

Wednesday, 16 August 2023

Company Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Appendix 4G & Corporate Governance Statement - Year Ended 30 June 2023

In accordance with the Listing Rules, Glennon Small Companies Limited (ASX: GC1) encloses the following information authorised for release by GC1's Board of Directors:

1. Appendix 4G
2. Corporate Governance Statement

For more information, please contact:

Vivien Gacho
Joint Company Secretary
Glennon Small Companies Limited

Email: info@glennon.com.au
Phone: (02) 8027 1000
Website: www.glennon.com.au

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

| |
|---------------------------------|
| Glennon Small Companies Limited |
|---------------------------------|

ABN/ARBN

| |
|----------------|
| 52 605 452 229 |
|----------------|

Financial year ended:

| |
|--------------|
| 30 June 2023 |
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Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.glennonsmallcompanies.com.au/>

The Corporate Governance Statement is accurate and up to date as at 15 August 2023 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 16 August 2023

Vivien Gacho

Joint Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

⁵ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|--|--|---|
| <p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/</p> <p>and we have disclosed the information referred to in paragraph (c) at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/</p> <p>N/A</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: <u>in our Corporate Governance Statement</u></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: <u>in our Corporate Governance Statement</u></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|---|---|
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: <u>in our Corporate Governance Statement</u> and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: <u>in our Corporate Governance Statement</u></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|--|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):]</p> <p>and we have disclosed a copy of the charter of the committee at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/</p> <p>and the information referred to in paragraphs (4) and (5) at: <u>in our Corporate Governance Statement</u></p> <p>[If the entity complies with paragraph (b):]</p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p>[insert location]</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership. | <p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: <u>in our Corporate Governance Statement</u></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|--|--|---|
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: <u>in our Corporate Governance Statement</u> and, where applicable, the information referred to in paragraph (b) at: <u>in our Corporate Governance Statement</u> and the length of service of each director at: <u>in our Corporate Governance Statement</u> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|--|--|
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|---|--|---|--|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 4.3 | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|---|---|--|--|
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <u>the Corporate Governance section of the Company's website</u> https://www.glennonsmallcompanies.com.au/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <u>in our Corporate Governance Statement</u> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|--|--|
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p><u>in our Corporate Governance Statement</u></p> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|--|--|--|
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. | <input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: <u>in our Corporate Governance Statement</u> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | <input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: <u>in our Corporate Governance Statement</u> and, if we do, how we manage or intend to manage those risks at: <u>in our Corporate Governance Statement</u> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|--|---|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):]</p> <p>and we have disclosed a copy of the charter of the committee at: <u>the Corporate Governance section of the Company's website</u> <u>https://www.glennonsmallcompanies.com.au/</u></p> <p>and the information referred to in paragraphs (4) and (5) at: <u>in our Corporate Governance Statement</u></p> <p>[If the entity complies with paragraph (b):]</p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p>[insert location]</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p><input type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>.....</p> <p>[insert location]</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p><input type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at:</p> <p>.....</p> <p>[insert location]</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|---|
| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | <input type="checkbox"/> and we have disclosed information about the processes in place at: <i>[insert location]</i> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |

| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
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| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <input checked="" type="checkbox"/> <p>Not applicable to this Company.</p> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <input checked="" type="checkbox"/> <p>Not applicable to this Company.</p> | <input type="checkbox"/> set out in our Corporate Governance Statement |

GLENNON SMALL COMPANIES LIMITED ACN 605 542 229 (the Company)

CORPORATE GOVERNANCE STATEMENT

The responses to the recommendations below are prepared with respect to the period 1 July 2022 until 30 June 2023 (**Relevant Period**).

This Corporate Governance Statement is current as at 15 August 2023 and has been approved by the board of the Company (**Board**).

This Corporate Governance Statement has been prepared on the basis of the recommendations in the 4th edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

The framework and associated practices outlined in this statement comply with the ASX Corporate Governance Principles and Recommendations 4th Edition unless otherwise stated.

| Corporate Governance Council recommendation | | Response to recommendation |
|---|---|---|
| 1. | Lay solid foundation for management and oversight | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | <p>The role and responsibilities of the Board are disclosed in the Board Charter in the Corporate Governance section of the Company's website (www.glennonsmallcompanies.com.au).</p> <p>The Company's operations are conducted through Glennon Capital Pty Ltd (Manager) and Link Fund Solutions Pty Limited (Administration Manager). The Company has contracted with the Manager and the Administration Manager to provide investment management and administration services. These entities provide investment management and administration personnel who undertake the Company's executive operations.</p> <p>The role, responsibilities and services to be provided by the Manager are disclosed in the summary of the management agreement in section 10 (Material Contracts) of the Prospectus disclosed on the Company's website (www.glennonsmallcompanies.com.au).</p> <p>The Company Secretaries are appointed and accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board. The Company Secretaries are responsible for carrying out the administrative and legislative requirements of the Board.</p> |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 1.2 | <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>The Board Charter sets out the process for the appointment of new directors or senior executives, as well as the process of re-election for a director. These are located in the Corporate Governance section of the Company's website (www.glennonsmallcompanies.com.au).</p> <p>Performance reviews for existing directors are conducted on an annual basis, before being put forward for re-election as a director. These are assessed by the Chairman and the Board.</p> <p>John Larsen was re-elected as a director of the Company at the 2022 annual general meeting, having retired under the director rotation requirements in the Company's constitution. Security holders were provided with all material information on the re-election decision in the Explanatory Statement attached to the Notice of Meeting.</p> |
| 1.3 | <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>The Company complies with this recommendation having signed letters of appointment for current directors setting out the terms of their appointment.</p> <p>The Company has no senior executives as the Company's executive operations are conducted by the Manager and the Administration Manager. A written agreement has been entered into by the Company with each of the Manager and the Administration Manager.</p> <p>Michael Glennon's title is Executive Chairman as he is integrally involved in the operations of the Company. However, he is not an employee of the Company. His services are provided by the Manager to the Company under a management agreement.</p> |
| 1.4 | <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | <p>The Company Secretaries of the Company have been appointed on this basis.</p> |

| Corporate Governance Council recommendation | Response to recommendation |
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| <p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> 1) the measurable objectives set for that period to achieve gender diversity; 2) the entity's progress towards achieving those objectives; and 3) either: <ul style="list-style-type: none"> A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p>The Company has a Diversity Policy in the Corporate Governance section of its website (www.glennonsmallcompanies.com.au).</p> <p>The Company has adopted this Policy and commits to fostering a corporate culture that embraces diversity. The Policy focuses on the composition of Board members and its officers, and the commitment to maintaining an inclusive culture, providing equal opportunities to all current and prospective directors and officers. The Company acknowledges that a diverse workforce is a competitive advantage as a result of the quality and skills of its people.</p> <p>Given the nature of the Company as a listed investment company (with many of its functions outsourced to the Manager and Administration Manager), the size of the Company, and the low turnover, the Board does not believe it would be practical to set measurable objectives to achieve diversity.</p> <p>The Board does note that its various corporate governance documents (including Board Charter) provide for requirements to assess the composition and functioning of the Board, which the Board considers appropriate for a listed investment company.</p> <p>The Board will continuously work towards promoting diversity where it can be done equitably, and in a manner that improves the abilities of the Company so that stakeholders can continue to derive benefits of a stable and diverse organisation.</p> <p>Currently the Board is comprised of 3 male directors, one of whom is also acting in the capacity of the Company Secretary. The Company also has a female Joint Company Secretary effective 31 December 2020.</p> <p>This does not apply to the Company.</p> |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p>Each year the Chairman of the Board conducts an evaluation process of the Board, its committee and individual directors. An evaluation questionnaire is distributed for completion by each member of the Board and results are discussed by the Board including the performance and effectiveness of the Board as a whole, its committees and individual directors.</p> <p>In respect of the Relevant Period, an evaluation has taken place during the Relevant Period in accordance with the process disclosed.</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p> | <p>This recommendation is not applicable given the Company has no senior executives as the Company's executive operations are conducted by the Manager and the Administration Manager.</p> |
| 2. | Structure the board to be effective and add value | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>The Company has complied with recommendation 2.1 during the Relevant Period.</p> <p>The Board has a remuneration and nomination committee with three members, a majority of whom are independent directors. The committee is chaired by an independent director. The committee is comprised of John Larsen (Chair), Michael Glennon and Sulieman Ravell.</p> <p>The remuneration and nomination committee has a charter disclosed in the Corporate Governance section on the Company's website (www.glennonsmallcompanies.com.au) under "Remuneration and Nomination Committee Charter".</p> <p>The remuneration and nomination committee met twice during the Relevant Period with all members attending the meeting.</p> |

| Corporate Governance Council recommendation | | Response to recommendation | | | | | | | | | | |
|---|---|---|------|------------|---------------------------------|---|-------------------------------|--|-------------------------|--|--------------------------|---|
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership. | <p>The Company has completed a Board Skills Matrix which sets out the mix of skills and diversity that the Board is required to have, as set out below.</p> <table><tr><th>Area</th><th>Competence</th></tr><tr><td>Industry knowledge / experience</td><td>Industry experience, Knowledge of sector, Knowledge of board public policy direction, Understanding of government legislation / legislative process</td></tr><tr><td>Technical skills / experience</td><td>Accounting, Finance, Law, Marketing experience, Information technology, Public relations, Experience in developing and implementing risk management, CEO / senior management experience, Strategy development and implementation</td></tr><tr><td>Governance competencies</td><td>Financial literacy, Strategic thinking/planning from a governance perspective, Executive performance management, Governance related risk management experience, Compliance focus, Profile / reputation</td></tr><tr><td>Behavioural competencies</td><td>Team player / collaborative, Ability and willingness to challenge and probe, Common sense and sound judgment, Integrity and high ethical standards, Mentoring abilities, Interpersonal relations, Listening skills, Verbal communication skills, Understanding of effective decision-making processes, Willingness and ability to devote time and energy to the role.</td></tr></table> | Area | Competence | Industry knowledge / experience | Industry experience, Knowledge of sector, Knowledge of board public policy direction, Understanding of government legislation / legislative process | Technical skills / experience | Accounting, Finance, Law, Marketing experience, Information technology, Public relations, Experience in developing and implementing risk management, CEO / senior management experience, Strategy development and implementation | Governance competencies | Financial literacy, Strategic thinking/planning from a governance perspective, Executive performance management, Governance related risk management experience, Compliance focus, Profile / reputation | Behavioural competencies | Team player / collaborative, Ability and willingness to challenge and probe, Common sense and sound judgment, Integrity and high ethical standards, Mentoring abilities, Interpersonal relations, Listening skills, Verbal communication skills, Understanding of effective decision-making processes, Willingness and ability to devote time and energy to the role. |
| Area | Competence | | | | | | | | | | | |
| Industry knowledge / experience | Industry experience, Knowledge of sector, Knowledge of board public policy direction, Understanding of government legislation / legislative process | | | | | | | | | | | |
| Technical skills / experience | Accounting, Finance, Law, Marketing experience, Information technology, Public relations, Experience in developing and implementing risk management, CEO / senior management experience, Strategy development and implementation | | | | | | | | | | | |
| Governance competencies | Financial literacy, Strategic thinking/planning from a governance perspective, Executive performance management, Governance related risk management experience, Compliance focus, Profile / reputation | | | | | | | | | | | |
| Behavioural competencies | Team player / collaborative, Ability and willingness to challenge and probe, Common sense and sound judgment, Integrity and high ethical standards, Mentoring abilities, Interpersonal relations, Listening skills, Verbal communication skills, Understanding of effective decision-making processes, Willingness and ability to devote time and energy to the role. | | | | | | | | | | | |
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <p>As currently comprised, the Board considers John Larsen and Sulieman Ravell to be independent directors.</p> <p>Michael Glennon (Executive Chairman) is not considered an independent director due to his relationship with the Manager. He is the sole director and beneficial owner of the Manager. As stated above, the Manager provides investment management services to the Company under a management agreement.</p> <p>Michael Glennon and John Larsen were appointed as directors of the Company on 29 April 2015. Sulieman Ravell was appointed on 9 June 2020.</p> | | | | | | | | | | |
| 2.4 | A majority of the board of a listed entity should be independent directors. | The Company has complied with this recommendation during the Relevant Period as two of its directors are independent directors. | | | | | | | | | | |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | <p>The Company has not complied with this recommendation during the Relevant Period.</p> <p>The Chair of the Board is Michael Glennon. He is not an independent director. There is no appointed Chief Executive Officer of the Company. Michael Glennon's title is Executive Chairman as he is integrally involved in the operations of the Company but he is not an employee of the Company. His services are provided by the Manager to the Company under a management agreement.</p> <p>Notwithstanding that Mr. Glennon is not an independent director, given his significant experience as a company director and in the financial services sector, the Board has determined that he has the most appropriate mix of skills to act as Chairman of the Board.</p> |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <p>The Company's program for inducting new directors includes tours of the business and access to the Manager, the Administration Manager and the directors to help facilitate a thorough understanding of the Company's operations. New directors will be provided with detailed briefings on corporate strategy and current issues affecting the Company and the industry in which it operates. Upon appointment, new directors will be provided with detailed information about the Company including its corporate governance policies, past minutes of meetings and constitution.</p> <p>The Company is committed to ensuring its directors are adequately skilled and informed to perform their duties effectively. Through the annual board performance review process, opportunities for the development of directors' skills and knowledge are identified for the year ahead.</p> |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 3. | Instil a culture of acting lawfully, ethically and responsibly | |
| 3.1 | A listed entity should articulate and disclose its values. | <p>The Company has a Statement of Values in the Corporate Governance section of its website (www.glennonsmallcompanies.com.au).</p> <p>The values of the Company are customer focus, accountability, respect and integrity. The Board carries out the legal duties of its role in accordance with those values and having appropriate regard to the interests of the Company's customers, staff, shareholders and the broader community in which the Company operates.</p> |
| 3.2 | <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and</p> <p>(c) any other material breaches of that code call into question the culture of the organization.</p> | <p>The Company has a Code of Conduct in the Corporate Governance section of its website (www.glennonsmallcompanies.com.au). The Code applies to all directors of the Company. The Code of Conduct does not apply to employees as the Company does not have any employees given that its investment management and administration functions are outsourced to third parties.</p> <p>Any breaches of the law or unethical behaviour which becomes known to a Director is reported to the Chairman or the Board as a whole. Any breaches will be properly investigated and appropriate action will be taken.</p> |
| 3.3 | <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> | <p>The Company has a Whistleblower Policy in the Corporate Governance section of its website (www.glennonsmallcompanies.com.au).</p> <p>All matters in the first instance are to be reported to the Chairman. If the Chairman is not available, then disclosure can be made to Directors, Company Secretary, and auditors. Investigations of the conduct will be undertaken by the Board.</p> |
| 3.4 | <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p> | <p>The Company has an Anti-Bribery & Corruption Policy in the Corporate Governance section of its website (www.glennonsmallcompanies.com.au).</p> <p>Any breaches, or suspected breaches of the law, or unethical behaviour which becomes known must be reported to the Chairman or the Board as a whole. Any breaches reported will be properly investigated and appropriate action to be taken.</p> |

| Corporate Governance Council recommendation | Response to recommendation |
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| 4. | Safeguard the integrity of corporate reports |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The Company has not fully complied with this recommendation during the Relevant Period.</p> <p>The Board has an audit and risk committee. The committee is comprised of John Larsen (Chair) and Sulieman Ravell. It has only two members, both of which are independent non-executive directors. The committee is chaired by an independent director, who is not the chair of the Board. The Company considers that it is appropriate that the Executive Chairman is not a member of the audit and risk committee. Given this, as the Company has three directors only, it is not possible for the audit and risk committee to have three members.</p> <p>The relevant qualifications and experience of the committee members are disclosed in the directors' report in the Company's 2023 annual report on the Company's website (www.glennonsmallcompanies.com.au).</p> <p>The Board believes that the current committee membership is able to appropriately perform the role of the audit committee to verify and safeguard the integrity of corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The audit and risk committee has a charter disclosed on the Company's website (www.glennonsmallcompanies.com.au) under "Audit and Risk Committee Charter" in the Corporate Governance section.</p> <p>The audit and risk committee met two times during the Relevant Period with both members attending those meetings.</p> |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>This declaration has been received from the Administration Manager (which is responsible for the CFO function) for the full and half year financial statements approved during the Relevant Period.</p> <p>As mentioned above, the Company has not appointed a Chief Executive Officer given the Company's operations are conducted through the Manager and Administration Manager.</p> <p>Michael Glennon is the Company's Executive Chairman as he is integrally involved in the operations of the Company. As set out above, his services are provided by the Manager to the Company under a management agreement. In the absence of a Chief Executive Officer, Michael Glennon has signed the declaration for the full and half year financial statements approved during the Relevant Period.</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p>All periodic announcements are reviewed by the Manager, Glennon Capital and/or the Board of the Company. NTA announcements follow a three-eye review via the investment team, operations team, and the Chief Investment Officer of Glennon Capital and Chairman of the Company. All other material announcements are approved by the Directors of the Company, or the Chairman of the Company after a two-eye review, being the Company Secretary and Directors.</p> |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 5. | Make timely and balanced disclosure | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rule 3.1. | <p>The Company has adopted a Disclosure and Communication Policy (under which a Disclosure Committee is established) which establishes procedures which are aimed at ensuring that directors and company personnel are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. Under the Policy, all officers and contractors must refer any matter or event which may need to be disclosed to the ASX under the Policy to a member of the Disclosure Committee.</p> <p>The members of the Disclosure Committee are Michael Glennon, John Larsen and Sulieman Ravell. The role of the Disclosure Committee is to meet its oversight responsibilities in relation to the Company's disclosure obligations and to ensure compliance with the Disclosure and Communication Policy. The Committee is responsible for considering disclosures of potentially market sensitive information to be made by the Company and providing assurance to the Board that all potentially market sensitive information has been assessed for compliance with the Company's continuous disclosure obligations.</p> <p>The policy sets out principles relating to disclosure of material information, including that the Company:</p> <ul style="list-style-type: none"> • will not provide analysts or other select groups of market participants with any material price sensitive non-public information at any time before it is disclosed to ASX; and • will not generally respond to market rumours and speculation, except when ASX formally requests disclosure on the matter. |
| 6. | Respect the rights of security holders | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | The Company provides information about itself and its governance to investors via its website at www.glennonsmallcompanies.com.au . Governance information is set out in the Corporate Governance section of the Company's website. |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | The Company is a relatively small listed company and its investor relations program involves actively engaging with security holders at the annual general meeting, meeting with them upon request (if appropriate) and responding to any enquiries they may make from time to time. The Manager also releases investment presentations to the market from time to time, makes available relevant videos and articles to the Company's investors and others on the website (www.glennonsmallcompanies.com.au) and releases periodic newsletters by email to subscribers. |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <p>The Company's meetings are intended to give shareholders an opportunity to consider and vote on the resolutions before the meeting and ask questions of the Board, management and auditor (if relevant) generally on the items of business before the meeting, the management of the Company or the conduct of the audit and the auditor's report (for an annual general meeting).</p> <p>The Company's policies to facilitate and encourage participation at meetings include to provide a reasonable opportunity for shareholders, as a whole at the meeting, to ask questions of the Board, answer shareholders' questions honestly and fairly and inform shareholders as to the proxy position with respect to the resolutions to be considered by the meeting and the manner in which the chairman of the meeting intends to vote available proxies.</p> |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | Commencing from the 2020 AGM, all substantive resolutions had been conducted via a poll. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically. |

| Corporate Governance Council recommendation | | Response to recommendation |
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| 7. | Recognise and manage risk | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>The Company has not fully complied with this recommendation during the Relevant Period.</p> <p>The Board has an audit and risk committee. The committee is comprised of John Larsen (Chair) and Sulieman Ravell. It has only two members, both of which are independent directors. The committee is chaired by an independent director.</p> <p>The Board believes that the current committee membership is able to appropriately perform the role of the risk committee to oversee the Company's risk management framework. The Company considers that it is appropriate that the Executive Chairman is not a member of the audit and risk committee. Given this, as the Company has three directors only, it is not possible for the audit and risk committee to have three members.</p> <p>The audit and risk committee has a charter disclosed on the Company's website (www.glennonsmallcompanies.com.au) under "Audit and Risk Committee Charter" in the Corporate Governance section. The Company's Risk Management Statement is also disclosed in the Corporate Governance section.</p> <p>The audit and risk committee met two times during the Relevant Period with both members attending those meetings.</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>The Board and/or audit and risk committee review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.</p> <p>Each of the Board and the audit and risk committee performed a review of the Company's risk management framework during the Relevant Period to satisfy itself that the framework continues to be sound.</p> |

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| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> | <p>The Company does not have an internal audit function due to the relatively small size of the Company and the nature of the Company as a listed investment company.</p> <p>The Company has outsourced its administrative functions to service providers, Link Fund Solutions (custody and accounting) and Glennon Capital Pty Ltd (Investment management). To some extent, risk issues associated with these activities are handled in accordance with the service providers' policies and procedures.</p> <p>Link Fund Solutions undertakes an annual GS007, the results of which are distributed to the Company.</p> <p>A summary of the Company's procedures for evaluating and improving the effectiveness of its risk management and internal control processes are set out in its "Risk Management Statement". This is disclosed in the Corporate Governance section of the Company's website at www.glennonsmallcompanies.com.au.</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> | <p>As the Company is a listed investment company, the Board recognises that the Company has material exposure to economic risks which could substantively impact the Company's ability to create or preserve value for security holders over the short, medium or long term. It therefore has systems in place to identify, assess, monitor and manage these risks to the Company (See sections 7.1 to 7.3 above).</p> <p>Investment returns are influenced by general market factors both in Australia and internationally. In particular, the market prices of the securities of many listed entities experience fluctuations which in many cases reflect a diverse range of non-entity specific influences including general economic conditions and changes in investor confidence generally, and in relation to specific sectors of the market.</p> <p>The Company will always carry investment risk because it must invest its capital in securities which are not risk-free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. The Manager is required to act in accordance with the Board-approved investment mandate.</p> <p>In assessing the Company's risk tolerance level, the Board considers any instance which may materially affect the Company's monthly Net Tangible Asset backing announcement released to the ASX.</p> <p>It is not considered that the Company has material exposure to environmental and social sustainability risks.</p> |

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| 8. | Remunerate fairly and responsibly | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>The Company has complied with this recommendation during the Relevant Period.</p> <p>The Board has a remuneration and nomination committee with three members, a majority of whom are independent directors. The committee is chaired by an independent director. The committee is comprised of John Larsen (Chair), Michael Glennon and Sulieman Ravell.</p> <p>The Board believes that the current committee membership is able to appropriately perform the role of the remuneration committee in setting the level and composition of remuneration and ensuring that such remuneration is appropriate and not excessive.</p> <p>The remuneration and nomination committee has a charter disclosed in the Corporate Governance section on the Company's website (www.glennonsmallcompanies.com.au) under "Remuneration and Nomination Committee Charter".</p> <p>The remuneration and nomination committee met twice during the Relevant Period with all members attending the meeting.</p> |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | <p>This recommendation is not fully applicable as the Company does not have any employees who are remunerated by the Company. Michael Glennon's title is 'Executive Chairman' but he is remunerated by the Manager and does not receive directors' fees or a salary from the Company for his services.</p> <p>The Company has disclosed its policies and practices regarding the remuneration of its non-executive directors in its 2023 Annual Report.</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>This recommendation is not applicable as the Company does not have an equity-based remuneration scheme.</p> |

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| 9. | Additional Recommendations that apply only in certain cases | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | All Directors speak the language in which the board or security meetings are held. |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | The Company was established in Australia. |
| 9.3 | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | This recommendation is not applicable as the Company was not established outside of Australia and is not an externally managed listed entity within the meaning of the 4th edition of the Corporate Governance Principles and Recommendations. The Company is not managed externally by a responsible entity in its corporate capacity. |

| | Additional Disclosures applicable to externally managed listed entities | |
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| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>This recommendation is not applicable as the Company is not an externally managed listed entity within the meaning of the 4th edition of the Corporate Governance Principles and Recommendations. The Company is not managed externally by a responsible entity in its corporate capacity.</p> |
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>This recommendation is not applicable as the Company is not an externally managed listed entity within the meaning of the 4th edition of the Corporate Governance Principles and Recommendations. The Company is not managed externally by a responsible entity in its corporate capacity.</p> <p>However, the Company has outsourced investment management services to the Manager. The terms of the remuneration of the Manager are set out in the Company's Prospectus (located on the Company's website at www.glennonsmallcompanies.com.au) and further details of such remuneration are set out in the Company's 2023 Annual Report (also located on the Company's website at www.glennonsmallcompanies.com.au).</p> |