holdco and Tara Topco may amend the terms of its Constituent Documents following the date of the Scheme Implementation Deed, provided that any material variation or material amendment to any Constituent Document which would affect the rights and obligations attaching to the Tara Shares and/or the Ardonagh Shares

## ANNEXURE 5 DEED POLL (continued)



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adversely and disproportionately relative to the rights and obligations attaching to the B Ordinary Shares (as that term is defined in the Constituent Documents) shall require the prior written consent of PSC.

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#### 4. Warranties

- 4.1 The Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco each represents and warrants in favour of each Scheme Participant, in respect of itself, that it:
- 4.1.1 is a corporation validly existing under the laws of its place of incorporation;
  - 4.1.2 has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
  - 4.1.3 has not suffered an Insolvency Event;
  - 4.1.4 has taken all necessary corporate action to authorise the entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and
  - 4.1.5 is legally bound by this deed poll, and this deed poll does not and will not result in a breach of, or default under any provision of, its constitution or any term of any order, judgment or law which it is a party to or is subject to or by which it is bound or any term or provision of any material agreement to which it is a party.
- 4.2 Each of Tara Topco and Ardonagh Holdco represents and warrants in favour of each Relevant Shareholder that:
- 4.2.1 the amended and restated shareholders agreement relating to Ardonagh Holdco and Tara Topco has been, or will prior to the Implementation Date be, duly adopted in accordance with the terms of the existing shareholders agreement relating to Ardonagh Holdco and Tara Topco and the memorandum and articles of association of Ardonagh Holdco and/or Tara Topco (as relevant) have been, or will prior to the Implementation Date be, adopted by way of a resolution validly passed, each in the form agreed with PSC in writing (subject to any permitted changes or variations);
  - 4.2.2 as at the date of the Scheme Implementation Deed, it is not under an obligation to issue, and no person has the right to call for the issue or transfer of, any shares or other securities in it at any time other than as set out above, in accordance with the Constituent Documents or as otherwise disclosed to PSC in writing prior to the date of the Scheme Implementation Deed; and
  - 4.2.3 all of its securities have been validly issued in accordance with all applicable laws and its constituent documents.

---

#### 5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

- 5.1 Each of the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco having fully performed its obligations under this deed poll; or



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5.2 termination of this deed poll under clause 2.2.

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**6. General**

**6.1 Further assurances**

The Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco each will, at its own expense, do all things reasonably required of it and execute all documents reasonably necessary to give full effect to this deed poll and the transactions contemplated by it.

**6.2 Costs and stamp duty**

The Bidder must, and the Bidder Guarantor unconditionally and irrevocably guarantees the obligation of the Bidder to:

- 6.2.1 be responsible for its own costs arising out of the negotiation, preparation and execution of this deed poll;
- 6.2.2 pay or procure the payment of all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to the Bidder pursuant to the Scheme or this deed poll; and
- 6.2.3 indemnify each Scheme Participant against any liability arising from failure to comply with clause 6.2.2.

**6.3 Notices**

6.3.1 Any notice or other communication to the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco in connection with this deed poll must be:

- (a) in legible writing in English;
- (b) signed by the person making the communication or that person's duly authorised agent; and
- (c) given by hand delivery, pre-paid post or email in accordance with the notice details of each party set out on page 1 of this deed poll under the heading 'Parties' (or as notified by a party to the other parties).

6.3.2 Subject to clause 6.3.3, any notice or other communication given in accordance with clause 6.3.1 will be deemed to have been duly given as follows:

- (a) if delivered personally or left at the person's address, upon delivery;
- (b) if posted within Australia to an Australian address:
  - (i) using express post, 2 Business Days after posting; and
  - (ii) using any other prepaid post, 5 Business Days after posting;
- (c) if posted to an address in a different country, 10 Business Days after posting; and
- (d) if delivered by email, at the time the email left the sender's email system, unless the sender receives notification that the email was not received by the recipient.

## ANNEXURE 5 DEED POLL (continued)



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6.3.3 Any notice or other communication that, pursuant to clause 6.3.2 would be deemed to be given:

- (a) other than on a Business Day or after 5:00 pm on a Business Day is regarded as given at 9:00am on the following Business Day; and
- (b) before 9:00 am on a Business Day is regarded as given at 9:00 am on that Business Day,

where references to time are to time in the place the recipient is located.

#### 6.4 Cumulative rights

The rights, powers and remedies of the Bidder, the Bidder Guarantor, Tara Topco, Ardonagh Holdco and of each Scheme Participant under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

#### 6.5 Waiver and variation

6.5.1 A party waives a right under this deed poll only by written notice by it that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

6.5.2 Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

6.5.3 A provision of this deed poll may not be varied unless:

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

in which event the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

#### 6.6 Assignment

6.6.1 The rights of each Scheme Participant created by this deed poll must not be assigned, encumbered or otherwise dealt with at law or in equity without the prior written consent of the Bidder, the Bidder Guarantor, Tara Topco and Ardonagh Holdco.

6.6.2 Any purported dealing in contravention of clause 6.6.1 is invalid.

#### 6.7 Governing law and jurisdiction

6.7.1 This deed poll is governed by the laws in force in New South Wales, Australia.

6.7.2 Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the



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courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and

- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.7.2(a).

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# ANNEXURE 5 DEED POLL (continued)

DocuSign Envelope ID: E01FF98D-A05B-46F9-A5C8-BDDD7F711983



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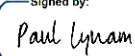
## Execution Page


Executed as a deed poll.

Signed by

**Rosedale Bidco Pty Ltd ACN  
677 065 548**

in accordance with section 127(1) of the  
*Corporations Act 2001* (Cth);

sign here ▶ Signed by:  
  
B690DE515265461...  
Director

sign here ▶ DocuSigned by:  
  
BESS17738CAE4C7...  
Director

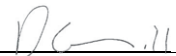
print name Paul Lynam

print name Gordon Wilkie

Executed as a deed by

**ARDONAGH GROUP HOLDINGS  
LIMITED**

acting by

sign here ▶   
Duly authorised person

print name Diane Cougill

in the presence of

sign here ▶   
Witness

Name of witness Mary Tovell

Address of witness 1 Cornhill, London EN3V 3ND

For personal use only





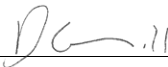
Maddocks

Executed and delivered as a deed  
by

**ARDONAGH HOLDCO LIMITED**

acting by

sign here ▶

  
\_\_\_\_\_

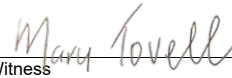
Name:

Diane Cougill

Title:

in the presence of

sign here ▶

  
\_\_\_\_\_

Witness

Name (print):

Mary Tovell

Occupation:

Executive Assistant

Address:

1 Cornhill, London EC3V 3ND

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ANNEXURE 5 DEED POLL (continued)

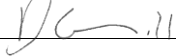


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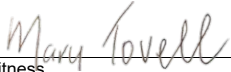
Executed and delivered as a deed  
by

**TARA TOPCO LIMITED**

acting by

sign here ►   
Name: \_\_\_\_\_  
Title: Diane Cougill

in the presence of

sign here ►   
Witness

Name (print): Mary Tovell  
Occupation: Executive Assistant  
Address: 1 Cornhill, London EC3V 3ND

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# ANNEXURE 6

## PROXY FORMS

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**LODGE YOUR PROXY**

**ONLINE**  
<https://investorcentre.linkgroup.com>

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

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150

**ALL ENQUIRIES TO**  
Telephone: 1800 774 615      Overseas: +61 1800 774 615



**X99999999999**

**VOTING/PROXY FORM**

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

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**STEP 1** Please mark either A or B

**A VOTE DIRECTLY**

elect to lodge my/our vote(s) directly (mark box)

in relation to the General Scheme Meeting of the Company to be held at **9:30am on Thursday, 26 September 2024**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

**OR B APPOINT A PROXY**

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Scheme Meeting of the Company to be held at **9:30am on Thursday, 26 September 2024** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid meeting and you can participate by attending at Pullman Melbourne on the Park Hotel, 192 Wellington Parade East Melbourne Victoria 3002 or by logging in online at <https://meetings.linkgroup.com/psischeme24> (refer to details in the Virtual Meeting Online Guide).

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

**STEP 2**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

**Scheme Resolution**

1 'That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between PSC and its shareholders, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with any alterations or conditions as approved by the Federal Court of Australia to which PSC and Rosedale BidCo agree) and, subject to approval of the scheme of arrangement by the Court, the PSC Board is authorised to agree to, and implement, the scheme of arrangement with any alterations or conditions as are thought fit by the Court.'

	<b>For</b>	<b>Against</b>	<b>Abstain*</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority.

**STEP 3**

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER VOTING/PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may identify on the Voting/Proxy Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

### VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting/Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting/Proxy Form and the second Voting/Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of General Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A VOTING/PROXY FORM

This Voting/Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:30am on Tuesday, 24 September 2024**, being not later than 48 hours before the commencement of the Meeting. Any Voting/Proxy Form received after that time will not be valid for the scheduled Meeting.

Voting/Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

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

### IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

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**LODGE YOUR PROXY**



**BY MAIL**

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



**BY FAX**

+61 2 9287 0309



**BY HAND**

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150



**ALL ENQUIRIES TO**

Telephone: 1800 774 615      Overseas: +61 1800 774 615



**X99999999999**

**VOTING/PROXY FORM**

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

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**STEP 1** Please mark either A or B

**A**

**VOTE DIRECTLY**

elect to lodge my/our vote(s) directly (mark box)



in relation to the Rollover Shareholders Scheme Meeting of the Company to be held at **11:00am on Thursday, 26 September 2024**, and at any adjournment or postponement of the Meeting.

You should mark either “for” or “against” for each item. Do not mark the “abstain” box.

**OR**

**B**

**APPOINT A PROXY**

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Rollover Shareholders Scheme Meeting of the Company to be held at **11:00am on Thursday, 26 September 2024 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid meeting and you can participate by attending at Pullman Melbourne on the Park Hotel, 192 Wellington Parade East Melbourne Victoria 3002 or by logging in online at <https://meetings.linkgroup.com/psiroll124> (refer to details in the Virtual Meeting Online Guide).

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

**STEP 2**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

**Scheme Resolution**

- 1 'That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between PSC and its shareholders, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with any alterations or conditions as approved by the Federal Court of Australia to which PSC and Rosedale BidCo agree) and, subject to approval of the scheme of arrangement by the Court, the PSC Board is authorised to agree to, and implement, the scheme of arrangement with any alterations or conditions as are thought fit by the Court.'

**For    Against    Abstain\***

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority.

**STEP 3**

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER VOTING/PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may identify on the Voting/Proxy Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

### VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting/Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting/Proxy Form and the second Voting/Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Rollover Shareholders Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A VOTING/PROXY FORM

This Voting/Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Tuesday, 24 September 2024**, being not later than 48 hours before the commencement of the Meeting. Any Voting/Proxy Form received after that time will not be valid for the scheduled Meeting.

Voting/Proxy Forms may be lodged using the reply paid envelope or:



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

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

### IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

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# CORPORATE DIRECTORY

## Registered Office and Principal Place of Business

### **PSC Insurance Group Limited**

96 Wellington Parade  
East Melbourne VIC 3002

## PSC Directors

Paul Dwyer, Non-Executive Chair  
Brian Austin, Non-Executive Deputy Chair  
John Dwyer, Executive Director  
Antony (Tony) Robinson, Managing Director  
Tara Falk, Executive Director  
James Kalbassi, Executive Director  
Melvyn (Mel) Sims, Independent Non-Executive Director  
Joanne Dawson, Independent Non-Executive Director

## Share Registry

### **Link Market Services Limited**

Parramatta Square, Level 22, Tower 6, 10 Darcy Street  
Parramatta NSW 2150

## Financial Adviser

### **Goldman Sachs Australia Pty Ltd**

Level 47, Governor Phillip Tower, 1 Farrer Place  
Sydney NSW 2000

## Legal Adviser

### **Maddocks**

Level 27, Angel Place, 123 Pitt Street  
Sydney NSW 2000

## Independent Expert

### **FTI Consulting (Australia) Pty Ltd**

Level 50 Bourke Place, 600 Bourke Street  
Melbourne VIC 3000

## Tax Adviser

### **Ernst & Young**

200 George Street  
Sydney NSW 2000

## Stock Exchange Listing

PSC Shares are listed on the Australian Securities Exchange (ASX:PSI)

## PSC Website

<https://www.pscinsurancegroup.com.au/>

## PSC Investor Website

<https://www.pscinsurancegroup.com.au/shareholder-meetings/>

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