

Glennon Small Companies Limited

Dividend Reinvestment Plan Rules

Table of contents

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation	2
1.3	Headings	3
2.	The DRP	3
3.	Eligibility	3
4.	Initial Participation	4
5.	Notices of Variation	5
6.	Operation of the DRP	5
7.	Shares issued under the Plan	6
8.	DRP Statements	6
9.	Costs to Participating Shareholders	7
10.	Termination of Participation	7
11.	Acquisition and sale of Shares by Participants	7
12.	Modification and termination of the Plan	8
13.	Disputes	8
14.	Taxation	8
15.	Applications and Notices	9
16.	General	9
17.	Governing Law	10

Summary of the Dividend Reinvestment Plan

- (a) Holders of ordinary shares are eligible to participate in the Dividend Reinvestment Plan (**Plan**).
- (b) Participation in the Plan is optional and no action is required by you if you wish to receive your dividend in the usual manner. You may elect to participate in the Plan in respect of all or a specified number of the shares which you hold (subject to a minimum of 100 shares).
- (c) An election to participate in the Plan applies to all dividends after the election until the election is varied or terminated or the Plan is terminated.
- (d) At each dividend payment date, the dividend on shares participating in the Plan is automatically reinvested in new shares.
- (e) Shares issued under the Plan will be ordinary shares and will rank equally in all respects with existing shares and can be sold at any time.
- (f) When an entitlement calculation ends in a fraction of a share, your entitlement to new shares will be rounded down to the next full share. Any part of the dividend not used to apply for shares will be either accumulated on your account or paid by normal means.
- (g) Under the Plan, new shares may be issued at a discount from market price, with the amount of the discount to be determined by the directors of the Company. The amount of the discount may be varied from time-to-time in accordance with the rules of the Plan.
- (h) There is no brokerage, stamp duty or other charge payable by you in respect of new shares issued to you under the Plan. The Company will bear all administration costs in connection with the Plan.
- (i) If you choose to participate in the Plan you will be issued a statement after each dividend payment setting out details of the number of shares issued to you under the Plan in respect of that dividend.
- (j) If you choose to participate in the Plan only in respect of some (but not all) of the shares held by you, the number of shares nominated will participate in the Plan, and a dividend will be paid in relation to the balance of the shares held by you by normal means.
- (k) The Plan may be suspended, modified or terminated by the directors of the Company at any time in accordance with the rules of the Plan.
- (l) For your shares to participate in the Plan, you must send to the Company's share registrar a completed Application Form or Notice of Variation so that it reaches the share registrar before the books close to determine dividend entitlements.

Dividend Reinvestment Plan

1. Definitions and interpretation

1.1 Definitions

In this DRP, the following words and expressions have the meanings indicated unless the contrary intention appears:

- (a) **Application** means an application to participate in the DRP in the form approved by the Board from time to time (or any other form the Board accepts);
- (b) **ASX** means ASX Limited;
- (c) **Board** means the board of directors of the Company from time to time;
- (d) **Business Day** has the same meaning as in the Listing Rules;
- (e) **Cash Dividend** means a Dividend payable to a Participant in respect of Participating Shares wholly in cash and, in the case of a Dividend payable only partly in cash, that part of the Dividend which is payable in cash;
- (f) **Company** means Glennon Small Companies Limited (ACN 605 542 229);
- (g) **Corporations Act** means *Corporations Act 2001 (Cth)*;
- (h) **Dividend** means a dividend or interim dividend of the Company;
- (i) **Dividend Payment Date** means the date on which a Dividend is paid by the Company;
- (j) **DRP** means the Glennon Small Companies Limited Dividend Reinvestment Plan governed by this document;
- (k) **DRP Statement** means the statement referred to in clause 8;
- (l) **Full Participant** means a Participant who participates in the DRP in respect of all the Shares held by that Participant, including:
 - (i) Shares currently held;
 - (ii) Shares issued under the DRP;
 - (iii) bonus Shares (if any) subsequently issued; and
 - (iv) any other Shares acquired subsequently;
- (m) **Issue Price** means the issue price of Shares issued under the DRP as determined in accordance with clause 6(b);
- (n) **Limited Participant** means a Participant who participates in the DRP in respect of some, but not all, of the Shares held by that Participant;
- (o) **Listing Rules** means the Listing Rules of the ASX;
- (p) **Minimum Amount** means 100 Shares or other number of Shares that the Board determines from time to time;
- (q) **Non-Participating Shares** means, in relation to a Limited Participant, any Shares registered in the name of the Limited Participant that are not subject to the DRP;

- (r) **Notice** means a notice given under this document, including an Application and a Notice of Variation;
- (s) **Notice of Variation** means a form (as approved by the Board) by which a Participant applies to vary the level of, or withdraw from, participation in the DRP;
- (t) **Participant** means a Shareholder who is a participant in the DRP;
- (u) **Participating Shares** means, in relation to a Participant, the Shares registered in the name of the Participant that are subject to the DRP;
- (v) **Price Determination Period** means the period determined by the Board, being a period of not less than 10 Business Days commencing before or after the relevant Record Date, as determined by the Board;
- (w) **Record Date** has the same meaning as in the Listing Rules;
- (x) **Residual Dividend** means, in respect of a Participant, the total Cash Dividend payable to that Participant plus any amount accumulated under clause 6(g)(i) reduced by any amount, including withholding tax, where appropriate, which the Company is required to or may, subject to the Listing Rules, deduct from the Cash Dividend payable to that Participant;
- (y) **Shareholder** means a person registered as the holder of Shares;
- (z) **Share** means a fully paid ordinary share in the capital of the Company; and
- (aa) **VWAP** means the volume weighted average price of shares traded on ASX during the relevant period excluding any trades that the Company determines to exclude on the basis that the trades are not reflective of the value of Shares during the period.

1.2 Interpretation

In this document, except where the context otherwise requires:

- (a) the **singular** includes the plural and vice versa, and a gender includes other genders;
- (b) **another grammatical form** of a defined word or expression has a corresponding meaning;
- (c) a reference to a **clause, paragraph, schedule or annexure** is to a clause or paragraph of, or schedule or annexure to, this document and a reference to this document includes any schedule or annexure;
- (d) a reference to a **document or instrument** includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar or \$** is to Australian currency;
- (f) a reference to **time** is to Sydney, Australia time;
- (g) a reference to a **person** includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (h) a reference to a **statute, ordinance, code or other law** includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (i) a word or expression defined in the **Corporations Act** has the meaning given to it in the Corporations Act;

- (j) the meaning of **general words** is not limited by specific examples introduced by including, for example or similar expressions;
- (k) any **agreement, representation, warranty or indemnity** by two or more persons (including where two or more persons are included in the same defined term) binds them jointly and severally; and
- (l) 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.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. The DRP

- (a) The DRP is established but will not commence operation unless and until the Board resolves to commence the operation of the DRP.
- (b) Under the DRP, Shareholders may elect to receive additional Shares in substitution for Cash Dividends in respect of all or part only (as determined in writing to the Company by each Shareholder) of their Shares on the terms and conditions as determined by Board in respect of each Dividend.
- (c) Participation by a Shareholder in the DRP is optional and is not transferable.

3. Eligibility

- (a) Subject to clause 3(e), all Shareholders are eligible to participate in the DRP.
- (b) A Shareholder may elect to participate in the DRP by delivery of an Application to the Company, its share registry or as the Company directs.
- (c) An Application received by the Company to participate in the DRP is not effective for a Dividend unless it is received by the Company, its share registry or as the Company directs prior to the Record Date for that Dividend or a later date as may be determined by the Board.
- (d) If an Application is made in respect of Shares jointly held by two or more Shareholders, all joint holders of such Shares must sign the Application for it to be valid.
- (e) The Board may in its discretion accept or reject, in whole or in part, any Application and is not required to give any reason for doing so. This discretion includes, but is not limited to, a discretion for the Board to determine that the right to participate in the DRP is not available to a Shareholder:
 - (i) who has a registered address or is a resident in a country or place where, or is the nominee of another person in respect of the Shares for whom, in the absence of a disclosure document, registration statement or other prerequisite, the offer of a right of election or participation would or might be unlawful;
 - (ii) whose participation in the DRP might lead to a foreign person acquiring an interest in the Company in breach of the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*, the Corporations Act or any other Australian statute or the common law;

- (iii) whose level of participation is less than the Minimum Amount; or
- (iv) who holds partly paid Shares or Shares issued but not fully paid for under an employee incentive scheme.
- (f) In the case of joint holders of Shares, if one or more of the joint holders is not eligible to participate in the DRP, none of the joint holders is eligible to participate in the DRP in respect of the jointly held Shares.
- (g) The Company must notify a Shareholder of the rejection of any Application as soon as practicable after the Application is made.
- (h) A Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in the DRP.

4. Initial Participation

- (a) A Shareholder may elect that all or a specified lesser number of the Shares registered or to be registered in the name of that Shareholder (provided that number of Shares at all times exceeds the Minimum Amount) will be subject to the DRP.
- (b) If a Shareholder nominates a number of Shares less than that Shareholder's total holding to be subject to the DRP, following acceptance of the Application by the Board, the Shareholder will become a Participant in the DRP but only in relation to the Shares nominated.
- (c) If an Application is received, the Shareholder:
 - (i) if the Application was in respect of all of the Shares registered or to be registered in the name of that Shareholder, is admitted as a Full Participant; or
 - (ii) if the Application was in respect of a specified lesser number of Shares registered or to be registered in the name of that Shareholder, is admitted as a Limited Participant in respect of that specified lesser number of Shares.
- (d) By providing an Application or Notice of Variation to the Company, the Shareholder:
 - (i) warrants to the Company that it is eligible to participate in the DRP;
 - (ii) authorises the Company or its officers or agents to correct any error in or omission from any Application or Notice of Variation;
 - (iii) acknowledges that the Company may:
 - (A) determine that any Application or Notice of Variation is valid and in accordance with this document (even if it is incomplete, contains errors or is otherwise defective);
 - (B) reject any Application or Notice of Variation; or
 - (C) arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends;
 - (iv) acknowledges that the Company has not provided the Shareholder with investment advice or financial product advice concerning its decision to apply to participate in the DRP and that the Company has no obligation to provide this advice; and

- (v) agrees to be bound by this document and the terms and conditions of the DRP from time-to-time.
- (e) An Application received by the Company (or anyone nominated by the Company) will be deemed to be an Application for full participation for the entire current and future shareholding of the Shareholder if the Participant does not indicate:
 - (i) the shareholding account to which the Application relates; or
 - (ii) the degree of participation in the DRP.

5. Notices of Variation

- (a) A Participant may at any time give a Notice of Variation to the Company:
 - (i) increasing or decreasing the number of Shares participating in the DRP; or
 - (ii) terminating participation in the DRP.
- (b) A Notice of Variation received by the Company to vary the level of participation or to terminate participation in the DRP takes effect from the first Record Date to occur following receipt of the Notice of Variation by the Company.
- (c) A Participant's level of participation in the DRP, as evidenced by that Participant's Application or any subsequent Notice of Variation, will constitute that Participant's level of participation until:
 - (i) the Participant formally varies or terminates the Participant's participation in the DRP by way of Notice of Variation or such participation is deemed under this document or as otherwise determined by the Board to be formally varied or terminated; or
 - (ii) the Company terminates the DRP,

whichever occurs earlier.

6. Operation of the DRP

- (a) For each Dividend in respect of which the Board determines that the DRP is to operate, the Residual Dividend must be applied by the Company on each Participant's behalf in subscribing for additional Shares in accordance with this document.
- (b) Subject to clause 6(d), the price at which each Share is issued under the DRP in respect of a Dividend (**Issue Price**) is:

Issue Price = Determined Percentage x Market Price.
- (c) For the purpose of clause 6(b):
 - (i) '**Determined Percentage**' means the percentage as the Board in its absolute discretion determines to be applicable in respect of a Dividend; and
 - (ii) '**Market Price**' means:
 - (A) the VWAP during the Price Determination Period; and
 - (B) if no Shares have been sold in the Price Determination Period, the last sale price of Shares sold on the ASX 'on-market' prior to the Price Determination Period.

- (d) If the Board is of the opinion that determination of the Issue Price for a Dividend in accordance with the formula set out in clause 6(b) would materially disadvantage any Shareholder or would not represent a fair and reasonable price at which to issue Shares pursuant to the DRP in respect of that Dividend, the Board may substitute another price as the Issue Price (as determined by it in its absolute discretion) for that Dividend.
- (e) The Issue Price (whether determined by application of the formula in clause 6(b) or by the Board under the residual discretion granted to it by clause 6(d)) is final and binding on all Participants.
- (f) In respect of a Residual Dividend payable to a Participant, the Company will:
 - (i) calculate the number of Shares (at the Issue Price) to be acquired using the Residual Dividend payable to the Participant, rounded down to the nearest whole Share;
 - (ii) on behalf of and in the name of the Participant, apply the total Residual Dividend payable to that Participant to acquire that number of additional Shares calculated in accordance with clause 6(f)(i); and
 - (iii) issue that number of additional Shares to the Participant within five Business Days after the Dividend Payment Date.
- (g) The amount of any Residual Dividend payable to a Participant which is not applied by the Company under clause 6(f) because the number of Shares to be issued to a Participant is rounded down may, at the discretion of the Board:
 - (i) be accumulated (without interest) by the Company on behalf of the Participant until one Share can be issued to the Participant under the DRP by applying the amount accumulated; or
 - (ii) be paid to the Participant as the Board determines in its absolute discretion.

7. Shares issued under the Plan

- (a) Subject to the constitution of the Company and the Listing Rules, all Shares issued under the DRP rank equally in every respect with the existing Shares and participate in all Dividends subsequently declared or authorised.
- (b) The Company must issue or cause to be issued a holding statement to each Participant for the total number of Shares issued to that Participant under paragraph 6(f)(ii).
- (c) The Company must apply for the Shares issued under the DRP to be listed for quotation on the official list of the ASX as soon as reasonably practicable after their date of issue.
- (d) Subject to any legal restriction to the contrary, in the operation of the DRP for any Dividend Payment Date, the Company may, in its discretion, either issue Shares or cause existing Shares to be acquired in the market for transfer to Participants, or a combination of both options, to satisfy the Company's obligations under the DRP if the Company determines to cause the transfer of Shares to participants, the Shares may be acquired in the market in such manner as the Company considers appropriate.

8. DRP Statements

The Company will send to each Participant following each Dividend Payment Date a DRP Statement detailing the following information:

- (i) the number of Shares of the Participant participating in the DRP as at the relevant Record Date;
- (ii) the amount of the Cash Dividend payable on each Participating Share;
- (iii) if applicable, the amount of withholding tax or other amount which has been deducted from the Cash Dividend payable on the Participating Shares;
- (iv) the Residual Dividend payable on the Participating Shares;
- (v) the current Issue Price;
- (vi) the number of Shares issued or to be issued to the Participant under the DRP in respect of that Dividend and the date of issue of those Shares;
- (vii) the franked amount (if any) of the Dividend and the franking credit (if any) attaching to the Dividend;
- (viii) subject to any share transactions in the intervening period, the total number of Shares of the Participant participating in the DRP after the Dividend; and
- (ix) other information as the Board may at any time and from time to time determine.

9. Costs to Participating Shareholders

Except to the extent required by law, no brokerage, commission or other transaction costs and no stamp or other duties are payable by Participants for the issue of Shares to them under the DRP.

10. Termination of Participation

- (a) A Participant is taken to have terminated participation in the DRP:
 - (i) on receipt by the Company, its share registry or as the Company directs of a Notice of Variation terminating participation in the DRP in accordance with clause 5;
 - (ii) on registration of one or more transfers of all of the Participant's Participating Shares;
 - (iii) on termination of the DRP by the Board in accordance with clause 12;
 - (iv) on receipt by the Company of the notice of death, bankruptcy or liquidation of the Participant; or
 - (v) on the Participant ceasing to be eligible for participation in the DRP.
- (b) For the purposes of clause 11(a) the death, bankruptcy or liquidation of any one of two or more joint Shareholders does not automatically terminate the participation of the remaining Shareholder or joint Shareholders in the DRP.
- (c) A Share which has ceased to be a Participating Share is not precluded from subsequently again becoming subject to the DRP.

11. Acquisition and sale of Shares by Participants

- (a) All Shares issued to a Participant under the DRP will be added to the number of Participating Shares unless a Notice of Variation advising the Company to the contrary has been delivered to the Company, its share registry or as the Company directs.

- (b) Unless advised in writing by the Limited Participant to the contrary, if a Limited Participant sells or transfers Shares, the Shares sold or transferred will, first, reduce the number of Non-Participating Shares and, secondly, the number of Participating Shares.
- (c) If, by the issue, purchase or transfer of Shares otherwise than under the DRP, the number of Shares held by a Limited Participant increases to a number greater than the original nominated number of Participating Shares, the excess of Shares over the number of Participating Shares are taken to be Non-Participating Shares.
- (d) Any further Shares acquired (by whatever means) by a Full Participant automatically become Participating Shares on being registered in the Participant's name.

12. Modification and termination of the Plan

- (a) The Board may at its discretion at any time resolve to:
 - (i) vary the DRP and any agreement or procedures relating to the DRP;
 - (ii) suspend (and/or re-commence) the operation of the DRP for any one or more Dividends or periods of time; or
 - (iii) terminate the DRP.
- (b) Any variation, suspension or termination made in accordance with clause 12(a):
 - (i) is effective from the date of the resolution or a later date as determined by the Board; and
 - (ii) does not give rise to any liability on the part of the Company or right of action by a Participant against the Company or the directors.
- (c) The Company must give written notification to the ASX of any variation, termination or suspension of the DRP.
- (d) Neither variation of this document nor temporary suspension of the DRP affects a Participant's participation under the DRP (as varied or re-implemented as the case may be) unless the Company is notified by a Participant to the contrary by a Notice of Variation.
- (e) The accidental omission to give notice of any variation, suspension or termination of the DRP to the ASX or to any Participant or the non-receipt of any notice by any Participant does not invalidate the variation, suspension or termination of the DRP.

13. Disputes

- (a) The Board has absolute discretion to resolve any dispute, difficulties or anomalies concerning the DRP in the manner from time to time it sees fit and to adopt any administrative procedures it thinks appropriate (whether generally or in relation to any Participant). The decision of the Board is final and binding on the Participants.
- (b) The Board may delegate, for such period and on such conditions as it determines, the exercise of any of their powers or directions arising under the DRP.

14. Taxation

- (a) The following information is of a general nature only and does not take into account a Participant's personal circumstances. Each Participant should obtain professional taxation advice about the consequences of participating in the DRP. The comments in this

document assume that no part of a dividend paid to a Participant is reasonably attributed to a listed investment company capital gain.

- (b) The taxation effect of participation in the DRP will depend on a Participant's individual circumstances. A Participant will generally be liable for tax on dividends reinvested in the DRP on the same basis as if they had received the cash and made the investment. Accordingly, a Participant should include the dividend and any franking credits attached to the dividend in their Australian income tax return in the normal manner.
- (c) The Shares issued to a Participant under the DRP will be added to the Participant's existing shareholding at their date of issue as shown on the DRP Statement. The amount of the dividend that has been reinvested will form part of the cost base of the new Shares.

15. Applications and Notices

- (a) Notices to the Company must be in writing and in the form prescribed by the Board from time to time (or in any other form the Board may accept).
- (b) Notices will be effective upon receipt by the Company subject to:
 - (i) the provisions of this document;
 - (ii) in the case of Applications only, acceptance by the Company; and
 - (iii) in the case of Applications and Notices of variation, receipt by the Company before one Business Day after the relevant Record Date for determining entitlements to Dividends.
- (c) Notices received after one Business Day after the relevant Record Date will not be effective in respect of that Dividend payment, but will be effective in respect of the next relevant Record Date.
- (d) A Notice must be signed by the Shareholder (or Participant, as the case may be) or, if two or more persons hold Shares jointly, by each joint holder of the Shares.
- (e) If a Shareholder or Participant is a body corporate, a Notice must be executed in accordance with sub-section 127(1) of the Corporations Act or by an authorised officer, attorney or representative.
- (f) If a Notice is completed by an individual or a body corporate under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the Notice.

16. General

- (a) The DRP does not apply in any case where:
 - (i) in accordance with the constitution of the Company or otherwise by law, the Board is entitled to retain all or part of a Dividend payable in respect of Shares which a Participant has nominated as participating in the DRP;
 - (ii) the Company is entitled to a security interest over those Shares or over any Dividend payable in respect of those Shares; or
 - (iii) the issue of Shares under the DRP would be in breach of any applicable law.

- (b) The Board may in its sole discretion delegate the performance or exercise of any or all of the rights, powers or discretions granted to it under this document to a sub-committee of the Board or to any other committee comprising executive officers and/or senior employees of the Company as determined by the Board.
- (c) Participants are at all times bound by this document as modified from time-to-time by the Board.
- (d) Notwithstanding any other provision of this document, the DRP will be construed, and this document will be applied, in accordance with the Corporations Act and Listing Rules and will have effect to the maximum extent permitted by law. If the Listing Rules requires this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision. If the Listing Rules require this document to contain a provision and it does not contain that provision, this document is deemed to contain that provision.

17. Governing Law

The DRP and the operation of the DRP are governed by the laws of New South Wales.