



Glennon Small Companies Limited

Option Terms

Glennon Small Companies Limited

ACN 605 542 229

Level 3, 99 Bathurst Street Sydney NSW 2000

Options terms

Terms of option to subscribe for Shares in Glennon Small Companies Limited

1. Definitions and interpretation

1.1 Definitions

In these Option Terms:

- (a) **ASX** means ASX Limited (ABN 98 008 624 691) or the financial market operated by ASX, as the context requires;
- (b) **ASX Listing Rules** means the listing rules of ASX;
- (c) **Business Day** means any day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, and concludes at 5pm on that day;
- (d) **Company** means Glennon Small Companies Limited (ACN 605 542 229);
- (e) **Corporations Act** means the *Corporations Act 2001 (Cth)*; and
- (f) **Share** means a fully paid ordinary share in the capital of the Company.

1.2 Interpretation

In these Option Terms, unless the context clearly indicates otherwise:

- (a) a reference to **legislation** or a **legislative provision** includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision;
- (b) terms that are defined in the **ASX Listing Rules** have the meaning given in the ASX Listing Rules and, otherwise, terms that are defined in the **Corporations Act** have the same meaning as in the Corporations Act;
- (c) a reference to a **time** is to that time in Sydney, New South Wales; and
- (d) if a day on or by which an obligation must be performed or an event must occur is not a **Business Day**, the obligation must be performed or the event must occur on or by the next Business Day.

2. Entitlement

Each option entitles the optionholder to subscribe for one Share in the capital of the Company.

3. Issue price

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No amount is payable on issue of the options.

4. Exercise price

The exercise price of each option is A\$1.00.

5. Option period

Each option may be exercised at any time before 5pm on the one year anniversary of the date of issue of the Options (**End Date**). An option not exercised, automatically expires at 5pm on the End Date.

6. Certificate

The Company must give each optionholder a certificate or holding statement stating:

- (a) the number of options issued to the optionholder; and
- (b) the exercise price of the options;
- (c) the date of issue of the options.

7. Participation rights, bonus issues, rights issues and reorganisations

7.1 Participation

An optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless they have exercised their options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

7.2 Notice of new issue

The Company must give an optionholder, in accordance with the ASX Listing Rules, notice of:

- (a) the proposed terms of the issue or offer proposed under clause 7.1; and
- (b) the right to exercise their options under clause 7.1.

7.3 Bonus issues

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the option is exercisable is increased by the number of Shares which the optionholder would have received if the optionholder had exercised the option before the record date for determining entitlements to the issue.

7.4 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, the exercise price of each option is reduced in accordance with the ASX Listing Rules.

7.5 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the Share capital of the Company, then the rights of the optionholder (including the number of options to which each optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

7.6 Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 7 will be made by the Board of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the optionholder.

7.7 Notice of change

The Company must within a reasonable period give to each optionholder notice of any change under clause 7 to the exercise price of any options held by an optionholder or the number of Shares which the optionholder is entitled to subscribe for on exercise of an option.

7.8 Other rights

No Option confers any voting rights or rights to participate in dividends or other distributions by the Company.

8. Method of exercise of options

8.1 Method and payment

- (a) To exercise options, the optionholder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) duly signed by the optionholder specifying the number of options being exercised and Shares to be issued;
 - (ii) payment of the exercise price for the Shares the subject of the exercise notice by way of bank cheque or by other means of payment approved by the Company; and
 - (iii) the certificate for the options.

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- (b) Options will be deemed to have been exercised on the date the documents and other deliverables set out in clause 8.1(a) are lodged with the Company or its share registry.

8.2 Exercise all or some options

An optionholder may only exercise options in multiples of 1,000 unless the optionholder exercises all options held by the optionholder.

8.3 Option certificates

If an optionholder exercises less than the total number of options registered in the optionholder's name:

- (a) the optionholder must surrender their option certificate (if any); and
- (b) the Company must cancel the option certificate (if any) and issue the optionholder a new option certificate or holding statement stating the remaining number of options held by the optionholder.

8.4 Issue of Shares

Within 10 days after receiving the last of the documents and other deliverables set out in clause 8.18.1(a), the Company must issue the optionholder the number of Shares specified in the exercise notice.

9. Ranking of Shares issued on exercise of options

Subject to the Company's Constitution, all Shares issued on the exercise of options rank in all respects (including rights relating to dividends) *pari passu* with the existing Shares at the date of issue.

10. Quotation and listing rules

- (a) The Company will apply to ASX for official quotation of:
 - (i) the options; and
 - (ii) the Shares issued on exercise of options.
- (b) If the Listing Rules require these options terms to contain a provision and it does not contain such a provision, these options terms are deemed to contain that provision.
- (c) If the Listing Rules require these options terms not to contain a provision and it contains such a provision, these options terms are deemed not to contain that provision.



- (d) If any provision of these options terms is or becomes inconsistent with the Listing Rules, these options terms are deemed not to contain that provision to the extent of the inconsistency.

11. Governing law

These terms and the rights and obligations of optionholders are governed by the laws of New South Wales. Each participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.