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Note: This is an important document and requires your immediate attention. It should be read in its entirety. If you do not understand any part of this document, or you are in doubt as to how to deal with it, you should consult your accountant, stockbroker, financial planner, lawyer or other professional adviser.

PROSPECTUS

Glennon Small Companies Limited Resettable Redeemable Convertible Preference Shares

For an offer of resettable, redeemable, convertible preference shares (RRCPS) to raise up to $5.7 million with a preferred, cumulative dividend rate of 5.60% per annum until the first Reset Date on 30 September 2024. The offer is not underwritten.

Issuer

Glennon Small Companies Limited ABN 52 605 542 229

Date of Prospectus

28 October 2020

Lead Manager

ACACIA PARTNERS

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Section One

IMPORTANT INFORMATION FOR APPLICANTS

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1. This Prospectus is only relevant for the offer of resettable, redeemable, convertible preference shares in Glennon Small Companies Limited (the "**Offer**").

2. This Prospectus is an important document and requires your immediate attention. It should be read in its entirety. Your investment decision regarding the Offer should be based upon the information contained in this Prospectus. If you do not understand any part of this Prospectus, you should consult your accountant, tax adviser, stockbroker, solicitor or other professional adviser.

The enclosed Application Forms are important. Please refer to the instructions in this Prospectus regarding your Application under the Offer. Applications under the Priority Offer must be received together with Application Monies due by 5.00pm (Sydney time) on 20 November 2020, and Applications under the Broker Firm Offer must be received together with Application Monies due by 5.00pm (Sydney time) on 26 November 2020.

3. About this Prospectus

This Prospectus relates to an offer by Glennon Small Companies Limited (ABN 52 605 542 229) ("**GC1**" or the "**Issuer**") to issue a total aggregate amount of up to $5.7 million of resettable, redeemable, convertible preference shares ("**RRCPS**").

This Prospectus is dated 28 October 2020 and was lodged with ASIC on that date. ASIC, ASX, and their respective officers take no responsibility for the contents of this Prospectus.

The expiry date of this Prospectus is the date that is 13 months after the date of this Prospectus. No RRCPS will be issued on the basis of this Prospectus after the expiry date.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Issuer in connection with the Offer. Neither the Issuer, the Lead Manager nor any other person warrants the future performance of the Issuer or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

In making an investment decision, Applicants must rely on their own examination and assessment of the Offer, including the terms and conditions of the Offer and the merits and risks involved. Various risks may affect the future operating and financial performance of the Issuer and the value of an investment in the Issuer. Some of these risks are discussed in more detail in Section 6 of this Prospectus.

Certain words and phrases used in this Prospectus have defined meanings set out in the Glossary in Section 10 of this Prospectus.

All financial amounts shown in this Prospectus are expressed in Australian dollars ("**$**") unless otherwise stated.

4. Transaction specific prospectus

This Prospectus is a transaction specific prospectus for an Offer of RRCPS which are convertible into continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with ASIC Class Order 2016/83. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

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In providing information in this Prospectus, regard has been had to the fact that the Issuer is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

5. Intermediary authorisation

The Issuer does not hold an Australian Financial Services Licence ("**AFSL**") under the Corporations Act necessary to carry out the Offer under this Prospectus. Accordingly, the Offer will be made under an arrangement between the Issuer and Acacia Partners Pty Ltd (ABN 49 607 046 391) as holder of an AFSL under section 911A(2)(b) of the Corporations Act, to act as Authorised Intermediary. The Issuer has authorised the Authorised Intermediary to invite people to apply for and to arrange for the issue of the RRCPS under the Offer and the Issuer will only issue the RRCPS in accordance with those offers and no others.

The Lead Manager will manage the Offer on behalf of the Issuer.

The Lead Manager and the Authorised Intermediary's functions must not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer for any investor. The Lead Manager does not guarantee the success or performance of the Issuer or the returns (if any) to be received by an investor. Neither the Lead Manager nor any other Licensee is responsible for, or has caused the issue of, this Prospectus.

6. Future performance

Except as required by law and then only to the extent required, neither the Issuer nor any other person warrants the future performance of the Issuer or any return on any investment made pursuant to this Prospectus. To the extent information contained in this Prospectus constitutes forward-looking statements they are subject to various risks and uncertainties. The Issuer's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, any forward-looking statements in this Prospectus. This Prospectus details some important risk factors that could cause the Issuer's actual results to differ from the forward-looking statements made in this Prospectus.

Further details regarding these risks, and other risks which may affect the Issuer or an investment in the Issuer, are contained in Section 6 of this Prospectus.

7. Restrictions on distribution of this Prospectus

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

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

In particular, RRCPS have not been and will not be registered under the US Securities Act or the securities laws of any state of the US and may not be offered, sold or resold in the US or

to, or for the benefit of, any 'US Person' as defined in Rule 902(k) of Regulation S under the US Securities Act, as amended.

8. Electronic Prospectus

A copy of this this Prospectus can be viewed on/downloaded from the Offer website at www.boardroomlimited.com.au/ca/glennonoffer. The Corporations Act prohibits any person passing onto another person an Application Form for the Offer unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. During the Offer period, any person may obtain a hard copy of this Prospectus free of charge by contacting the Issuer.

9. Exposure Period

The Corporations Act prohibits the acceptance by the Issuer of Applications for RRCPS in respect of the Offer during the seven-day period after the date this Prospectus was lodged with ASIC. This period is referred to as the 'Exposure Period' and ASIC may extend this period by a further seven days (that is up to 14 days in total).

The purpose of the Exposure Period is to enable materials in the Prospectus, which relate to the Offer, to be examined by market participants before the Offer may be accepted by investors. No Applications will be processed until after the end of the Exposure Period.

10. ASX guide

ASX has published a guide that may be useful to prospective investors considering whether to invest in RRCPS. The guide is entitled 'Investing in hybrids', and is available from https://www2.asx.com.au/investors/learn-about-our-investment-solutions/hybrids. ASX's guide applies to a range of different and varying securities and does not specifically consider the terms of RRCPS.

11. Notice to Shareholders resident in New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the *Corporation Regulations 2001* (Cth). In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014 of New Zealand.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the *Corporation Regulations 2001* (Cth) (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

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

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

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

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

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

12. Enquiries

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (02) 8027 1000.

For general Shareholder enquiries, please contact the Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

ASIC guidance for hybrid securities and notes investors

To find out more about the pros and cons of investing in hybrid securities and notes (such as the RRCPS), visit ASIC's MoneySmart website: **www.moneysmart.gov.au**

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Section Two

LETTER FROM THE CHAIRMAN

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GLENNON
SMALL COMPANIES LTD

28 October 2020

Dear investor,

I am pleased to invite you to participate in an Offer of resettable, redeemable, convertible preference shares ("**RRCPS**") to be issued by Glennon Small Companies Limited ("**GC1**") to raise up to $5.7 million (the "**Offer**").

GC1 is a listed investment company that was established in 2015 and is listed on the ASX (ASX:GC1). GC1 predominately invests in listed companies outside the S&P/ASX 100. The investment portfolio is managed on behalf of GC1 by its investment manager, Glennon Capital Pty Limited ("**Investment Manager**"). The Investment Manager was established in 2008.

RRCPS aim to provide investors with an attractive fixed dividend yield and, up until the Reset Date, the possibility of benefiting from appreciation in the price of GC1 Ordinary Shares above a price of $0.86 through an optional conversion into GC1 Ordinary Shares.

The proceeds of the Offer will be used to expand GC1's investment portfolio in accordance with the established investment strategy in order to generate further growth in net investment earnings over time.

The RRCPS have the following key attributes:

- **Preferred dividend** – a preferred, cumulative, unfranked Dividend payable semi-annually in arrears at 5.60% per annum until the first Reset Date on 30 September 2024;
- **Participation in gains in GC1's Ordinary Share price above $0.86** – Holder's right to convert to Ordinary Shares under the terms effectively allow Holders to participate in increases in the Ordinary Share price above $0.86;
- **ASX quotation** – GC1 will apply for official quotation on ASX of RRCPS; and
- **Reset of terms** – GC1 may reset the Dividend Rate and other terms on Reset Dates.

The Offer comprises two components:

Priority Offer

The Priority Offer is being made to all GC1 Shareholders and all BHD Shareholders who have a registered address in Australia or New Zealand. GC1 Shareholders and BHD Shareholders must be on the GC1 or BHD register (as applicable) on the Priority Offer Record Date of:

(a) for GC1 Shareholders, 6 November 2020; and

(b) for BHD Shareholders, 23 October 2020,

to be eligible to participate in this Priority Offer.

Broker Firm Offer

A Broker Firm Offer to clients of Participating Brokers.

This Prospectus contains further details of the Offer, the terms of the RRCPS and a description of the risks associated with an investment in RRCPS and GC1. I encourage you to read the entire Prospectus carefully and consider the risks which are set out in Section 6 before deciding whether to participate in the Offer. If you are unsure whether RRCPS are a suitable investment for you, you should consult your stockbroker, accountant or other professional adviser.

On behalf of the GC1 Board, I invite you to consider participation in this investment opportunity.

Yours faithfully

Michael Glennon
Chairman
Glennon Small Companies Limited

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Section Three

OVERVIEW OF THE OFFER AND THE RRCPS

More information on hybrid securities and notes (such as the RRCPS) and things you should consider before making an investment decision can be found on ASIC's MoneySmart website at **www.moneysmart.gov.au**

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Key dates for the Offer

Priority Offer Record Date:	
• for GC1 Shareholders	6 November 2020
• for BHD Shareholders	23 October 2020
Lodgement of Prospectus with ASIC and announcement of RRCPS Offer	28 October 2020
Offer opens	5 November 2020
Priority Offer closes	20 November 2020
Broker Firm Offer closes	26 November 2020
Settlement date	1 December 2020
Issue of RRCPS	2 December 2020
Despatch of holding statements	3 December 2020
RRCPS expected to commence trading on ASX (normal settlement basis)	7 December 2020

Key dates for RRCPS

First Dividend Period	Issue Date until 31 March 2021
First Dividend Payment Date[1]	31 March 2021
First Reset Date	30 September 2024
Maturity Date	30 September 2030

Notes

[1]Dividends are scheduled to be paid on the semi-annual Dividend Payment Dates, up to and including the Maturity Date, subject to certain payment conditions being satisfied (see Section 12). If any of these scheduled Dividend Payment Dates is not a Business Day, then the Dividend Payment Date will be the next Business Day.

Dates may change

The key dates for the Offer are indicative only and subject to change without notice. GC1 may, in agreement with the Lead Manager, vary the Timetable, including to close the Priority Offer or the Broker Firm Offer early, extend any one or both of them, or to withdraw any one or both of them at any time prior to Issue. If any of the dates are changed, subsequent dates may also change. If you decide to invest in the RRCPS, you are encouraged to lodge your Application as soon as possible after the Opening Date.

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3.1 Overview of the Offer

The Offer made under this Prospectus is an Offer for up to $5.7 million of RRCPS to be issued at a price of $10 per RRCPS.

The Offer comprises:

(a) a Priority Offer, which is open to GC1 Shareholders and BHD Shareholders with a registered address in Australia or New Zealand who:

  (i) for GC1 Shareholders, were on the GC1 register on the Priority Offer Record Date of 6 November 2020; and

  (ii) for BHD Shareholders, were on the BHD register on the Priority Offer Record Date of 23 October 2020; and

(b) a Broker Firm Offer, which is open to Australian and New Zealand resident clients of Participating Brokers who have received a firm Allocation of RRCPS.

Applications must be for a minimum of 500 RRCPS ($5,000).

3.2 Purpose of the Offer

The purpose of the Offer is to raise additional funds to expand GC1's investment portfolio in accordance with the established investment strategy in order to generate further growth in net investment earnings over time.

3.3 Key terms of the RRCPS

Key terms of the RRCPS are summarised below ("**Terms**"). Please refer to the Terms of Issue in Section 12 for the full terms of the RRCPS.

		Further information
Issuer	Glennon Small Companies Limited (ABN 52 605 542 229) ("**GC1**").	Section 4
Security	Resettable, redeemable, convertible preference shares issued by GC1 ("**RRCPS**").	Section 12
Offer size	Up to $5.7 million.	Section 12
Face Value	$10 per RRCPS.	Section 12
Offer structure	The Offer comprises: • Priority Offer; and • Broker Firm Offer.	Section 12
Issue Date	2 December 2020.	Section 12
Maturity Date	30 September 2030 (unless Exchanged earlier).	Section 12

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Reset Date	The First Reset Date will be 30 September 2024. On any Reset Date, GC1 may change any or all of: • the next Reset Date; • the Dividend Rate; and • the Conversion Price.	Section 12
Dividend Rate	Until the first Reset Date, fixed at 5.60% per annum, unless a Trigger Event subsists in which case the Dividend Entitlement will be increased by 2.00% per annum until such time as the Trigger Event ceases to subsist. The Dividend Rate may be increased or decreased on Reset Dates.	Section 12
Dividend Payment	Payable semi-annually in arrears on 31 March and 30 September each year up to and including the earlier of the date the RRCPS are Exchanged or the Maturity Date, with the first Dividend payable on 31 March 2021. The payment of a Dividend is subject to there being no impediment under the Corporations Act or any other law to the Issuer paying the Dividend and the Directors, at their discretion, determining the Dividend to be payable. If a Dividend is not paid in respect of a Dividend Period or the Dividend paid in respect of a Dividend Period is less than the Dividend Entitlement for that Dividend Period, the Holder has a claim in respect of that Dividend Entitlement, or the balance of that Dividend Entitlement.	Section 12
Franking	Dividends are not expected to be franked.	Section 12
Conversion Shares	Upon Conversion, each RRCPS will Convert into a number of Ordinary Shares determined by dividing the Conversion Amount by the Conversion Price.	Section 12
Conversion Amount	Equal to the Face Value of the RRCPS being Converted plus the balance of any Dividend that is due but remains unpaid.	Section 12
Conversion Price	$0.86, subject to adjustment for certain dilutionary and other capital transactions by GC1.	Section 12
Holder exit rights	• A Holder may request Conversion of the Holder's RRCPS into the Conversion Shares at least 10 Business Days prior to any Dividend Payment Date, unless the Dividend Payment Date is a Reset Date or the Maturity Date, in which case notice must be given at least 50 days prior to the relevant Reset Date or the Maturity Date. • Holders may require GC1 to Convert or Repurchase the Holder's RRCPS by giving notice within 10 Business Days after a Company Event Notice is issued, or on a Reset Date in which case notice must be given at least 50 Days prior to the relevant Reset Date. • RRCPS will be Repurchased on the Maturity Date at Face Value, if not Converted or Repurchased prior to that date.	Section 12

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Issuer exit rights	GC1 may elect to Repurchase RRCPS on a Reset Date for Face Value. Subject to a Holder's right to Convert, the Issuer may Repurchase all (but not some only) of the RRCPS upon: • a Tax Event or Clean-Up Event, at Face Value; or • a Change of Control Event, at 104% of Face Value.	Section 12
Trigger Events	Each of the following is a Trigger Event in relation to RRCPS: • (**non-payment**) the Issuer fails to pay any Dividend under any RRCPS within 10 Business Days after the date on which the payment is due for two consecutive Dividend Periods including where non-payment is due to an event under clause 2.4 of the Terms of Issue; • (**non-delivery**) the Issuer fails to issue Ordinary Shares on Conversion within 10 Business Days after the date on which such issue is to be made; • (**breach of other obligations**) the Issuer fails to comply with any of its other material obligations under the Terms of Issue and such failure remains unremedied for a period of 30 Business Days after the Issuer has received written notice from a Holder in respect of the failure; • (**gearing event**) the LTV Ratio exceeds 50% for 10 or more consecutive Business Days; • (**default event**) any debt of the Issuer greater than $500,000 (or its equivalent in any other currencies) becomes due and payable before its stated maturity due to the occurrence of a default event (however described); • (**change of control**) a Change of Control Event occurs; • (**tax event**) a Tax Event occurs; • (**change to business**) the activity of being a listed investment company with less than 15% of the value of the Group's Marketable Securities at any time being unlisted, ceases to be the core business of the Group; • (**delisting event**) a Delisting Event occurs; • (**insolvency**) an Insolvency Event occurs in respect of the Issuer; • (**vitiation**) all or any rights or obligations of the Issuer or the Holders under the Terms of Issue are terminated or become void, illegal, invalid, unenforceable or of limited force and effect; and • (**unlawfulness**) it is, at any time unlawful for the Issuer to perform any of its payment obligations under the RRCPS.	Section 12
Delisting Event	Each of the following is a Delisting Event in relation to any RRCPS: • Ordinary Shares are no longer quoted on ASX; • the RRCPS are no longer quoted on ASX; or • Ordinary Shares or RRCPS are suspended from trading on ASX for a period of 20 consecutive Business Days,	Section 12

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	in any case, other than as a result (directly or indirectly) of a Change of Control Event.	

Change of Control Event	Each of the following is a Change of Control Event in relation to any RRCPS:
	• the Investment Management Agreement between the Investment Manager and the Issuer lapses or is terminated and no replacement investment management agreement has been entered into by the Investment Manager and the Issuer within 15 Business Days of such lapse or termination; or
	• GC1 enters into an Investment Management Agreement (or other similar arrangement) with another party that is not the Investment Manager or a Related Body Corporate of the Investment Manager;
	• a takeover bid is made to acquire all of the Ordinary Shares and the offer under the takeover bid is, or becomes, unconditional and:
	  o the bidder has acquired at any time during the offer period a relevant interest in more than 50% of the Ordinary Shares on issue; or
	  o the Directors of the Issuer unanimously recommend the acceptance of the offer under the takeover bid, and acceptance of that offer would result in the bidder having a relevant interest in 100% of the Ordinary Shares on issue; or
	• a court approves a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in 50% or more of the Ordinary Shares on issue.
		Section 12

Tax Event	A Tax Event occurs where, on or after the Issue Date, the Issuer receives an opinion of nationally recognised legal or tax advisers in Australia, experienced in such matters, that, as a result of a change in a law, or in the application or interpretation of a law, there is a more than insubstantial risk that payment of interest will not be allowed as a deduction for the purposes of the Issuer's Australian tax purposes.	Section 12
Reporting requirements	The Issuer in its audited annual and reviewed semi-annual Financial Statements shall: • state the LTV Ratio as at the last Business Day of the reporting period the subject of the annual or semi-annual (as applicable) financial statement, setting out in reasonable detail supporting calculations; and • state whether any Trigger Event, or any other event or circumstance has occurred which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Terms of Issue or any combination of the foregoing) be a Trigger Event, has occurred.	Section 12

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	Additionally, if the Issuer ceases to be listed on ASX, the Issuer must provide to Holders, by making available on its own public website, for so long as any of the RRCPS remain outstanding any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the RRCPS.	
Limitations on funding	As long as any RRCPS remain on issue, GC1 must not, without approval of a Special Resolution passed at a separate meeting of Holders, issue shares ranking in priority to the RRCPS, permit the conversion of any existing shares to shares ranking equally or in priority to the RRCPS, or incur or allow to subsist any Financial Indebtedness other than Permitted Financial Indebtedness. GC1 undertakes, for the benefit of Holders and for so long as RRCPS remain on issue, that the LTV Ratio will not exceed 50% at the close of business on any Business Day.	Section 12
Limitations on Dividends	For so long as any RRCPS remain outstanding, the Issuer must not without the approval of the Holders by way of Special Resolution make: • any in-specie Distribution on any share capital in the Company over which RRCPS rank in priority; • any other Distribution which would result in the LTV Ratio exceeding 50% immediately after such Distribution; or • any Distribution to Shareholders if a Dividend has not been paid in respect of the most recent Dividend Period.	Section 12
Permitted Financial Indebtedness	Permitted Financial Indebtedness means: • Financial Indebtedness under RRCPS issued on the Issue Date or any other security issued under clause 9.1(a) of the Terms of Issue; • any Financial Indebtedness incurred for the purposes of refinancing any other Permitted Financial Indebtedness; • up to $2.0 million of Financial Indebtedness which may rank for repayment in priority to RRCPS, and which is outstanding for no longer than six months; and • any other Financial Indebtedness approved by Holders by way of Special Resolution.	Section 12
Ranking on winding-up	On a winding-up, RRCPS rank for repayment of capital behind all creditors of GC1 but ahead of Ordinary Shares and any other preference shares stated to rank behind RRCPS.	Section 12
Participation rights	Prior to Conversion, Holders do not have a right to subscribe for new securities in GC1 or participate in a bonus issue by the Company. However, the Conversion Price will be adjusted in certain circumstances.	
Voting rights	Holders have no right to vote at meetings except in certain circumstances.	

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Fees and charges	No fees, charges, brokerage, commission or stamp duty is payable by you on your Application for the RRCPS. You may be required to pay brokerage if you sell your RRCPS after the RRCPS are quoted on ASX.	
Fees and costs associated with the Offer	The total expenses of the Offer (including fees payable to the Lead Manager, legal, accounting, tax, marketing, and administrative fees, as well as printing, advertising and other expenses related to the Offer) are expected to be $283,000 plus GST. All of these expenses have been, or will be, borne by GC1 out of the proceeds of the Offer.	Further details incorporated by reference (Section 8.2)
Ranking	**Illustration of ranking upon winding-up**	

Ranking	Type of instrument	Existing debt obligations and equity	Amount as at 30 June 2020, adjusted for the amount to be raised under the Offer ($5.7m)[1]
Higher ranking	Secured debt	None	None
	Unsubordinated unsecured debt	None	None
	Preference shares	RRCPS	$5.7m
Lower ranking	Ordinary equity	Ordinary Shares	$43.0m

[1]Discretion is reserved for the Offer size to be less than this amount.

Listing	GC1 will apply for the quotation of the RRCPS on ASX. It is expected that the RRCPS will be quoted under the code "**GC1PA**".	
Governing Law	New South Wales, Australia.	
Selling restrictions	Selling restrictions apply to the sale of the RRCPS in certain foreign jurisdictions.	Section 12

Section Four

INFORMATION ABOUT THE ISSUER

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4.1 Issuer overview

Glennon Small Companies Limited ("**GC1**") is a listed investment company that was established in 2015 and its shares are listed on the ASX (ASX: GC1). GC1 predominately invests in listed companies outside the S&P/ASX 100.

GC1's investment portfolio is managed on behalf of GC1 by its investment manager, Glennon Capital Pty Limited ("**Investment Manager**"). The Investment Manager was established in 2008.

4.2 Investment strategies

The GC1 investment portfolio generally invests in ASX listed companies outside the S&P/ASX 100. The Investment Manager seeks to take advantage of what they believe are structural inefficiencies in the market. The micro and small-cap segments typically have limited research coverage and lower levels of liquidity that prevents large institutions from meaningful participation in this market segment. The Investment Manager seeks to hold a concentrated portfolio of investments while employing disciplined risk controls to preserve capital. The Investment Manager has the ability to hold high levels of cash if they believe that markets are overvalued.

4.3 Structure

As a listed investment company, GC1 has a closed ended company structure, which means that the number of shares on issue is fixed. This allows management to concentrate on the performance of the funds invested over the longer term without having to factor in inflows or outflows of monies through applications and redemptions. In addition, this structure allows management to select investments based on factors including business quality and long-term outlook, regardless of share liquidity profile. Open ended funds can force a manager to sell their investments if they have redemptions, which can be difficult due to the illiquidity of smaller companies, GC1's closed end nature avoid this situation.

4.4 Management expense ratio

The management expense ratio for the year ended 30 June 2020 was 1.96%. GC1 does not charge entry or exit fees when Shareholders acquire or dispose of their holdings although transaction costs will be incurred when buying or selling through a stockbroker. GC1 does offer investors the ability to acquire shares without brokerage through participation in dividend reinvestment and from time to time bonus option issues, both of which incur no brokerage to acquire shares. GC1 does not pay trailing commissions to financial advisers.

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4.5 GC1's investment portfolio

GC1's investment portfolio, which represented 77% of total assets as at 30 September 2020, included investments in 41 listed entities. The top five holdings by market value as at 30 September 2020 are set out in the table below:

Ranking	Company	Holding ($'000s)	% of total assets
1	Service Stream Limited	1,856	5.05%
2	Opticomm Limited	1,779	4.85%
3	Nextdc Limited	1,622	4.42%
4	Netwealth Group Limited	1,594	4.34%
5	HUB24 Limited	1,405	3.83%

4.6 GC1's investment portfolio performance

GC1's investment portfolio performance to 30 September 2020 is provided in the table below.

	JUL	*AUG*	*SEP*	*OCT*	*NOV*	*DEC*	*JAN*	*FEB*	*MAR*	*APR*	*MAY*	*JUN*	*FY TOTAL RETURN*
FY21	5.77%	10.10%	-3.16%										12.77%
FY20	2.39%	-3.28%	0.62%	-1.22%	2.46%	-0.03%	3.14%	-8.86%	-21.32%	6.39%	6.70%	-3.47%	-18.29%
FY19	1.61%	0.74%	-1.11%	-12.57%	-1.97%	-11.36%	2.07%	4.81%	-0.39%	5.63%	-3.04%	1.25%	-15.00%
FY18	0.72%	1.21%	3.00%	7.70%	0.43%	4.01%	1.45%	2.27%	-2.38%	-2.14%	8.63%	2.55%	30.39%
FY17	9.42%	3.06%	3.03%	-3.65%	-3.55%	0.58%	-0.41%	-2.39%	0.74%	-0.78%	0.62%	1.68%	7.96%
FY16		1.80%	1.23%	2.24%	4.38%	-1.57%	-1.58%	-1.31%	5.55%	0.63%	2.28%	1.43%	15.87%

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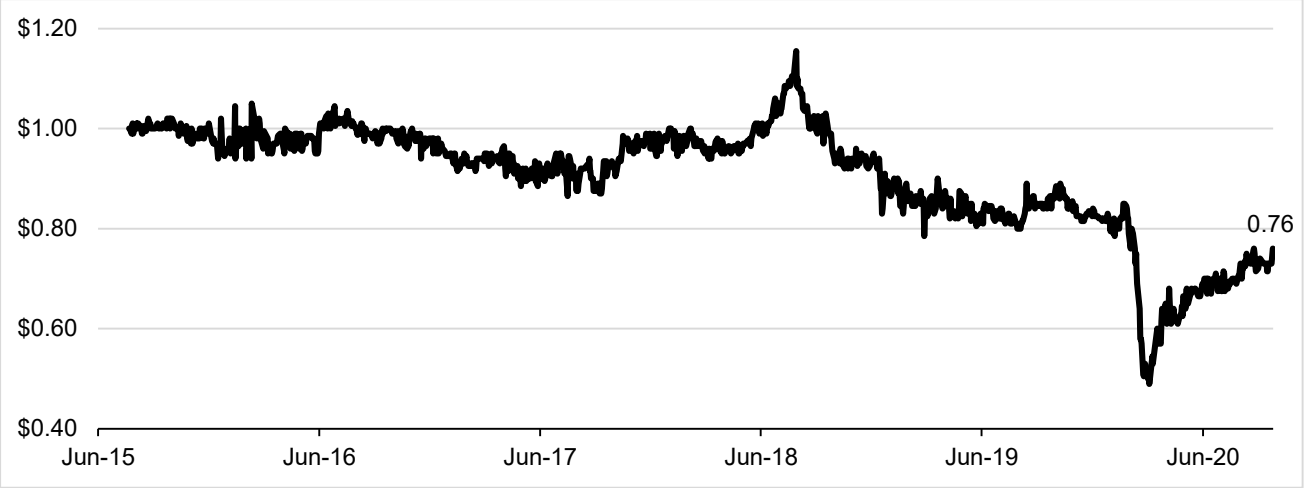
4.7 GC1's Ordinary Share price performance

GC1's Ordinary Share price performance since inception to 23 October 2020 is provided below.



4.8 Disclosing entity

GC1 is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. As a company listed on ASX, GC1 is subject to the Listing Rules which, subject to certain exceptions, require immediate disclosure to the market of any information of which GC1 is aware which a reasonable person might expect to have a material impact on the price or value of its securities.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

For the purposes of satisfying section 713(5) of the Corporations Act, a prospectus must also incorporate such information if such information:

(a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and

(b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:

  (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and

  (ii) the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus.

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The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

ASX maintains records of company announcements for all companies listed on ASX. GC1's announcements may be viewed on ASX's website at www.asx.com.au.

ASIC also maintains records in respect of documents lodged with it by GC1, and these may be obtained from or inspected at any office of ASIC.

GC1 will provide free of charge to any person who requests it during the Offer Period under this Prospectus a copy of:

(a) GC1's annual report and accounts for the year ended 30 June 2020, which includes the GC1's financial statements for the year ended 30 June 2020 (being the last financial statement of a full financial period lodged with ASIC before the date of this Prospectus);

(b) documents released to ASX pursuant to the GC1's continuous disclosure obligations under the Listing Rules and the Corporations Act since the lodgement of the financial statements referred to in paragraph above. Such releases are available on ASX's website (www.asx.com.au); and

(c) GC1's Constitution.

Further information about GC1 is available at www.glennonsmallcompanies.com.au.

4.9 Other information

4.9.1 No material breaches of funding terms

GC1 has not borrowed any moneys in the last two years, nor had any preference shares on issue. Accordingly, GC1 has not breached the terms of any funding arrangements in the two years prior to the date of this Prospectus.

4.9.2 Prospectus is up-to-date

All information in the Prospectus remains current as at the date of this Prospectus.

4.9.3 Acknowledgements

Each person who applies to participate in the Offer, or submits an Application Form will be deemed to have:

(a) acknowledged having personally received a paper or electronic copy of this Prospectus (and any supplementary or replacement document) accompanying the Application Form and having read them all in full;

(b) acknowledged that the Applicant(s) understands the Terms of Issue and have had an opportunity to consider the suitability of an investment in the RRCPS with their professional advisers;

(c) agreed to be bound by the Terms of Issue;

(d) declared that all details and statements in their Application Form are complete and accurate;

(e) consented to the use and disclosure of the Applicant's(s') personal information as described in Section 8.6 of the Prospectus, and understood and agreed that the use and disclosure of the Applicant's(s') personal information applies to any personal information collected by GC1 in the course of the Applicant's(s') relationship with GC1;

(f) declared that the Applicant(s), if a natural person, is/are over 18 years of age;

(g) acknowledged that once GC1 or the Registry receives an Application Form it may not be withdrawn, except as allowed by law;

(h) applied for the number of RRCPS at the Australian dollar amount shown on the Application Form;

(i) agreed to being allocated the number of RRCPS applied for (or a lower number allocated in a way described in the Prospectus), or no RRCPS at all;

(j) authorised GC1 and the Lead Manager and their respective officers or agents, to do anything on the Applicant's(s') behalf necessary for RRCPS to be allocated to the applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form, acknowledged that the information contained in the Prospectus (or any supplementary or replacement document) is not investment advice or a recommendation that RRCPS are suitable for the Applicant(s), given the Applicant's(s') investment objectives, financial situation or particular needs;

(k) declared that the Applicant(s) is an Australian or New Zealand resident or otherwise a person to whom the offer of RRCPS can be made, and RRCPS issued, in accordance with Section 9 of the Prospectus; and

(l) acknowledged that RRCPS have not been, and will not be, registered pursuant to the securities laws of any other jurisdiction outside Australia.

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Section Five

EFFECT OF THE OFFER

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5.1 Historical and pro forma financial information

(a) Basis of preparation

The financial information in Section 5.1(c) has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and Interpretations ("**AASI**") issued by the Australian Accounting Standards Board ("**AASB**") and other mandatory professional reporting requirements in Australia.

The financial information in Section 5.1(c) is presented in an abbreviated form and does not contain all of the disclosures required by AASI issued by the AASB in an annual financial report prepared in accordance with the Corporations Act.

The historical Statement of Financial Position as at 30 June 2020 has been extracted from GC1's 30 June 2020 audited financial report. GC1's annual financial report for 30 June 2020 was audited by Pitcher Partners in accordance with AASI issued by the AASB. The audit opinion issued to GC1 in relation to the financial report was unqualified. A complete version of GC1's financial report for the year ended 30 June 2020 is available from www.glennonsmallcompanies.com.au or from ASX's website, www.asx.com.au.

The pro forma Statement of Financial Position as at 30 June 2020 has been prepared by the Directors and assumes completion of the transactions detailed in Section 5.1(b).The accounting policies used in preparation of the pro forma Statement of Financial Position are consistent with those set out in GC1's audited financial report for the year ended 30 June 2020.

(b) Pro forma adjustments

The pro forma Statement of Financial Position is adjusted from the historical consolidated Statement of Financial Position as at 30 June 2020 for the impact of the Offer as if the Offer was completed at 30 June 2020. The adjustments made to the pro forma Statement of Financial Position reflect the target subscription level, which is $5.7 million of RRCPS, net of the expected costs incurred.

Costs associated with the Offer will be incurred on issuance of RRCPS.

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(c) Historical and pro forma Statement of Financial Position

Set out in the following is a summary of GC1's historical Statement of Financial Position as at 30 June 2020, together with pro forma adjustments and pro forma Statement of Financial Position as at 30 June 2020.

	30 June 2020 (Audited) $000s	**Pro forma adjustments $000s**	**Pro forma based on target subscription of $*5.7m* net of expected costs (unaudited) *$000s***
Assets			
Current assets			
Cash and cash equivalents	10,480	5,394	15,874
Trade and other receivables	1,725	-	1,725
Financial assets at Fair Value through Profit and Loss	21,120	-	21,120
Current tax assets	242	-	242
Other current assets	47	-	47
Total current assets	**33,614**	**5,394**	**39,008**
Non-current assets			
Deferred tax assets	3,346	-	3,346
Total non-current assets	**3,346**	**-**	**3,346**
Total assets	**36,960**	**5,394**	**42,354**
Liabilities			
Current liabilities			
Trade and other payables	695	-	695
Total current liabilities	**695**	**-**	**695**
Non-current liabilities			
Redeemable, Resettable, Convertible Preference Shares	-	5,394	5,394
Total non-current liabilities	**-**	**5,394**	**5,394**
Total liabilities	**695**	**5,394**	**6,089**
Net assets	**36,265**	**-**	**36,265**
Equity			
Issued capital	43,362	-	43,362
Profits reserve	8,932	-	8,932
Accumulated losses	(16,029)	-	(16,029)
Total equity	**36,265**	**-**	**36,625**

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(d) Investment portfolio market value as at 30 September 2020

Investment	Market value ($)
Adbri Limited	927,752
Amaysim Australia Limited	455,538
Auteco Minerals Limited	70,325
Benjamin Hornigold	464,115
Betashares Australia 200 ETF	733,389
Breville Group Limited	547,850
BWX Limited	544,056
Capricorn Metals Limited	438,750
Credit Corp Group Limited	541,216
Dicker Data Limited	1,009,542
Eagle Mountain Mining Limited	95,464
Eclipx Group Limited	956,200
Fenix Resources Limited	194,320
Fenix Resources Limited Tranche 2	104,680
Flexigroup Limited	1,255,016
Frontier Digital Ventures Limited	430,650
GWA Group Limited	913,122
Hastings Technology Metals Ltd	384,000
HUB24 Ltd	1,404,761
Johns Lyng Group Limited	989,258
Jumbo Interactive Limited	1,033,675
Localagentfinder Limited - Convertible Note	250,000
Localagentfinder Limited - Shares	280,000
Locality Planning Energy Holdings Limited	213,376
Megaport Limited	1,223,741
My Deal Placement	20,000
Netwealth Group Limited	1,594,204
Nextdc Limited	1,622,495
North Stawell Minerals Limited	205,000
OohMedia Limited	925,034
Opticomm Limited	1,779,302
Ora Banda Mining	401,820
Ramelius Resources Limited	1,025,377
Redbubble Limited	1,181,680
Red 5 Limited	782,024
Reece Australia Limited	1,103,379
Resimac Group Limited	1,348,254
Sequoia Financial Group	1,132,022
Service Stream Limited	1,855,984
Spirit Telecom Limited	759,224
The Reject Shop Limited	294,739
Uniti Group Limited	1,126,189
Vanguard Australian Shares Index	733,633
West African Resources Limited	445,595
Zelira Therapeutics Limited	160,800
Net Cash	2,764,661
Total investment portfolio market value	**36,722,212**

In accordance with the GC1's accounting policies the investment and trading portfolio is revalued to market value continuously. Investors should be aware that the market value of this portfolio has increased from that reported at 30 June 2020 (as reflected in the pro forma Statement of Financial Position in Section 5.1.(c)) to the date of this Prospectus as a result of

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market gains. The unaudited net tangible asset ("**NTA**") backing per share as at 30 September 2020 was 0.88 compared to 0.82 as at 30 June 2020. The before tax NTA as at 30 September includes $0.06 per share deferred tax asset comprised of prior years' tax losses and current year tax losses/profit, compared to $0.07 as at 30 June 2020. The unaudited NTA backing per share will be announced on a monthly basis to ASX.

GC1's profit is derived, to a great extent, from the dividends and distributions that it receives from companies that it invests in and the market movement of any investments that are valued as part of profit (e.g. the trading portfolio). The dividends that it receives, and the value of investments that are accounted for as part of profit, will therefore vary from year to year as a result of the dividend policies of the companies that GC1 invests in, the acquisition and disposal of investments and market volatility.

5.2 Summary of financial information and metrics

(a) Assets, liabilities and equity

GC1 had total assets of $36.96 million, total liabilities of $0.70 million and total equity of $36.26 million as at 30 June 2020. The market value of GC1's equity as at 23 October 2020 (GC1's market capitalisation) was $34.4 million.

(b) LTV Ratio

To assist potential investors to understand the financial position and performance of GC1, the following disclosure regarding the LTV Ratio has been included.

As at 30 June 2020, GC1's LTV Ratio was -49.6% (it had no borrowings or preference shares on issue at that date).

The LTV Ratio included below has been calculated based on the unaudited pro forma Statement of Financial Position as at 30 June 2020, incorporating the impact of the Offer but assuming that the net proceeds of the Offer of $5,394,000 are invested immediately into Marketable Securities (rather than held as cash).

Under these assumptions, and applying the formula set out below, GC1 would have an LTV Ratio of -18.0%:

$$\text{LTV Ratio} = \frac{\text{Total Debt} - (\text{Cash and Cash Equivalents})}{\text{Market Value of all Marketable Securities held by or on behalf of the Company as at such time}}$$

The LTV Ratio indicates the extent to which GC1's investments in securities are funded by net borrowings (including preference shares). A higher ratio indicates a greater reliance on net borrowings. A negative ratio indicates Cash and Cash Equivalents exceed Total Debt.

Under the Terms of Issue, for so long as any of the RRCPS remain outstanding, GC1 must:

(i) ensure that the LTV Ratio does not exceed 50.0% at the close of business on any Business Day;

(ii) not make a Distribution if the LTV Ratio would exceed 50.0% immediately after such Distribution.

Should the LTV Ratio exceed 50.0% for 10 consecutive Business Days, at any time while the RRCPS are on issue, a Trigger Event will have occurred, and a Holder may request Conversion or Repayment. Additionally, while a Trigger Event is outstanding, the Dividend Rate will be increased by 2.0% per annum.

5.3 Effect of Offer on GC1's capital structure

The following table sets out GC1's capital structure immediately before the Offer and after the issuance of RRCPS, based on the target subscription level of $5.7 million.

	Pre-Offer	Post-Offer
Ordinary Shares	45,267,862	45,267,862
Bonus Options[1]	8,635,389	8,635,389
Loyalty Options[2]	8,765,489	8,765,489
RRCPS	None	570,000

[1]Exercise price of $0.75 and expiry date of 29 October 2021 (see Section 6.3(n) for the dilution risk associated with the exercise of these Bonus Options).

[2]Exercise price of $0.95 and expiry date of 28 April 2023 (see Section 6.3(n) for the dilution risk associated with the exercise of these Loyalty Options).

5.4 Effect of Offer if less than $5.7 million is raised

GC1 may accept less than $5.7 million of Applications which may decrease the aggregate outstanding Face Value of RRCPS. Such a decrease will impact on the ratios detailed in Section 5.2.

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Section Six

RISK FACTORS

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There are a number of factors of a general nature, specific to GC1 and specific to the RRCPS, which may affect the future operating and financial performance of GC1 and the value of an investment in GC1 and the RRCPS. Some of these factors can be mitigated by appropriate commercial action such as diversification of the Issuer's investments across a broad range of companies. However, many are outside the control of GC1, are dependent on general economic and financial market conditions or otherwise cannot be mitigated. This section describes some of the risks associated with an investment in GC1 and the RRCPS.

Before deciding to invest in GC1 and the RRCPS, prospective investors should consider carefully the following factors, as well as the other information contained in this Prospectus and, if they consider it appropriate, take professional advice from their accountant, stockbroker, solicitor or other professional adviser.

6.1 General risks

General risk factors outside the control of GC1 which may have a significant impact on the future performance of GC1 include but are not limited to the following:

(a) Market risk and impact of COVID-19

Investment returns are influenced by general market factors both in Australia and internationally and by factors specific to each security. In particular, the events relating to the COVID-19 pandemic (and government responses) have resulted in significant market volatility including in the prices of securities trading on the ASX and there is continued uncertainty as to the economic outlook in Australia and globally.

The market prices of the shares of many listed entities experience fluctuations which in many cases reflect a diverse range of non-entity specific influences including:

(i) general economic conditions, including changes in inflation rates, short-term or long-term interest rates, exchange rates and commodity prices;

(ii) variations in the local and global markets for listed securities;

(iii) domestic and international economic conditions;

(iv) changes in investor confidence generally and in relation to specific sectors of the market;

(v) pandemics, natural disasters, global hostilities and acts of terrorism;

(vi) changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and

(vii) the inclusion or removal of stocks from major market indices.

This may have a negative effect on the price at which the Ordinary Shares trade on ASX particularly with regard to investments made by GC1 into small capitalisation, microcap and emerging companies.

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(b) Geopolitical risk

The investment portfolio's return could suffer as a result of political changes or instability in countries (whether the investment portfolio is invested in companies in or outside those countries). This may arise as a result of changes in government, legislative bodies, foreign policies and military control.

(c) Currency and foreign jurisdiction risk

In addition to investments in Australian entities, the Investment Manager may invest in entities outside Australia. Hence GC1 may assume currency exposure and there is a risk that adverse movements in exchange rates will reduce their value in Australian dollar terms. In addition, GC1 may be exposed to risks relating to its investments in securities of entities which are located in a foreign jurisdiction, where the laws of the foreign jurisdiction offer fewer legal rights and protections to security holders as compared to the laws in Australia.

(d) Industry risk

There are a number of industry risk factors that may affect the future operation or performance of GC1 that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally.

(e) Regulatory risk

GC1 is subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASX and ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities. GC1 is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on GC1, its investments and/or returns to Shareholders and Holders of RRCPS or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against GC1.

(f) Changes in taxation laws and policies

Tax laws are in a continual state of change and reform which may affect GC1 and Holders of RRCPS.

Tax liabilities arising from investing in GC1 are the responsibility of each individual Holders of RRCPS. There may be tax implications arising from ownership of and upon Repurchase or Conversion of RRCPS.

Changes to tax laws may adversely affect GC1's financial performance and/or the returns achieved by Holders of RRCPS.

GC1 is not responsible for either taxation or penalties incurred by Holders. You should carefully consider these tax implications and obtain advice from a professional tax adviser in relation to the application of the tax legislation to your investment in GC1.

In addition, investors should be aware that there are risks associated with any investment in securities. Prospective investors should recognise that the trading price of RRCPS and GC1's shares may fall as well as rise with movements in the equity capital markets in Australia and internationally.

It should be noted that there is no guarantee that the Ordinary Shares will trade at or above the Conversion Price. It should also be noted that the historic Ordinary Share price performance of GC1's Ordinary Shares provides no guidance as to its future share price performance.

As a listed investment company, the market value of Ordinary Shares in GC1 may be adversely impacted by the volume of shares being bought or sold at any point in time. Where there are relatively fewer buyers, the price at which an investor may be able to sell its shares in GC1 may be adversely impacted.

6.2 Specific Company risks

Key risks relating to GC1 are set out below. It is not, however, possible to describe all the risks to which GC1 may become subject and which may impact adversely on GC1's prospects and performance. Specific risk factors which may have a significant impact on the future performance of GC1 include the following:

(a) Risk investing in other companies

The value of the investments selected by the Investment Manager may decline, resulting in a reduction in the value of GC1's investment portfolio and its Ordinary Shares. Securities prices fluctuate and are dependent upon the financial circumstances of the relevant company, its profits earnings and cash-flow. The value of a security issued by a company may also be affected by the size and quality of the company's management, government policy and the outlook of the sector in which it operates.

Given the nature of GC1 as a listed investment company, this risk applies both to GC1 itself, and also in respect of each investment made by GC1 in another company. Any change in the price or value of the underlying securities of the companies in which GC1 invests will have an impact on the price or value of GC1's securities.

(b) Discount to net asset value per Ordinary Share

The Ordinary Shares of GC1 may trade on ASX at a discount to the net asset value of the investment portfolio on a per share basis and the performance of the Ordinary Shares may not be correlated with the performance of the investment portfolio.

(c) Investment strategy risk

There are risks inherent in the investment strategy that the Investment Manager employs for GC1. These include, but are not limited to, the following:

(i) the success and profitability of GC1 depends on the ability of the Investment Manager to select securities for the investment portfolio which generate a return for investors, in accordance with GC1's investment strategy and investment guidelines;

(ii) small companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. GC1 predominantly invest in companies outside the S&P/ASX 100 which may therefore be exposed to these risks;

(iii) the securities of small companies may be less liquid than those of larger companies which may cause higher volatility in the value of the investment portfolio;

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(iv) due to the lack of third party research on smaller companies they can be riskier investments than larger companies for which more information may be available;

(v) the investment portfolio may be less diversified than those of other listed investment entities; and

(vi) the investment portfolio may have exposure to unlisted securities (more information on this risk is set out below).

(d) Investment Manager

The Investment Manager is required to hold an AFSL to operate its business and to continue to manage the investment portfolio. To the extent that the Investment Manager loses or has restrictions imposed on its AFSL so as to prevent it from continuing to manage the investments of GC1, GC1 will need to identify and engage a suitably qualified and experienced manager to implement the investment strategy. If the Investment Management Agreement is terminated for any reason, GC1 will need to identify and engage a suitably qualified and experienced manager to implement the investment strategy. There can be no guarantee that GC1 will be able to identify an appropriately qualified replacement for the Investment Manager or, if such person or entity is appointed, that it will be able to perform its duties as investment manager to the standard required by GC1 or to a level that matches or exceeds the performance of the Investment Manager. The Investment Management Agreement is terminable by the Investment Manager on six months' notice.

The performance fee may create an incentive for the Investment Manager to make investments on behalf of GC1 that are riskier and more speculative than would be the case in the absence of a fee payable to the Investment Manager based on the performance of GC1, which may add to the risk and volatility of the investment portfolio's underlying investments.

The Investment Manager also manages other portfolios. It is possible therefore that the Investment Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and therefore may be detrimental to Shareholders and Holders of RRCPS. The Investment Manager currently has a policy in place which provides that the Investment Manager will use its best endeavours to treat all clients equally and this will apply in respect of the Investment Manager's role as manager of GC1's investment portfolio.

(e) Unlisted securities risk

The investment portfolio may have exposure to unlisted securities. In general there is less government regulation and supervision of transactions in the unlisted securities markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges may not be available in connection with unlisted securities.

There may be little or no liquidity in unlisted securities (potentially compounded by GC1 having only a minority position with little control over the nature or timing of an exit event). Many unlisted securities are relatively illiquid or have low (or no) trading volume. This could enhance the volatility of the price of the unlisted securities and/or make it difficult to sell the unlisted securities.

The valuation of unlisted securities is more difficult to calculate than listed securities. Difficulties in establishing a robust market price or valuation of unlisted securities, coupled with the performance fee, which is calculated by reference to the net asset value of the investment

portfolio (as determined by the Investment Manager), exposes GC1 to the risk of a potential misstatement of the fair value of unlisted investments in the investment portfolio.

(f) Liquidity risk

GC1 is a listed investment company. The ability of a Shareholder to sell Ordinary Shares on ASX will be a function of the turnover or liquidity of the Ordinary Shares at the time of sale. Turnover is a function of a wide variety of factors including the size of a company and the cumulative investment intention of all current and possible investors in GC1 at any one point in time.

Given the nature of GC1, and the traditionally lower trading volumes experienced by listed investment companies, it is possible that there will be a low level of liquidity in trading of the Ordinary Shares. As a result, Shareholders may not be able to easily sell their Ordinary Shares at the time and in the volumes or at a price they desire.

(g) Concentration risk

There is potential for volatility due to the lack of diversity within the investment portfolio. The lower the number of investments, the higher the concentration and, in turn, the higher potential volatility.

(h) Future capital requirements

There can be no assurance that GC1 will not need to raise additional capital to fully exploit the investment opportunities available to it. There can be no assurance that GC1 will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.

If GC1 is unable to obtain or invest such additional capital, GC1 may be required to reduce the scope of its investment activities or forgo an investment opportunity, which could adversely affect GC1, its financial condition and results of operation.

6.3 Risks associated with investing in RRCPS

(a) Dividend payments

GC1 expects to make Dividend payments using available cash balances and cash flow from its investments. GC1's ability to generate cash flows from its operations will depend substantially on the performance of its investments in ASX listed companies. The Dividend payments on the RRCPS are cumulative and not guaranteed by GC1 or any other entity. There is a risk that Dividends may not be paid.

(b) Dividend Rate risk

The Dividend Rate for RRCPS is fixed at 5.60% per annum payable semi-annually in arrears. No adjustment may be made to the Dividend Rate paid to Holders until the first Reset Date as other market-based interest rates rise or fall.

The market price of the RRCPS on ASX may fluctuate due to changes in interest rates generally, credit spreads on other corporate securities or investor sentiment towards GC1.

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(c) Inflation rate risk

An increase in the inflation rate may erode in real terms the value of the capital invested in RRCPS. It may also negatively impact the profitability of the companies in which GC1 invests and the market value of the shares of those companies.

(d) Financial market conditions

The market price of RRCPS will fluctuate due to various factors, including worldwide economic conditions, interest rates, credit spreads on other corporate securities, general movements in the Australian and international equity markets, movements in the market price of Ordinary Shares, factors which may affect GC1's financial position and earnings and investor sentiment.

The market price of RRCPS may be more sensitive than that of Ordinary Shares to changes in interest rates, and RRCPS could trade on ASX at a price below the Issue Price.

The Ordinary Shares held as a result of any conversion of RRCPS will, following conversion, rank equally with existing Ordinary Shares. Accordingly, their value after any conversion date will depend upon the market price of Ordinary Shares.

(e) Volatility of market price of Ordinary Shares

The market price of the Ordinary Shares may be volatile.

The volatility of the market price of the Ordinary Shares may cause volatility in the price of RRCPS and affect the ability of Holders of RRCPS to sell the RRCPS at an acceptable price. Additionally, this may result in greater volatility in the market price of the RRCPS than would be expected for non-convertible redeemable preference securities.

(f) Liquidity

The market for RRCPS is likely to be less liquid than the market for Ordinary Shares. There can be no assurance that investors will be able to buy or sell RRCPS on ASX. GC1 will seek quotation of the RRCPS on ASX to permit on market trading of the RRCPS.

(g) Repurchase risk

The Repurchase of the RRCPS may be subject to regulation, including under the Corporations Act. Subject to such regulation, GC1 expects to be able to Repurchase the RRCPS using the proceeds from future equity raisings, cash flows from operations (if available) or proceeds from the sale of investments. There is a risk that GC1 would be unable to procure or raise sufficient cash resources from future equity raisings or sale of investments and would, in that case, have insufficient cash flows to Repurchase the RRCPS on the relevant Exchange Date.

None of GC1 or any other entity have guaranteed the Repurchase of the RRCPS.

(h) Early Repurchase

RRCPS may be Repurchased early by GC1 in certain circumstances. In such circumstances, the Repurchase price may be less than the previously prevailing market value of RRCPS.

Additionally, in the event of an early Repurchase of RRCPS, you may not receive the returns you expected to achieve on your RRCPS (if held until maturity) by investing the proceeds in alternative investment opportunities available at that time.

(i) Ranking

On any winding-up of GC1, Holders will rank behind creditors of GC1, but ahead of Shareholders and holders of any other classes of shares ranking behind RRCPS, to the extent of the Face Value and any amount equivalent to the Dividend Entitlement since the preceding Dividend Payment Date. If there is no return of capital on a winding-up, Holders will have no such entitlement.

In the event of a shortfall of funds on a winding-up, there is a risk that Holders will not receive a full return of capital and any amount equivalent to the Dividend Entitlement since the preceding Dividend Payment Date.

(j) Conversion

The Ordinary Shares held by Holders following conversion of their RRCPS will have the same rights as other Ordinary Shares, which are different from the rights attached to RRCPS.

The market price of the Ordinary Shares may fluctuate over time as a result of a number of factors.

(k) Future payment of Dividends

The amount of future Dividends actually paid will be determined by the Board of GC1 having regard to its operating results and financial position. A change in dividend policy or dividend levels may impact the market value of RRCPS.

(l) Dividends on Ordinary Shares

Payment of any dividends on Ordinary Shares issued on conversion of the RRCPS is at the discretion of the Board. Holders whose RRCPS are converted after the record date for a dividend will have no entitlement to that dividend. The Board may only declare or determine a dividend if there are funds legally available to pay dividends. RRCPS will not be entitled to participate in any dividends on the Ordinary Shares.

(m) Further issues of securities

GC1 may issue further securities with the same or different terms of issue as the RRCPS. GC1 may issue other securities, including further RRCPS that rank for dividend, redemption or payment in a winding-up of GC1 equally with or behind the RRCPS, without the approval of Holders.

(n) Dilution

GC1 may undertake additional offerings of securities in the future. The increase in the number of issued Ordinary Shares or securities convertible into Ordinary Shares and the possibility of sales of such securities may depress the price of Ordinary Shares already on issue and of RRCPS. In addition, as a result of the issue of Ordinary Shares, the voting power and proportionate economic interest of the Issuer's existing Shareholders (and, indirectly, of holders of RRCPS) will be diluted. The Terms of Issue provide for an adjustment to the Conversion

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Price in relation to only a limited class of future offerings of securities (refer Terms of Issue in Section 12).

As at the date of this Prospectus, GC1 has 8,635,389 Bonus Options on issue. Each Bonus Option confers upon the holder the right to subscribe for one Ordinary Share at an exercise price of $0.75 on or before 5:00pm on Friday, 29 October 2021 ("**Bonus Options Expiry Date**"). Additionally, for each Bonus Option exercised by a holder on or before the Bonus Options Expiry Date, subject to it holding, at the time of the exercise of the Bonus Options, at least the same number of Ordinary Shares it held as at the relevant record date, one Loyalty Option will be issued that confers upon the holder the right to subscribe for one Ordinary Share at an exercise price of $0.95, exercisable on or before 5:00pm on Friday, 28 April 2023.

Should all or some of these Options be exercised in the future, a proportionate number of Ordinary Shares would be issued and this may depress the price of Ordinary Shares already on issue and of the RRCPS. In addition, as a result of any issue of Ordinary Shares, the voting power and proportionate economic interest of GC1's existing Shareholders (and, indirectly, of Holders of RRCPS) would be diluted.

No adjustment to the Conversion Price would occur should these Options be exercised in the future.

(o) Changes in the Australian tax system

Prospective investors should be aware that any future changes in Australian tax law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of the acquisition, holding and disposal of RRCPS.

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Section Seven

AUSTRALIAN TAX IMPLICATIONS

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This section contains a general summary of the Australian income taxation consequences of acquiring, holding and disposing of RRCPS.

This summary assumes that all relevant transactions are carried out in the manner described in this Prospectus and is based upon the Australian taxation law, interpretations and administrative practices in effect at the date of this Prospectus.

Prospective investors should note that the taxation law and its interpretation is subject to change at any time and sometimes with retrospective effect.

The description applies only to Australian Holders who acquire, hold and dispose of the RRCPS on capital account for Australian income tax purposes. It does not apply to Holders who acquire, hold or dispose of the RRCPS as part of the conduct of a business, or who otherwise hold the RRCPS on revenue account or as trading stock, nor to Holders who are subject to the Taxation Of Financial Arrangements ("**TOFA**") rules contained under Division 230 of the *Income Tax Assessment Act 1997* (Cth) ("**Tax Act**") in relation to gains and losses on their RRCPS.

The actual taxation consequences of acquiring, holding and disposing of the RRCPS will vary depending upon the particular circumstances of each Holder. Therefore, prospective Holders should obtain independent professional advice relating to their own specific circumstances and should not rely on the summary below.

GC1 has not received a class ruling from the Australian Taxation Office ("**ATO**") for Holders who may participate in the Offer, nor does it intend to seek such a ruling.

7.1 Taxation consequences for Australian residents

(a) Australian income tax character of RRCPS

Although the Offer is in the legal form of resettable, redeemable, convertible preference shares, the security will be characterised as a 'debt interest' for the purposes of the application of the Tax Act. This is on the basis that GC1 has an 'effectively non-contingent obligation' to provide 'financial benefits' to the Holders of the RRCPS for the purposes of the Tax Act.

(b) Dividends

In line with its income tax character, Dividend payments from holding RRCPS will be included in the assessable income of the Holder as 'interest payments', akin to interest received on a debt security.

The Dividends to be paid by GC1 cannot be franked, and therefore no franking credits will be attached to the Dividend payments to Holders of RRCPS.

(c) Conversion of RRCPS and subsequent disposal of Ordinary Shares

In the event Holders of RRCPS decide to convert RRCPS to Ordinary Shares in GC1 in accordance with the terms under this Prospectus, the conversion should trigger a Capital Gains Tax ("**CGT**") event. However, under the Australian income taxation rules, any capital gain or loss arising from this conversion should be disregarded.

For CGT purposes, the Ordinary Shares in GC1 are taken to be acquired by the Holder at the time the conversion happened.

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Further, a CGT event would occur for the Holder on the subsequent disposal of Ordinary Shares in GC1 acquired on conversion. Upon disposal, a capital gain or loss may arise, calculated as the difference between the capital proceeds received and the cost base of Ordinary Shares in GC1.

The cost base of Ordinary Shares in GC1 should include the Holder's acquisition cost (which would generally be the cost base of RRCPS at the time of conversion), incidental acquisition and disposal costs (i.e. brokerage fees).

Any net capital gain would be included in the assessable income of the Holder in the income year it disposes the Ordinary Shares in GC1. Any net capital loss may be used to offset other capital gains made by the Holder.

Furthermore, after applying any capital loss, Holders (companies are excluded) may then be entitled a capital gain discount equivalent to 50% for individuals and trusts, and 33 1/3% for complying superannuation funds, provided the relevant asset is disposed of after 12 months.

(d) Redemption of RRCPS

If the amount received by the Holder upon redemption of RRCPS exceeds the amount paid upon acquisition of RRCPS, that amount should be included in the assessable income of the Holder.

Conversely, if the amount received by the Holder upon redemption of RRCPS is less than the amount paid upon acquisition of RRCPS, a capital loss will arise.

7.2 Tax File Numbers and Australian Business Numbers

Holders are not required to provide their Tax File Numbers ("**TFN**") or Australian Business Numbers ("**ABN**") when subscribing for RRCPS. However, if Holders do not provide their TFN or ABN, GC1 may be required to deduct and withhold tax at the top marginal rate plus Medicare Levy on any payments made. Any tax withheld will be remitted to the ATO and should be available to the Holder as a tax credit.

7.3 Other taxes

On the basis that RRCPS are considered as 'debt interests' under the Tax Act, any payments to non-residents in the form of 'interest', are subject to non-resident withholding tax in Australia.

Holders of RRCPS will generally not be subject to any Australian Goods and Services Tax or stamp duties in any Australian State or Territory in respect of their acquisition, holding, sale, redemption or conversion of RRCPS or the receipt of dividend payable on RRCPS.

In compliance with the Foreign Account Tax Compliance Act ("**FATCA**") and Common Reporting Standard ("**CRS**"), GC1 may be required to collect and provide certain information to the ATO, in regard to non-resident Holders. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

Section Eight

ADDITIONAL INFORMATION

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8.1 Rights attaching to Ordinary Shares

The shares issued on conversion of the RRCPS will be Ordinary Shares and will rank equally with all existing Ordinary Shares. The rights attaching to Ordinary Shares are set out in the GC1's Constitution which is available free of charge from GC1 (a copy is also accessible on the ASX website).

The following is a broad summary of rights which attach to Ordinary Shares. It is not intended to be an exhaustive or definitive summary of the rights attaching to Ordinary Shares.

(a) Voting rights

Subject to restrictions on voting from time to time affecting any particular Shareholder or any class of shares and subject to any contrary provisions of the Constitution, at a meeting of Shareholders, each Shareholder entitled to vote may vote in person or by proxy or attorney or, being a corporation, by a duly authorised representative, and has one vote on a show of hands and one vote per Ordinary Share on a poll.

(b) Dividends

The Board may from time to time determine or declare that a dividend is payable. The Board may fix the amount, the time for payment and the method of payment of a dividend. The method of payment may include the payment of cash, the issue of shares, the grant of options and the transfer of assets, including shares or other securities in another body corporate (or any combination of them). No dividend bears interest against the Issuer. Subject to any special rights or restrictions attached to any shares, every dividend on a share in the Issuer is to be paid as follows, unless otherwise determined by the Board:

(i) if the share to which a particular dividend relates is fully paid and was fully paid during the whole period in respect of which the dividend is to be paid, that dividend is equal to the dividend paid on each other share which was fully paid during the whole period in respect of which the dividend is to be fully paid; and

(ii) if the share to which a particular dividend relates is partly paid, or is fully paid but was not fully paid during the whole of the period in respect of which the dividend is to be paid, that dividend is apportioned, and paid proportionately to the amounts paid (not credited) on the share in respect of which the dividend is to be paid with respect to the issue price of the share (excluding amounts credited) during any part or parts of the period in respect of which the dividend is to be paid.

(c) Transfer

Subject to the Constitution, the Corporations Act, the Listing Rules and ASX Settlement Operating Rules, Ordinary Shares are freely transferable. Subject to the Listing Rules and the Corporations Act, the Directors may refuse to register a transfer or apply a holding lock to prevent a transfer of Ordinary Shares only in limited circumstances (for example, where GC1 has a lien on those shares).

(d) Winding-up

If GC1 is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories as the liquidator thinks fit in kind any part of the assets of GC1, and may

vest any part of the assets of GC1 in trustees on any trusts for the benefit of all or any of the contributories as the liquidator thinks fit.

The ranking of Ordinary Shares is set out in Section 3.

(e) Variation of rights

The rights, privileges and restrictions attaching to the Ordinary Shares can only be varied by a special resolution passed at a meeting of Shareholders by those Shareholders present at the meeting or by proxy who hold at least 75% per cent of the votes attaching to Ordinary Shares.

8.2 Offer Management Agreement

The Issuer does not hold an AFSL under the Corporations Act necessary to carry out the Offer under this Prospectus. Accordingly, the Offer is being be made under an arrangement between the Issuer and the Lead Manager as holder of an AFSL under section 911A(2)(b) of the Corporations Act. GC1 and the Lead Manager entered into an offer management agreement on or about the date of this Prospectus (the "**Offer Management Agreement**"). Under the Offer Management Agreement, the Lead Manager has been appointed by the Issuer to conduct the Offer as Authorised Intermediary and has agreed to manage the Offer, including to conduct the Bookbuild.

(a) Fees and expenses

Under the Offer Management Agreement, GC1 has agreed to pay a management fee equal to the sum of $95,000 plus GST.

GC1 must also pay the Lead Manager all agreed out-of-pocket expenses reasonably incurred by it in connection with the Offer GC1 will be responsible for the reasonable fees and disbursements of the Lead Manager's legal advisers, and other advisers retained with GC1's prior approval.

(b) Warranties, undertakings and other terms

The parties to the Offer Management Agreement give various representations and warranties including representations and warranties in relation to corporate authority and approvals.

GC1's representations and warranties relate to matters such as:

(i) the compliance with the Corporations Act, Listing Rules and the Constitution in all material respects;

(ii) the accuracy of all information provided by it to the Lead Manager in all material respects; and

(iii) the Prospectus containing no material omissions or statements which are materially untrue, inaccurate, misleading or deceptive and containing all information required to materially comply with the Corporations Act and ASX Listing Rules.

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(c) Termination events

The Lead Manager may terminate their obligations under the Offer Management Agreement by notice to GC1 on the occurrence of any of the following termination events:

(i) In the reasonable opinion of the Lead Manager, an event occurs that has had or could be expected to have, individually or in aggregate with a separate event, a material adverse change or effect on or which indicates that there has been a material adverse effect on the general affairs, business, reputation, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, unit or shareholder's equity, or results of operations of the Issuer or the Investment Manager.

(ii) The Issuer withdraws the Prospectus, any supplementary prospectus, the Offer or any part of the Offer, or indicates that it intends to do any of those things.

(iii) The Issuer or the Investment Manager does not provide the confirmation certificates in the manner required by the Offer Management Agreement or a statement in a confirmation certificate is untrue in any material respect, incorrect or misleading or deceptive.

(iv) ASX makes an official statement to the Issuer, the Investment Manager or the Lead Manager that it will not approve the granting of official quotation to the RRCPS or that it will impose conditions which are not customary before 5pm on the Business Day immediately preceding the settlement date of the issue of RRCPS.

(v) Without limiting any other subparagraph of this paragraph (c):

(A) there is a material omission from the Prospectus or any other Disclosure Document of information required by the Corporations Act or any other applicable law or requirement;

(B) the Prospectus or any other Disclosure Document contains a misleading or deceptive statement;

(C) a statement in the Prospectus or any other Disclosure Document becomes misleading or deceptive;

(D) a matter referred to in section 1014A of the Corporations Act occurs in respect of the Prospectus; or

(E) a Disclosure Document does not comply with applicable law or the Listing Rules.

(vi) Any person makes an application for an order under Part 9.5, or to any Governmental Agency, in relation to the Disclosure Documents or the Offer or ASIC commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Disclosure Documents or any Governmental Agency commences or gives notice of an intention to hold, any Inquiry.

(vii) Without limiting any other subparagraph of this paragraph (c):

(A) ASIC applies for an order under section 1324B of the Corporations Act in relation to the Prospectus or the Offer and the application is not dismissed or withdrawn before the Closing Date;

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(B) ASIC gives notice of intention to hold a hearing in relation to the Prospectus or the Offer, or makes an interim order or any other order under section 1020E of the Corporations Act in relation to the Prospectus or any supplementary prospectus or the Offer; or

(C) an application is made by ASIC for an order under Part 9.5 in relation to the Prospectus or any supplementary prospectus or the Offer or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Prospectus or any supplementary prospectus or the Offer.

(viii) If one of the following events occurs or there is an act or omission which is likely to result in one of the following events with respect to the Issuer or the Investment Manager:

(A) a receiver, receiver and manager, administrator, trustee or similar official is appointed over any of the assets or undertaking of the person, or any similar process, procedure or event occurs in relation to the person under any applicable law (including the laws of the United States);

(B) the person suspends payment of its debts generally;

(C) the person is or becomes unable to pay its debts as and when they are due or is unable to pay its debts within the meaning of any applicable law or the person may be presumed to be insolvent under any applicable law;

(D) the person enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;

(E) an application or order is made for the winding up, deregistration or dissolution of, or the appointment of a provisional liquidator or liquidator to the person or a resolution is passed or steps are taken to pass a resolution for the winding up, deregistration or dissolution of the person (or any similar process, procedure or event occurs in relation to the person under any applicable law (including the laws of the United States) otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Lead Manager;

(F) an administrator is appointed in relation to the person under any applicable law, or any similar process, procedure or event occurs in relation to the person under any applicable law (including the laws of the United States); or

(G) where something having a substantially similar effect to (A) to (F) happens in connection with that person (including the Issuer and any other person that is a trust) under the law of any relevant jurisdiction.

(ix) Any circumstance arising after lodgment of the Prospectus that results in the Issuer being required, by ASIC or under any applicable law, to either:

(A) repay the funds received from Applicants for RRCPS under the Offer; or

(B) give Applicants under the Offer an opportunity to withdraw their Applications for RRCPS and be repaid their Application Monies.

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(x) The Issuer ceases to be admitted to the official list of ASX or its Ordinary Shares cease trading or are suspended from official quotation or cease to be quoted on ASX.

(xi) Any person (other than the Lead Manager) whose consent to the issue of the Prospectus is required by the Corporations Act who has previously consented to the issue of the Prospectus withdraws such consent or any person otherwise named in the Prospectus with their consent (other than the Lead Manager) withdraws such consent.

(xii) The Issuer:

(A) issues, or in the Lead Manager's opinion, becomes required to issue, a supplementary prospectus because of a circumstance set out in section 719A(1)(c) of the Corporations Act which is materially adverse from the point of view of an investor; or

(B) lodges a supplementary prospectus with ASIC in a form that is not acceptable to the Lead Manager (acting reasonably).

(xiii) A Director or responsible manager of the Issuer or the Investment Manager:

(A) is charged with an indictable offence or any regulatory body commences any public action against the director or responsible manager in his or her capacity as a director or responsible manager of the Issuer or the Investment Manager or announces that it intends to take any such action;

(B) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act or under any law of any jurisdiction; or

(C) otherwise engages in any fraudulent conduct or activity.

(xiv) A member of the Investment Manager's executive team or the investment team responsible for the Issuer (as listed in the Prospectus or otherwise) is charged with an indictable offence or engages in any fraudulent conduct or activity.

(xv) Between the date of the Offer Management Agreement and the date prior to the settlement date of the issue of RRCPS, the S&P/ASX All Ordinaries Index closes 10% or more below the closing level on the day prior to execution of the Offer Management Agreement.

(xvi) The Issuer is or becomes unable, for any reason, to issue or allot the RRCPS within the time required by the Timetable, the Disclosure Documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, or an order of a court of competent jurisdiction or a Governmental Agency.

(xvii) Michael Glennon is removed from office by the Investment Manager or the Issuer.

(xviii) There is a change in ownership of the Investment Manager.

(xix) There is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an

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obligation under the Offer Management Agreement, or to market, promote or settle the Offer in accordance with the Offer Management Agreement.

(xx) Any civil or criminal proceedings are brought against the Issuer or the Investment Manager or any officer of the Issuer or the Investment Manager in relation to any fraudulent, misleading or deceptive conduct relating to the Issuer, the Issuer (in its personal capacity) or the Investment Manager whether or not in connection with the Offer except for any claim where at the time the claim is made, it is immediately apparent, in the reasonable opinion of the Lead Manager, that, on the face of the claim, it has no prospect of success, is vexatious or without merit.

(xxi) The Offer is not conducted in accordance with the Timetable or any event specified in the Timetable is delayed for more than two Business Days without the prior written consent of the Lead Manager.

(xxii) Any of the following occurs:

(A) a Material Contract is terminated;

(B) an event occurs which entitles a party to terminate a Material Contract;

(C) there is a material breach of a Material Contract including a failure to satisfy a condition precedent to performance of a Material Contract;

(D) a condition precedent to performance a Material Contract becomes incapable of being satisfied; or

(E) a Material Contract is amended without the Lead Manager's prior written consent.

(xxiii) (*) In Australia, New Zealand, United States of America or Europe (including the UK or Luxembourg):

(A) a law or regulation is introduced or there is a public announcement of a proposal to introduce a law or regulation; or

(B) a new government policy is adopted or there is a public announcement of a proposal to adopt a new government policy,

which will, or will likely, prohibit or otherwise regulate or affect the Offer, capital issues by the Issuer, the Investment Manager implementing the Issuer’s investment strategy on the terms set out in the Prospectus or the taxation treatment of the RRCPS or the Issuer.

(xxiv) (*) Any adverse change or disruption occurs in the existing financial markets, political or economic conditions currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union or in foreign exchange rates or any development involving a prospective adverse change in political, financial or economic conditions in any of those countries.

(xxv) (*) A general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union is declared by the relevant central banking authority in any of those

countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.

(xxvi) (*) Trading in all securities quoted or listed on ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange, is suspended or limited in a material respect.

(xxvii) (*) A contract or an agreement referred to in this Prospectus is:

(A) breached by the Issuer, the Investment Manager or any of their Related Bodies Corporate; or

(B) terminated (whether by breach or otherwise).

(xxviii) (*) A party is in default of any of the terms or conditions of the Offer Management Agreement or breaches any warranty, undertaking or covenant given or made by it under the Offer Management Agreement (including any conditions precedent).

(xxix) (*) Other than as disclosed from those identified in this Prospectus, the Issuer or the Investment Manager charges or agrees to charge, the whole, or a substantial part of the assets of the Issuer.

(xxx) (*) Any representation or warranty contained in the Offer Management Agreement on the part of a party is breached or is, or becomes, false, misleading or incorrect.

(xxxi) (*) Except as contemplated by this Prospectus, the events set out in section 652C of the Corporations Act occur in respect of Issuer or the Investment Manager.

(xxxii) (*) In respect of Australia, New Zealand, the People's Republic of China, the United States, the United Kingdom, Hong Kong or any Member State of the European Union, there occurs or they are involved in:

(A) an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing; or

(B) an escalation in existing hostilities,

(C) or a major terrorist act is perpetrated anywhere in the world.

(xxxiii) (*) The due diligence committee report prepared by the due diligence committee or the verification material in respect of the verification of this Prospectus or any other information supplied by or on behalf of the Issuer or the Investment Manager to the Lead Manager in relation to the Issuer, the Investment Manager or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission.

(xxxiv) (*) Any Australian financial services licence, or other licence, approval or permit required by the Issuer or the Investment Manager to perform the Issuer’s business or the Investment Manager’s business is terminated, rescinded, revoked or withdrawn or otherwise amended or varied in a manner that impedes the Issuer or the Investment Manager and/or its ability to discharge its obligations under the Offer Management Agreement.

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(xxxv) (*) If a regulatory body withdraws, revokes or amends any regulatory approvals required by the Issuer or the Investment Manager, including in respect of the Offer Management Agreement or the Offer.

In respect of those termination events marked above with an asterisk (*), the Lead Manager may only exercise their rights to terminate the Offer Management Agreement if the Lead Manager determines, reasonably and in good faith, that the relevant termination event:

(xxxvi) has had, or is likely to have, a material adverse effect on the Offer or all the RRCPS for which valid applications have been received, being issued by GC1 in accordance with the Offer; or

(xxxvii) could create a material liability for the Lead Manager under the Corporations Act.

GC1 has agreed to indemnify the Lead Manager and certain affiliated persons from all losses, liabilities, claims, damages, costs and expenses incurred directly or indirectly as a result of certain events occurring in connection with the Offer. Certain limitations apply, including in relation to fraud, wilful misconduct or gross negligence of an indemnified party.

8.3 Directors' interests

Other than as set out below or elsewhere in this Prospectus:

(a) no Director has, or has had in the two years prior to lodgment of this Prospectus with ASIC, an interest in:

(i) the formation or promotion of GC1;

(ii) any property acquired, or proposed to be acquired, by the Issuer in connection with:

(A) its formation or promotion; or

(B) the Offer; or

(iii) the Offer; and

(b) no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or any proposed Director or to any firm in which any Director or proposed Director is or was a partner:

(i) to induce that person to become, or to qualify as, a Director of the Issuer; or

(ii) for services provided by that person or by the firm in which that person is or was a partner in connection with the formation or promotion of the Issuer or the Offer.

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The Directors have the following interests in Ordinary Shares and Options as at 28 October 2020, either directly or indirectly:

Name of Director	No. of Ordinary Shares	No. of Options
Michael Glennon	2,360,072	449,720
John Larsen	200,375	38,965
Sulieman Ravell	-	40

Non-executive Directors' fees not exceeding an aggregate of $50,000 per annum have been approved by GC1 in general meeting. The following table shows details of the remuneration received by the Directors of the Company for the year ending 30 June 2020. The Chairman, who was remunerated by the Investment Manager, did not receive Directors fees, or any other form of remuneration from GC1.

	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees	Superannuation	Total
Non-executive Directors	$	$	$
John Larsen	22,831	2,169	25,000
Gary Crole*	21,439	2,037	23,476
Sulieman Ravell*	1,376	131	1,507
Sub-total non-executive Directors	45,646	4,337	49,983
Executive Director			
Michael Glennon	-	-	-
Total Director compensation	45,646	4,337	49,983

*Gary Crole resigned on 9 June 2020. Sulieman Ravell was appointed on 9 June 2020.

The Chief Investment Officer is a Director and beneficial owner of Glennon Capital Pty Ltd, the Company appointed to manage the investment portfolio of GC1. In its capacity as Investment Manager for the year ending 30 June 2020, Glennon Capital Pty Ltd was paid a management fee of 1% per annum (plus GST) of the net asset value of the investment portfolio amounting to $417,590 net of reduced input tax credits.

In addition, the Investment Manager is to be paid, quarterly in arrears, a performance fee of 20% (plus GST) of the investment portfolio's outperformance over the S&P/ASX Small Ordinaries Accumulation Index. For the year ended 30 June 2020 in its capacity as Investment Manager, Glennon Capital Pty Ltd did not earn a performance fee.

For the year ended 30 June 2020, in their capacity as Company Secretary, Glennon Capital Pty Ltd was paid company secretarial fees of $32,800.

GC1 has entered into deeds of access and indemnity with all of its Directors setting out the rights of those Directors to access Board papers and to be indemnified by GC1, including after they cease to be a Director.

GC1 also maintains Directors' and officers' liability insurance to the extent allowable by law.

8.4 Interests of experts

Other than set out in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory, or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of GC1; or

(c) Lead Manager to the Offer,

(each, a relevant person) holds, at the time of lodgment of this Prospectus with ASIC, or has held in the two years before lodgment of this Prospectus with ASIC, an interest in;

(d) the formation or promotion of the Issuer;

(e) the Offer; or

(f) any property acquired or proposed to be acquired by the Issuer in connection with its formation or promotion of the Offer.

Other than as set out in this Prospectus, no relevant person has paid or agreed to pay any amount or given or agreed to give any benefits for services provided by a relevant person in connection with the formation or promotion of GC1 or the Offer.

The amounts set out below are exclusive of GST.

Gadens has acted as Australian legal adviser in respect of the Offer. In aggregate, the Issuer has paid or agreed to pay approximately $75,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Gadens in accordance with its normal time based charges.

Acacia Partners Pty Ltd has acted as the arranger, lead manager and bookrunner in relation to the Offer. GC1 has agreed to pay the fees described in Section 8.2 of this Prospectus.

Pitcher Partners has acted as Australian tax adviser and auditor in respect of the Offer. In aggregate, the Issuer has paid or agreed to pay approximately $17,500 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Pitcher Partners in accordance with its normal time based charges.

8.5 Consents

None of the parties referred to below have authorised or caused the issue of this Prospectus or made or purported to have made any statement that is included in this Prospectus or any statement on which

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a statement made in this Prospectus is based, other than as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any part of, this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

Gadens has given and has not, before lodgment of this Prospectus with ASIC, withdrawn their consent to being named in this Prospectus in the form and context in which it is named.

Acacia Partners Pty Ltd has given and has not, before lodgment of this Prospectus, withdrawn its consent to being named in this Prospectus in the form and context in which it is named.

Pitcher Partners has given and has not, before lodgment of this Prospectus, withdrawn its consent to being named in this Prospectus in the form and context in which it is named.

Boardroom Pty Limited has given and has not, before lodgment of this Prospectus, withdrawn its consent to being named in this Prospectus in the form and context in which it is named.

The Investment Manager has given and has not, before lodgment of this Prospectus, withdrawn its consent to being named in this Prospectus in the form and context in which it is named.

8.6 Privacy

If you lodge an Application, GC1 will collect information about you. GC1 will use this information to process your Application, administer your RRCPS and keep in touch with you in relation to your RRCPS. Your information may also be shared within GC1 so that you can be told about products or services offered or distributed by the GC1 or other matters concerning the GC1 that GC1 thinks may be of interest to you.

GC1 may disclose this information for these purposes to its agents, contractors and third-party service providers that provide services on its or their behalf (e.g. the Registry and a printing firm or mailhouse engaged to print and mail statements to you). Some of these parties may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

If you used a financial adviser who recommended your investment in the RRCPS (as indicated on your Application Form), GC1 may disclose details of your holding to that adviser.

GC1 will also disclose this information if required or permitted to do so by law or if you consent to or request the disclosure.

If you think GC1's records of your personal information are incorrect or out of date, you can contact GC1 and request that your personal information be corrected. Subject to certain exceptions, you may access your personal information at any time by contacting the Registry in writing (subject to any requirements that the Registry may have). GC1 is permitted to charge a fee for such access, but does not intend to do so.

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You may choose not to provide your personal information or to limit the information you provide, in which case GC1 may not be able to process your Application, administer your RRCPS, or make payments to you.

8.7 Governing law

This Prospectus, the Offer and the contracts formed on acceptance of Applications are governed by the laws applicable in New South Wales, Australia. Each Applicant for RRCPS submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

8.8 Consent to lodgement

Every Director has consented to the lodgment of this Prospectus with ASIC under the Corporations Act.

8.9 Prohibition on exceeding 20% voting threshold

You must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act when electing to convert RRCPS issued pursuant to this Prospectus. The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 of the Corporations Act as a result of the conversion of the RRCPS.

If you may be at risk of exceeding the 20% voting power threshold in section 606 or increasing your voting power from a position of above 20% as a result of the acquisition of Ordinary Shares following conversion of RRCPS, you should seek professional advice before electing to convert.

8.10 Legal proceedings

To the knowledge of the Directors, there is no current, pending or threatened litigation with which GC1 is directly or indirectly involved.

8.11 Offer expenses

GC1 will pay all of the costs associated with the Offer. If the Offer proceeds, the total estimated expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately $283,000 plus GST.

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Section Nine

HOW TO APPLY

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9.1 Applying for the RRCPS

Subject to Section 4.9.3 of this Prospectus, you may apply for the RRCPS under one of the following Offers:

Offer tranches	Who can Apply	When to Apply	How to Apply
Priority Offer	GC1 Shareholders and BHD Shareholders who have a registered address in Australia or New Zealand and were on the GC1 or BHD register (as applicable) on the Priority Offer Record Date of: • for GC1 Shareholders, 6 November 2020; and • for BHD Shareholders, 23 October 2020.	Applications will only be accepted during the Offer Period, which is expected to commence on 5 November 2020. The Closing Date for the Priority Offer is 20 November 2020. Your online Application or paper Application Form must be completed and Application Monies must be received by the Registry by the Closing Date.	You can apply online at www.boardroomlimited.com.au/ca/glennonoffer. Instructions on how to complete your Application are provided online. Should you wish to apply by paper Application, you can request a free paper copy of this Prospectus and an Priority Offer Application Form by contacting the Registry on 1300 737 760 (within Australia) or +61 9290 9600 (international) Monday to Friday 8:30am to 5:30pm (AEDT) during the Offer Period. You will be required to provide your Priority Code which is contained within the Priority Offer email you will have received. Instructions on how to complete the Application Form are set out in the form. When applying via a paper Application Form you may pay for the RRCPS using cheque(s) and/or money order(s). Your completed Priority Offer Application Form and Application Payment must be received by the Registry by the Closing Date for the Priority Offer which is on 20 November 2020.
Broker Firm Offer	Australian resident retail clients of a Participating Broker invited by the Participating Broker to participate through the Broker Firm Offer.	Applications will only be accepted during the Offer Period, which is expected to commence on 5 November 2020. The Closing Date for the Broker Firm Offer is 26 November 2020. Your completed Application Form and Application Monies must be received by your Participating Broker in accordance with arrangements made between you and your Participating Broker.	You must contact your Participating Broker for instructions about how to complete your Application. You must not return your Application to the Registry or GC1.

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9.2 Minimum applications

Applications for RRCPS must be for a minimum of 500 RRCPS ($5,000).

9.3 No brokerage or stamp duty

You do not have to pay brokerage or stamp duty on your Application for RRCPS. However, you may have to pay brokerage (and applicable GST) on any subsequent purchases or sales of RRCPS on the ASX.

9.4 Exposure Period

The Corporations Act prohibits GC1 from processing Applications to subscribe for RRCPS under the Prospectus in the seven-day period after the lodgement date of this Prospectus. This period may be extended by ASIC by up to a further seven days.

This period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

9.5 Allocation policy and refunds

(a) Bookbuild

The Bookbuild is a process that will be conducted by the Lead Manager before the Opening Date. In this process, the Bookbuild participants are invited to lodge bids for RRCPS. GC1 may change the size of the Offer following the completion of the Bookbuild.

(b) Priority Offer

If possible, having regard to the total level of Applications under the Offer, GC1 will endeavour to provide Applicants under the Priority Offer with an Allocation of at least 500 RRCPS. However, GC1 does not guarantee any minimum Allocation under the Priority Offer and the extent of any Allocation will ultimately depend on the total level of Applications under the Offer.

GC1 has the absolute discretion to determine the method and extent of the Allocation to Applicants under the Priority Offer.

In particular, GC1, in consultation with the Lead Manager, reserves the right (at its discretion) to:

(i) allocate to any GC1 Shareholder or BHD Shareholder all RRCPS for which they have applied; or

(ii) allocate to any GC1 Shareholder or BHD Shareholder a lesser number of RRCPS for which they have applied, or none at all.

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(c) Broker Firm Offer

If you have applied under the Broker Firm Offer, your Participating Broker is responsible for determining your Allocation from their Broker Firm Allocation. GC1 takes no responsibility for any allocation, scale-back or rejection that is decided by your Participating Broker.

(d) Refunds

Until the RRCPS are issued, GC1 will hold the Application Monies in a trust account. The account will be established and kept solely for the purpose of depositing Application Monies and dealing with those funds.

If you are not Allocated any RRCPS or less than the number of RRCPS you applied for, you will receive a refund by EFT or cheque as soon as practicable after the Closing Date. No interest will be payable on Application Monies which are refunded. Any interest earned in the trust will be retained by GC1.

9.6 Issue and quotation of RRCPS

An application for admission of the RRCPS to quotation on the ASX will be made within 7 days of the date of this Prospectus and it is expected that the RRCPS will be quoted on the ASX. The RRCPS are expected to be quoted under the ASX code “GC1PA”. If ASX does not grant permission for the RRCPS to be quoted by the Issue Date, the RRCPS will not be Issued and all Application Monies will be refunded (without interest) as soon as practicable.

9.7 Trading and holding statements

(a) Commencement of trading of RRCPS on ASX

It is expected that the RRCPS will begin trading on ASX on a normal settlement basis on 7 December 2020.

It is your responsibility to determine your holding of RRCPS before trading to avoid the risk of selling RRCPS you do not own. You should check your holding by asking your broker or by calling the Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

(b) Holding statements

GC1 will apply for the RRCPS to participate in CHESS and, if accepted, no certificates will be issued. Instead, a holding statement will be mailed to Holders. If your holding of the RRCPS changes, you will receive an updated holding statement.

(c) Provision of TFN and/or ABN

You will be sent a welcome letter with details to provide your TFN and/or ABN should you wish to do so (see Section 7.2 of the Prospectus).

(d) Provision of bank account details for payments

Dividends will be paid in Australian dollars by direct credit into nominated Australian financial institution accounts (excluding credit card accounts), for Holders with a registered address in Australia. For all other Holders, Dividends will be paid by Australian dollar cheque. When your holding statement is mailed, you will also be mailed a form on which to provide your bank account details for payments of Face Value and Dividends.

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Section Ten

GLOSSARY

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10.1 Glossary

The following is a glossary of the terms used in the Prospectus. Please note that where defined terms are used exclusively in the Terms of Issue, their definitions are not included in the Glossary, however to the extent these terms have been used in the remainder of this Prospectus they have been defined in the Glossary.

$ or **dollars** means Australian dollars.

Accounting Standards means:

(a) the requirements of the Corporations Act about the preparation and contents of financial reports;

(b) the Australian Accounting Standards approved under the Corporations Act to the extent that they are applied by the Company; and

(c) if and to the extent that any matter is not covered by the Australian Accounting Standards or under the Corporations Act, the generally accepted accounting principles applied in Australia for companies similar to the Company.

Allocation means the number of RRCPS allocated to an Applicant under the Offer.

Applicant means a person who submits an Application.

Application means an application made to acquire RRCPS under this Prospectus.

Application Forms means the application forms referred to in, and accompanied by a copy of, this Prospectus.

Application Monies means the monies submitted by Applicants in respect of their Applications.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 003 624 691) or the securities market operated by it, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532), the body which administers CHESS.

ASX Settlement Operating Rules means the settlement rules of ASX Settlement as amended or replaced from time to time.

Authorised Intermediary means Acacia Partners Pty Ltd (ABN 49 607 016 391).

BHD means Benjamin Hornigold Ltd (ABN 62 614 854 045).

BHD Shareholder means a holder of ordinary shares in the share capital of BHD.

Board means the board of Directors of GC1.

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Bookbuild means the process conducted by the Lead Manager described in Section 9.5(a) of this Prospectus.

Broker Firm Applicant means Applicant a person who submits an Application under the Broker Firm Offer.

Broker Firm Offer means the Offer of RRCPS under this Prospectus to Australian residents of Participating Brokers who have received a firm Allocation of RRCPS as described in Section 9.1.

Business Day means a day which is a business day within the meaning of the Listing Rules but where used in connection with any Repayment, Conversion or payment on the RRCPS, excludes a day on which major trading banks are not open for business in Sydney.

Cash and Cash Equivalents means, at any time, the principal amount of cash and cash equivalents as at such time, as determined in accordance with Accounting Standards.

Change of Control Event means the occurrence of any of the following:

(a) the Investment Management Agreement between the Investment Manager and the Company lapses or is terminated, and no replacement investment management agreement has been entered into by the Investment Manager and the Company with 15 Business Days of such lapse or termination; or

(b) the Company enters into an Investment Management Agreement (or other similar arrangement) with a party that is not the Investment Manager or a Related Body Corporate of the Investment Manager; or

(c) a takeover bid is made to acquire all or some of the Ordinary Shares and the offer under the takeover bid is, or becomes, unconditional and:

    (i) the bidder has acquired at any time during the offer period a relevant interest in more than 50 per cent of the Ordinary Shares on issue; or

    (ii) the Directors of the Company unanimously recommend the acceptance of the offer under the takeover bid, and acceptance of that offer would result in the bidder having a relevant interest in 100 per cent of the Ordinary Shares on issue; or

(d) a court approves a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in more than 50 per cent of the Ordinary Shares on issue.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Clean-Up Event means at any time the aggregate principal amount of the RRCPS outstanding is less than A$2.5 million.

Clearing System means CHESS or any other applicable securities trading or clearance system through which the RRCPS are cleared and/or settled.

Closing Date means the date by which Applications must be lodged for the Offer, being:

(a) for the Priority Offer, 20 November 2020; and

(b) for the Broker Firm Offer, 26 November 2020,

unless the Issuer and the Lead Manager agree to vary this date.

Constitution means the Constitution of the Issuer.

Conversion means the conversion of an RRCPS in accordance with clauses 3 and 4 of the Terms of Issue and the words **Convert**, **Convertible**, **Converting** and **Converted** bear a corresponding meaning.

Conversion Amount has the meaning given in clause 4.2 of the Terms of Issue.

Conversion Price means A$0.86 or such other lower price as determined in accordance with clauses 4.6 to 4.9 of the Terms of Issue.

Conversion Shares has the meaning given in clause 4.2 of the Terms of Issue.

Corporations Act means the *Corporations Act 2001* (Cth).

a **Delisting Event** will occur if:

(a) the Ordinary Shares cease to be quoted on ASX;

(b) the RRCPS are no longer quoted on ASX; or

(c) trading of the Ordinary Shares or RRCPS on ASX is suspended for a period of more than 20 consecutive Business Days,

in any case, other than as a result (directly or indirectly) of a Change of Control Event.

Directors means some or all of the directors of the Company acting as the Board.

Disclosure Document means a document issued or published by the Issuer, or on behalf of the Issuer with its written consent, in respect of the Offer, and includes:

(a) the Prospectus, any Application Form and any supplementary prospectus;

(b) any cover email or letter sent to eligible investors in Australia and any agreed foreign jurisdictions with a link to or attaching the Prospectus or any supplementary prospectus;

(c) any investor presentation or marketing presentation (including any addendum to those presentations and any draft of such documents used for roadshow purposes prior to the date this Prospectus is lodged with the ASX), other promotional materials or ASX announcement made in connection with the Offer; and

(d) all other communication with investors or potential investors, nominees and other parties in respect of the Offer.

Distribution means a distribution in any form whatsoever, including without limitation, by way of dividend (whether in cash or in specie), share buy-back, reduction of capital, bonus securities issue or otherwise.

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Dividend, in respect of the RRCPS, means a dividend calculated in accordance with clause 2.1 of the Terms of Issue.

Dividend Entitlement has the meaning given to that term in clause 2.1 of the Terms of Issue.

Dividend Payment Date has the meaning given to that term in clause 2.5 of the Terms of Issue whether or not a Dividend is paid on that date.

Dividend Period means:

(a) from and including the day after the Issue Date until (but not including) the following Dividend Payment Date; and thereafter

(b) the period from and including the Dividend Payment Date until (but not including) the following Dividend Date;

(c) where the RRCPS is Exchanged on a date other than a Dividend Payment Date, from and including the first day of the period until (but not including) the relevant Exchange Date.

Dividend Rate has the meaning given in clause 2.2 of the Terms of Issue.

Exchange means Conversion or Repurchase of RRCPS, as the circumstances require, and the word **Exchanged** bears a corresponding meaning.

Exchange Date has the meaning given in clause 3.1(e) and / or 3.2(c) and / or 3.3(b) of the Terms of Issue as the circumstances require.

Face Value means the nominal principal amount of each RRCPS, being A$10.00.

Financial Indebtedness means any actual or contingent debt or other monetary liability arising in respect of money borrowed or raised or any financial accommodation provided, including in respect of any:

(a) bill of exchange, bond, debenture, RRCPS or similar instrument;

(b) acceptance, endorsement or discounting arrangement;

(c) guarantee, indemnity, letter of credit or letter of comfort having binding effect and granted by a financial institution guaranteeing the payment of a debt (the guaranteed debt), in which case the guaranteed debt will not be included;

(d) finance lease;

(e) obligation to deliver goods or provide services paid for in advance by any financier or in relation to any other financing transaction;

(f) cash advance; or

(g) deferred purchase price (for more than 90 days) of an asset or service,

but excluding (for the avoidance of doubt) in respect of any operating lease. Where the Constitution or the Terms of Issue require the amount of any Financial Indebtedness to be determined or calculated, for Financial Indebtedness comprising a swap, option, hedge, forward, futures or similar transaction

which is subject to netting, the net (and not the gross) amount payable by the relevant party will be counted.

Governmental Agency means a government, a government department or a governmental, semi-governmental, statutory, administrative, parliamentary, provincial, public, municipal, local, judicial or quasi-judicial body.

Group means the Company and each of its Related Bodies Corporate.

Holder means the person from time to time whose name is entered on the register as the holder of an RRCPS.

Inquiry means any actual or threatened claim or proceedings in relation to the Offer, the Disclosure Documents or in relation to the Issuer, the Investment Manager or any of their respective officers, directors or principal members, or any investigation, inquiry, order, action, suit, charge, investigation or other proceeding (whether commenced, announced or threatened) by ASIC, ASX or any other Governmental Agency in relation to the Offer and includes any circumstances where:

(a) ASIC issues an order (including an interim order) under section 1020E of the Corporations Act;

(b) ASIC holds a hearing under section 1020E(4) of the Corporations Act;

(c) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer, or the Disclosure Documents or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or the Disclosure Documents;

(d) any person gives a notice under sections 1021J(3) or 1021L(2) of the Corporations Act in relation to the Disclosure Documents; or

(e) any Governmental Agency commences, or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or any of the Disclosure Documents or prosecutes, commences proceedings against or gives notice of an intention to prosecute or commence proceedings against, the Issuer.

Insolvency Event occurs in relation to a body corporate if:

(a) it is (or states that it is) insolvent (as defined in the Corporations Act); or

(b) it is in liquidation, in provisional liquidation, under administration (other than in circumstances where the appointment of the administrator or liquidator is stayed, withdrawn, dismissed or terminated within 30 Business Days) or wound up (each as defined in the Corporations Act).

Investment Management Agreement means the Management Agreement between the Company and the Investment Manager dated on or around 3 July 2015.

Investment Manager means Glennon Capital Pty Limited (ABN 84 137 219 866).

Issuer or **GC1** or **the Company** means Glennon Small Companies Limited (ABN 52 605 542 229).

Issue Date means the date of issue of the RRCPS.

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Issue Price has the meaning given in clause 1.2(a) of the Terms of Issue.

Lead Manager means Acacia Partners Pty Ltd (ABN 49 607 046 391).

Listing Rules means the official Listing Rules of ASX.

LTV Ratio means, at any time, the loan-to-value ratio for the Company calculated as follows:

A = B/C

where:

A = the LTV Ratio (expressed as a percentage) as at such time;

B = Total Debt less Cash and Cash Equivalents as at such time; and

C = the Market Value of all Marketable Securities held by or on behalf of the Company as at such time.

Marketable Securities means:

(a) any debentures, stocks, shares or bonds of any Governmental Agency, local government authority, body corporate, association or society, and includes any right or option in respect of shares in any body corporate and any interest in a managed investment scheme; and

(b) any unit (whatsoever called) or interest in a trust estate which represents a legal or beneficial interest in any of the income or assets of that trust estate and includes any options to acquire any units as described.

Market Value in relation to a Marketable Security means, at any time:

(a) where that Marketable Security is listed on the ASX or other stock exchange, the most recent traded price listed for such Marketable Security on the relevant stock exchange; and

(b) where that Marketable Security is not listed on the ASX or other stock exchange, the redemption price (however described) specified in the terms for such Marketable Security unless there is no redemption price so specified, in which case the Market Value for such Marketable Security will be determined by reference to the higher of:

(i) the most recent price at which a marketable security comprising the same class as that Marketable Security was redeemed by the Company;

(ii) the most recent price (if any) at which the Company purchased that Marketable Security or purchased marketable securities comprising the same class as that Marketable Security (whichever purchase occurred most recently); and

(iii) the most recent price at which the Company sold marketable securities comprising the same class as that Marketable Security (whether together with other Marketable Securities or individually or whether in a single transaction or series of transactions) provided the aggregate purchase price for such marketable securities exceeded A$1,000,000,

(c) provided that if the Market Value of an unlisted Marketable Security cannot be reasonably determined in accordance with paragraph (b) above, the Market Value of such Marketable Security will be determined by the reasonable estimate of the Company and supported by calculations which a Holder may reasonably request.

Material Contract means the Offer Management Agreement and any other contract referred to in this Prospectus.

Maturity Date means 30 September 2030.

Offer means the Offer under this Prospectus of RRCPS, comprising the Priority Offer and the Broker Firm Offer.

Offer Management Agreement means the offer management agreement between the Lead Manager, the Investment Manager and GC1 dated on or around the date of this Prospectus.

Offer Period Means the period during which Applications may be lodged for the Offer, being the period from the Opening Date to the Closing Date.

Opening Date means the date after which Applications may be lodged for the Offer, being 5 November 2020.

Option means options in the Issuer.

Ordinary Share means an ordinary share in the capital of the Company.

Participating Broker means any broker selected by the Issuer in consultation with the Lead Manager to participate in the Broker Firm Offer.

Permitted Financial Indebtedness means any of the following Financial Indebtedness:

(a) Financial Indebtedness under RRCPS issued on the Issue Date or any other security issued under clause 9.1(a) of the Terms of Issue;

(b) any Financial Indebtedness incurred for the purposes of refinancing any other Permitted Financial Indebtedness;

(c) up to $2.0 million of Financial Indebtedness which may rank for repayment in priority to RRCPS, and which is outstanding for no longer than six months;

(d) any other Financial Indebtedness approved by Holders by way of Special Resolution.

Priority Offer means the Offer of RRCPS under this Prospectus to eligible Shareholders and BHD Shareholders as described in Section 9.1.

Priority Offer Applicant means Applicant a person who submits an Application under the Priority Offer.

Priority Offer Record Date means:

(a) for GC1 Shareholders, 6 November 2020; and

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(b) for BHD Shareholders, 23 October 2020.

Prospectus means this prospectus dated 28 October 2020.

Registry means Boardroom Pty Limited (ABN 14 003 209 836).

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Repurchase has the meaning given in clause 5.2 of the Terms of Issue.

Reset Date means:

(a) 30 September 2024; and

(b) each further Reset Date notified by the Company in accordance with clause 6.1 of the Terms of Issue.

RRCPS means the resettable, redeemable, convertible preference shares offered by the Issuer under this Prospectus.

Shareholder means a registered holder of Ordinary Shares.

Special Resolution means:

(a) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution; or

(b) the written approval of Holders holding at least 75% of the RRCPS.

Tax Event occurs where, on or after the Issue Date, the Company receives an opinion of a nationally recognised legal counsel or tax adviser in Australia, experienced in such matters, that as a result of a change in a law or in the application or interpretation of a law there is a more than insubstantial risk that payment of an amount of Dividend will not be, or will cease to be, allowed as a deduction for Australian tax purposes.

Terms of Issue means the terms of issue of the RRCPS as detailed in Section 12.

Timetable means the key dates for the Offer set out on page 12.

Total Debt means, at any time, the outstanding principal amount of all Financial Indebtedness of the Company as at such time.

Trigger Event means any of the following events:

(a) (**non-payment**) the Company fails to pay any Dividend under any RRCPS within 10 Business Days after the date on which the payment is due for two consecutive Dividend Periods including where non-payment is due to an event under clause 2.4 of the Terms of Issue;

(b) (**non-delivery**) the Company fails to issue Ordinary Shares on Conversion within 10 Business Days after the date on which such issue is to be made;

(c) (**breach of other obligations**) the Company fails to comply with any of its other material obligations under the Terms of Issue and such failure remains unremedied for a period of 30

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Business Days after the Company has received written notice from a Holder in respect of the failure;

(d) (**gearing event**) the LTV Ratio exceeds 50% for 10 or more consecutive Business Days;

(e) (**default event**) any debt of the Company greater than $500,000 (or its equivalent in any other currencies) becomes due and payable before its stated maturity due to the occurrence of a default event (however described);

(f) (**change of control**) a Change of Control Event occurs;

(g) (**tax event**) a Tax Event occurs;

(h) (**change to business**) the activity of being a listed investment company with less than 15% of the value of the Group's Marketable Securities at any time being unlisted, ceases to be the core business of the Group;

(i) (**delisting event**) a Delisting Event occurs;

(j) (**insolvency**) an Insolvency Event occurs in respect of the Company;

(k) (**vitiation**) all or any rights or obligations of the Company or the Holders under the Terms of Issue are terminated or become void, illegal, invalid, unenforceable or of limited force and effect; and

(l) (**unlawfulness**) it is, at any time unlawful for the Company to perform any of its payment obligations under the RRCPS.

US or **United States** means United States of America, its territories and provinces, any state of the United States of America and the District of Columbia.

US Person has the meaning given to it in Rule 902(k) under Regulation S of the US Securities Act.

US Securities Act means *United States Securities Act of 1933*.

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Section Eleven

CORPORATE DIRECTORY

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Corporate directory

Registered Office of the Issuer

c/o Glennon Capital Pty Ltd
Level 17, 25 Bligh Street
Sydney NSW 2000
www.glennon.biz

Investment Manager

Glennon Capital Pty Ltd
Level 17, 25 Bligh Street
Sydney NSW 2000

Legal Adviser

Gadens
Level 11, 111 Eagle Street
Brisbane QLD 4000

Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Information Line

1300 737 760 (within Australia)
+61 9290 9600 (outside Australia)
8:30am to 5:30pm (Sydney time), Monday to Friday

Website

www.glennonsmallcompanies.com.au

Lead Manager

Acacia Partners Pty Ltd
Level 39, 55 Collins Street
Melbourne VIC 3000

Tax Adviser and Auditor

Pitcher Partners
Darling Park, Level 16
Tower 2/201 Sussex Street
Sydney NSW 2000

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Section Twelve

TERMS OF ISSUE

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Glennon Small Companies Limited

RRCPS Terms of Issue

gadens

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Australia

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F +61 7 3229 5850

Ref KXD 202028072

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1. The Security

1.1 Form of security

(a) Each Resettable Redeemable Convertible Preference Share (**RRCPS**) is a fully paid, redeemable, preference share in the capital of the Company.

(b) Each RRCPS is issued by the Company under, and in accordance with, its Constitution and on the terms set out in these Terms of Issue.

1.2 Face Value and Issue Price

(a) Each RRCPS has a Face Value of A$10.00.

(b) The issue price of an RRCPS will be determined by the Directors in their absolute discretion and may be the Face Value, more than the Face Value or less than the Face Value (**Issue Price**). The Issue Price must be paid in full on application.

1.3 Currency

The RRCPS are denominated in Australian dollars.

1.4 Quotation of RRCPS

The Company must use all reasonable endeavours and furnish any documents, information and undertakings as may be reasonably necessary in order to procure official quotation on ASX of:

(a) the RRCPS; and

(b) all Shares issued on Conversion of the RRCPS,

and to ensure such quotation of RRCPS is maintained until Exchanged by the Company and cancelled.

1.5 Clearing System

So long as the RRCPS are quoted on a Stock Exchange, the rights of a person holding an interest in the RRCPS are subject to the rules and regulations of the Clearing System.

1.6 Evidence of holdings

(a) The Company or the Registrar (as applicable) must issue to each Holder a Statement of Holding as soon as reasonably practicable after the Issue Date for the RRCPS. A Statement of Holding is no assurance or guarantee that any amounts will be paid to the Holder.

(b) Certificates in respect of the RRCPS will not be issued unless the Company determines that certificates should be made available or are required to be made available by law.

1.7 Provision of information by Holders

If requested by the Company, the Holders must provide information required by the Company in order to comply with any applicable law.

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2. Dividends

2.1 Entitlement

Subject to these Terms of Issue, each Holder of an RRCPS on the relevant Record Date for a particular Dividend Period is entitled to a Dividend in respect of that Dividend Period (**Dividend Entitlement**).

2.2 Calculation of Dividend Entitlement

The Dividend Entitlement of a Holder is calculated in accordance with the following formula:

$$\text{Dividend Entitlement} = \left(\frac{\text{Dividend Rate x Face Value x N} + \text{ADR x Face Value x TD}}{365}\right)$$

Where:

Dividend Rate (expressed as a percentage per annum) is:

(a) for the period to (but not including) the first Reset Date, 5.6%;

(b) for the period from (and including) a Reset Date until (but not including) the next Reset Date, a rate expressed as a percentage per annum specified in accordance with clause 6.1 (which, for the avoidance of doubt, may be a rate calculated by reference to a formula specified by the Company).

N means the number of days in the Dividend Period.

ADR is 2% per annum.

TD means the number of days in the Dividend Period on which a Trigger Event subsists.

2.3 Franking treatment

For the avoidance of doubt, the Company is not required by these Terms of Issue to frank any Dividend.

2.4 Payment of Dividend

The payment of a Dividend (including any Shortfall) is subject to:

(a) there being no impediment under the Corporations Act or any other law to the Company paying the Dividend; and

(b) the Directors, at their discretion, determining the Dividend to be payable.

2.5 Dividend Payment Dates

Subject to this clause 2, Dividends in respect of a Dividend Period will be payable in arrears on the following dates (each a **Dividend Payment Date**):

(a) 31 March 2021 and then on each following 30 September and 31 March until the next Reset Date or until the RRCPS are Exchanged; and

(b) the Exchange Date.

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2.6 Cumulative Dividends

Subject to clause 7.8, the Dividend Entitlement of a Holder is cumulative so that if, because of the provisions of clause 2.4, a Dividend is not paid in respect of a Dividend Period or the Dividend paid in respect of a Dividend Period is less than the Dividend Entitlement for that Dividend Period, the Holder has a claim in respect of that Dividend Entitlement, or the balance of that Dividend Entitlement.

2.7 Deductions

The Company may deduct, from any Dividend (or other amount payable to a Holder on Exchange), the amount of any withholding or other tax, duty or levy required by law to be deducted from it, and where it does so:

(a) the Company must pay the amount required to be deducted, to the relevant revenue or collection authority within the time allowed for such payment;

(b) the Company must pay to the Holder the balance of the Dividend (or other amount payable) after allowance for the payment referred to in clause (a) above; and

(c) upon compliance by the Company with clauses (a) and (b) above, the Holder is taken to have been duly paid the Dividend (or other amount payable) by the Company.

2.8 Calculation of Dividends

(a) All calculations of Dividends will be rounded to four decimal places.

(b) For the purposes of making any Dividend payment in respect of a Holder’s aggregate RRCPS, any fraction of a cent will be disregarded.

2.9 Record Dates

A Dividend is only payable to those persons registered as Holders at 7.00pm (Sydney time) on the relevant Record Date in respect of each Dividend or, in the case of a Dividend payable under clause 2.5(b) to Holders who have given notice to, or have been given notice by, the Company to Exchange those RRCPS.

2.10 Determination final

The determination by the Company of all amounts, rates and dates to be calculated or determined by it under these Terms of Issue is, in the absence of manifest or proven error, final and binding on the Company, and each Holder.

3. Exchange Rights

3.1 Holder Exchange Rights

(a) A Holder may, subject to these Terms of Issue, require the Company to:

(i) on a Dividend Payment Date (including, for the avoidance of doubt, the Maturity Date), Convert (as provided for in clause 4) some or all of the Holder's RRCPS into Ordinary Shares;

(ii) after a Trigger Event occurs, Convert (as provided for in clause 4) or Repurchase (as provided for in clause 5) all (but not some only) of the Holder's RRCPS;

(iii) on a Reset Date, Repurchase (as provided for in clause 5) all (but not some only) of the Holder's RRCPS,

by giving the Company a Holder Exchange Notice.

(b) The form of Holder Exchange Notice required under clause 3.1(a) is set out in Annexure A to these Terms of Issue.

(c) Once a Holder has given a Holder Exchange Notice under clause 3.1(a), that Holder must not deal with, transfer, dispose of or otherwise encumber the RRCPS the subject of that Holder Exchange Notice.

(d) If a Holder gives a Holder Exchange Notice under clause 3.1(a), the Company must, on the Exchange Date, Convert (as provided for in clause 4) or Repurchase (as provided for in clause 5) the Holder's RRCPS as stipulated by the Holder in the Holder Exchange Notice.

(e) If a Holder gives a Holder Exchange Notice:

(i) under clause 3.1(a)(i), the Exchange Date will be the relevant Dividend Payment Date; or

(ii) under clause 3.1(a)(ii), the Exchange Date will be:

(A) in the event that the Trigger Event is a Change of Control Event, the last Business Day of the week following the week in which the Holder Exchange Notice is received by the Company; or

(B) in all other cases, the last Business Day of the month following the month in which the Holder Exchange Notice is received by the Company;

(iii) under clause 3.1(a)(iii), the Exchange Date will be the relevant Reset Date.

3.2 Company Repurchase Rights

(a) The Company may:

(i) on a Reset Date, Repurchase (as provided for in clause 5) some or all RRCPS;

(ii) subject to each Holder's right to Convert, after a Tax Event, Clean-Up Event or Change of Control Event occurs, Repurchase (as provided for in clause 5) all (but not some only) RRCPS,

by giving the Holders and lodging on ASX a Company Repurchase Notice.

(b) If the Company gives a Company Repurchase Notice under clause 3.2(a), the Company must, on the Exchange Date, Repurchase (as provided for in clause 5) the Holder's RRCPS as stipulated by the Company in the Company Exchange Notice.

(c) If the Company gives a Company Repurchase Notice:

(i) under clause 3.2(a)(i), the Exchange Date will be the Reset Date after the date on which the Company gives a Company Repurchase Notice; or

(ii) under clause 3.2(a)(ii), the Exchange Date will be 21 days after the date on which the Company gives a Company Repurchase Notice.

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3.3 Repurchase on Maturity

(a) On the Maturity Date, the Company must, in respect of the RRCPS that are not (or have not been) the subject of a Holder Exchange Notice or a Company Repurchase Notice, Repurchase the RRCPS on the Exchange Date.

(b) The Exchange Date in respect of a Repurchase under this clause 3.3 is the Maturity Date.

3.4 Company Notification to Holders of an Event

The Company must notify Holders, by announcement on ASX, of the occurrence of a Trigger Event or Tax Event (**Company Event Notice**), specifying the particular event and providing reasonable particulars, as soon as practicable after becoming aware of the event.

4. Conversion

4.1 Holder Exchange Notice requiring Conversion

(a) A Holder Exchange Notice requiring the Company to Convert some or all of the Holder's RRCPS into Ordinary Shares (**Holder Conversion Notice**) under clause 3.1(a)(i) must be given to the Company on a Business Day that is at least 10 Business Days prior to a Dividend Payment Date, unless the Dividend Payment Date is a Reset Date or the Maturity Date, in which case at least 50 days prior to such Reset Date or Maturity Date.

(b) A Holder Conversion Notice requiring the Company to Convert some or all of the Holder's RRCPS into Ordinary Shares under clause 3.1(a)(ii) must be given to the Company on a Business Day that is within 10 Business Days after a Company Event Notice is issued.

(c) A Holder Conversion Notice:

(i) must be in writing;

(ii) must specify the number of RRCPS to be Converted (such number of RRCPS must have an aggregate Face Value of at least A$10,000 or otherwise be all of the RRCPS held by the Holder);

(iii) must be accompanied by evidence of title for the RRCPS the subject of the Holder Conversion Notice as may reasonably be required by the Company and the Registrar;

(iv) must be signed by the Holder or an authorised representative or officer of the Holder; and

(v) cannot be withdrawn without the written consent of the Company (at its absolute discretion).

(d) A Holder Conversion Notice received by the Company:

(i) 10 or more Business Days before a Dividend Payment Date that is not a Reset Date or the Maturity Date will be effective on such date as may be determined by the Company (in its absolute discretion), provided such date is no later than the Dividend Payment Date immediately following the date on which the Company has received the Holder Conversion Notice; or

(ii) 50 or more days before a Dividend Payment Date that is a Reset Date or the Maturity Date will be effective on such date as may be determined by

the Company (in its absolute discretion), provided such date is no later than the Dividend Payment Date immediately following the date on which the Company has received the Holder Conversion Notice.

(e) If a Holder Conversion Notice is received by the Company:

(i) less than 10 Business Days before a Dividend Payment Date that is not a Reset Date or the Maturity Date, the Holder Conversion Notice will be effective on such date as may be determined by the Company (in its absolute discretion), provided such date is no later than the second Dividend Payment Date after the date on which the Company has received the Holder Conversion Notice; or

(ii) less than 50 days before a Dividend Payment Date that is a Reset Date or the Maturity Date:

(A) (for a Dividend Payment Date that is a Reset Date) the Holder Conversion Notice will, at the Company's absolute discretion be:

(I) effective on such date as may be determined by the Company (in its absolute discretion), provided such date is no later than the Dividend Payment Date immediately following the date on which the Company has received the Holder Conversion Notice; or

(II) of no effect; or

(B) (for a Dividend Payment Date that is the Maturity Date) the Conversion Notice will be of no effect.

(f) A Holder Conversion Notice will not be effective:

(i) where a Holder has received a Company Event Notice prior to it giving the Holder Conversion Notice, if the Holder Conversion Notice is received by the Company less than 10 Business Days before the Exchange Date specified in such Company Event Notice; or

(ii) if it is received by the Company less than 50 days before the Maturity Date.

(g) A Holder Conversion Notice received by the Company outside normal Business Hours or on a day which is not a Business Day will for all purposes be taken to have been received by the Company on the immediately following Business Day.

4.2 Conversion Mechanics

Subject to these Terms of Issue, upon Conversion, each RRCPS will entitle the Holder to be issued that number of Ordinary Shares (**Conversion Shares**) determined by the application of the following formula:

$$\text{Conversion Shares} = \frac{A}{B}$$

where:

A means the Face Value of the RRCPS being Converted plus the balance of any Dividend that is due but remains unpaid (**Conversion Amount**); and

B means the Conversion Price (as adjusted).

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4.3 Effect of Conversion

Upon the Conversion of an RRCPS:

(a) the Holder will be taken to have paid the Conversion Amount to the Company by way of subscription for Conversion Shares at an issue price per Conversion Share that is equal to the Conversion Price;

(b) the Company will be taken to have issued to the Holder, and must register the Holder as the holder of, the Conversion Shares, and will notify the Registrar accordingly;

(c) the Holder will be deemed to have consented to be registered as the holder of the Conversion Shares in the register of Members;

(d) the Company (or the Registrar, on the Company's behalf) will send a holding notice in respect of the Conversion Shares to the Holder at the address for the Holder shown in the Register at the close of business on the day which is five Business Days before the Exchange Date;

(e) the Company must use all reasonable endeavours to procure quotation of the Conversion Shares on a Stock Exchange; and

(f) upon issue of the Conversion Shares, all other rights conferred, or restrictions imposed, by the RRCPS the subject of the Conversion, under these Terms of Issue will no longer have effect.

4.4 Ranking of Conversion Shares

Each Conversion Share issued will be fully paid and rank *pari passu* in all respects with all other fully paid Ordinary Shares on issue, except the holder of the Conversion Share will not be entitled to any dividend or other Distribution to which holders of Ordinary Shares are entitled that has not been paid as at the Exchange Date, where the applicable record date for determining such entitlements or other Distributions occurred prior to the relevant Exchange Date.

4.5 No fractional shares

No fractional Ordinary Shares will be issued on Conversion of an RRCPS and no cash adjustment will be made. If a calculation under this clause 4 results in an entitlement to a number of Ordinary Shares which includes a fraction of an Ordinary Share, the fraction will be disregarded.

4.6 Adjustments to Conversion Price for Bonus Issues

(a) Subject to clause 4.6(b), if the Company makes a bonus issue of Ordinary Shares to shareholders, the Conversion Price will be adjusted immediately under the following formula:

$$CP = CPo \times \frac{RD}{(RD + RN)}$$

where:

CP means the Conversion Price applying immediately after the application of this formula;

CPo means the Conversion Price applying immediately before the application of this formula;

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RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the bonus issue;

RN means the number of Ordinary Shares issued under the bonus issue.

(b) For the purpose of clause 4.6(a), an issue will be regarded as a bonus issue notwithstanding that the Company does not make offers to some or all shareholders with registered addresses outside Australia, provided that in so doing the Company is not in contravention of the applicable Listing Rules.

4.7 Adjustment to Conversion Price for Issues at less than current market price

If, at any time, the Company issues (otherwise than as mentioned in clauses 4.6) any Ordinary Shares (other than Conversion Shares or other Ordinary Shares issued on the exercise of any existing rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares (which includes, for the avoidance of doubt, Ordinary Shares issued on the exercise of any bonus options and / or loyalty options issued under the Prospectus issued by the Company dated 27 April 2020)) for cash at a price per Ordinary Share which is less than 90% of the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue or grant or for no consideration, the Conversion Price will be adjusted immediately using the following formula:

$$CP = CPo \times \frac{1}{P} \times \frac{(RD \times P) + (RN \times A)}{(RD + RN)}$$

where:

CP means the Conversion Price applying immediately after the application of this formula;

CPo means the Conversion Price applying immediately before the application of this formula;

P means the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue or grant;

RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the issue of Ordinary Shares;

RN means the number of Ordinary Shares issued at a price per Ordinary Share which is less than 90% of the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue or grant; and

A means the subscription price per Ordinary Share for the issue.

4.8 Adjustment to Conversion Price for issues under a share purchase plan or dividend reinvestment plan at a discount

If, at any time, the Company issues any new Ordinary Shares under a share purchase plan or dividend reinvestment plan where the pricing of new Ordinary Shares under that plan is expressly calculated as a discount to a market price and that discount is greater than 5%, the Conversion Price will be adjusted immediately using the following formula:

$$CP = CPo \times \frac{(RD + ((1-D) \times RN))}{(RD + RN)}$$

where:

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CP means the Conversion Price applying immediately after the application of this formula;

CPo means the Conversion Price applying immediately before the application of this formula;

RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the share purchase plan or dividend reinvestment plan;

RN means the number of Ordinary Shares issued under the plan; and

D means the discount at which new Ordinary Shares are issued under the plan.

4.9 Adjustment to Conversion Price for return of capital and special dividends

If the Company makes a pro rata return of capital or special dividend to holders of Ordinary Shares without cancellation of any Ordinary Shares, the Conversion Price will be adjusted under the following formula:

$$CP = CPo \times \frac{(P-C)}{P}$$

where:

CP means the Conversion Price applying immediately after the application of this formula;

CPo means the Conversion Price applying immediately before the application of this formula;

P means the VWAP during the period from (and including) the first Business Day after the announcement to the Stock Exchange of the return of capital up to and including the last Business Day of trading cum the return of capital (or if there is no period of cum return of capital, an amount reasonably determined by the Directors as representing the value of a Ordinary Share cum the return of capital); and

C means with respect to a return of capital or special dividend (being a dividend that is paid other than in accordance with the Company's dividend policy from time to time), the amount of the cash and/or the value (as reasonably determined by the Directors) of any other property distributed to holders of Ordinary Shares per Ordinary Share (or such lesser amount such that the difference between P and C is greater than zero).

4.10 Deemed Amendment

Any adjustment of the Conversion Price under this clause 4 will be taken to be an amendment to these Terms of Issue and will be binding on the Company and all Holders and these Terms of Issue will be construed accordingly. Any such adjustment will be notified promptly to the Holders and the Stock Exchange.

4.11 On Market Buy-Backs

No adjustment to the Conversion Price shall occur as a result of an on market buy-back of Ordinary Shares.

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5. Repurchase

5.1 Holder Exchange Notice requiring Repurchase

(a) A Holder Exchange Notice requiring the Company to Repurchase all of the Holder's RRCPS under clause 3.1(a)(ii) or clause 3.1(a)(iii) (**Holder Repurchase Notice**) must be given to the Company:

(i) (for a Holder Repurchase Notice given under clause 3.1(a)(ii)), on a Business Day that is within 10 Business Days after a Company Event Notice is issued; or

(ii) (for a Holder Repurchase Notice given under clause 3.1(a)(iii)), at least 50 days prior to the relevant Reset Date.

(b) A Holder Repurchase Notice:

(i) must be in writing;

(ii) must specify the number of RRCPS to be Repurchased (such number of RRCPS must have an aggregate Face Value of at least A$10,000 or otherwise be all of the RRCPS held by the Holder);

(iii) must be accompanied by evidence of title for the RRCPS the subject of the Holder Repurchase Notice as may reasonably be required by the Company and the Registrar;

(iv) must be signed by the Holder or an authorised representative or officer of the Holder; and

(v) cannot be withdrawn without the written consent of the Company (at its absolute discretion).

(c) Unless the Company, in its absolute discretion, determines otherwise:

(i) a Holder Repurchase Notice given under clause 3.1(a)(ii) will not be effective if the Holder Repurchase Notice is received later than within 10 Business Days after a Company Event Notice is issued; and

(ii) a Holder Repurchase Notice given under clause 3.1(a)(iii) will not be effective if the Holder Repurchase Notice is received less than 50 days prior to the relevant Reset Date.

(d) A Holder Repurchase Notice received by the Company outside normal Business Hours or on a day which is not a Business Day will for all purposes be taken to have been received by the Company on the immediately following Business Day.

5.2 Meaning of Repurchase

"**Repurchase**", in respect of a RRCPS, means, at the option of the Company, the RRCPS is redeemed, bought back (other than by an on-market buy back), cancelled pursuant to a reduction of capital or sold to a third party (or any combination of these) for an amount of cash equal to the RRCPS Face Value plus outstanding Dividends payable on those RRCPS.

5.3 Repurchase Mechanics

(a) If the Company elects to Repurchase the RRCPS by redemption or cancellation:

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(i) the Company will Repurchase the RRCPS on the relevant Exchange Date;

(ii) the Company will pay:

(A) (for a Company Repurchase Notice or Holder Repurchase Notice issued pursuant to a Change of Control Event) 104% of the RRCPS Face Value; or

(B) (for a Company Repurchase Notice or Holder Repurchase Notice issued in any other circumstances) the RRCPS Face Value,

(**Repurchase Price**) plus outstanding Dividends payable on the RRCPS per RRCPS to the Holder no later than 14 days after the relevant Exchange Date;

(iii) upon payment of the Repurchase Price plus outstanding Dividends payable on the RRCPS per RRCPS to the Holder, all other rights conferred, or restrictions imposed, by those RRCPS held by that Holder under these Terms of Issue will no longer have effect;

(iv) if the Repurchase is to be by way of a buy-back of RRCPS:

(A) the Company will make an offer prior to the Exchange Date to buy-back the RRCPS for the Repurchase Price plus outstanding Dividends payable on the RRCPS on the Exchange Date by announcing the offer on ASX;

(B) if the Company makes a buy-back offer referred to clause 5.3(a)(iv)(A), subject to any approval of the buy-back offer required in accordance with the Corporations Act, each Holder agrees to accept and will be deemed to have accepted that buy-back offer for their RRCPS and will be deemed to have sold those RRCPS to the Company on the Exchange Date; and

(C) if under applicable law Holders are entitled to vote on a resolution to approve that buy-back, each Holder agrees to vote in favour of that resolution.

(v) if the Repurchase involves a reduction of capital with respect to RRCPS and under applicable law Holders are entitled to vote on a resolution to approve that reduction of capital, each Holder agrees to vote in favour of that resolution.

(b) If the Company elects to Repurchase RRCPS by procuring a sale to a third party:

(i) each Holder agrees to sell, on the Exchange Date, the number of RRCPS nominated by the Company to the third party nominated by the Company for any price determined by the Company that is not less than the Repurchase Price;

(ii) the Company must cause to be paid to the Holder on the relevant Exchange Date:

(A) the Repurchase Price for their RRCPS sold; and

(B) the Dividend to which the Holder would have been entitled if the Dividend Period ended on the relevant Exchange Date; and

(iii) the Company is absolutely entitled to retain for its own benefit any difference between the price for which the RRCPS are sold and the Repurchase Price and the Holders have no entitlement to the difference.

5.4 On market buy back

Subject to compliance with any applicable law or requirement of the Stock Exchange, the Company may buy-back RRCPS at any time and at any price by an on-market buy-back.

6. Resetting of Terms

6.1 Resetting of Terms

If any RRCPS will be on issue on a relevant Reset Date, the Company may at least 75 Business Days before that Reset Date give notice to the Holders of:

(a) the next Reset Date after the relevant Reset Date, provided that each Reset Date will be no less than 12 months after the immediately preceding Reset Date, and will also be a Dividend Payment Date before the Maturity Date;

(b) the Dividend Rate applying to the RRCPS from and including the relevant Reset Date until (but not including) the next Reset Date (**Reset Period**) or the Maturity Date; and

(c) the Conversion Price applying during the Reset Period; and

(d) the timing of Dividend payments during the Reset Period.

If such notice is given, the terms referred to in paragraphs (a) to (d) inclusive above shall apply from the relevant Reset Date.

6.2 Deemed reset

(a) If the Company does not give notice to the Holders of the matters set out in clause 6.1, the Company will be deemed to have given a notice under clause 6.1, specifying that the next Reset Date to be the third anniversary of the relevant Reset Date and that the Dividend Rate, Conversion Price and the timing of Dividend payments to apply in the Reset Period are the same as those applying immediately before the relevant Reset Date.

(b) If the next Reset Date determined under clause 6.2(a) would be on or after the Maturity Date, there will be no further Reset Dates.

7. Ranking and participation

7.1 Ranking

RRCPS rank equally amongst themselves in all respects.

7.2 Preferential Dividend

(a) Until Exchange, RRCPS rank in priority to Ordinary Shares for the payment of dividends.

(b) In any Dividend Period, the Directors of the Company must not pay a dividend on any other shares of the Company which rank equally with RRCPS as to dividends, unless Dividends are paid in relation to the RRCPS (including any Shortfall) and

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those other shares in proportion to the amounts to which the Holders and the holders of those other shares respectively are entitled in respect of that Dividend Period.

7.3 Unpaid Dividends

If a Dividend is not paid in respect of a Dividend Period or the Dividend paid in respect of the Dividend Period is less than the Dividend Entitlement for that Dividend Period (the amount of the shortfall being the **Shortfall**) the Company must not, without the approval of a special resolution passed at a meeting of Holders:

(a) pay any dividends or make any Distribution on any share capital in the Company over which RRCPS rank in priority for participation in profits; or

(b) redeem, reduce, cancel, buy back or acquire for any consideration (whether cash or other property) any share capital in the Company over which RRCPS rank in priority,

until such time as:

(c) there are no RRCPS which have not been Exchanged; or

(d) the Shortfall is paid.

7.4 Return of capital on winding-up

(a) Until Exchange, if there is a return of capital on a winding-up of the Company, Holders will be entitled to receive out of the assets of the Company available for Distribution to holders of share capital in the Company, in respect of each RRCPS held, a cash payment equal to the sum of:

(i) the amount of any Dividend Entitlement calculated on a daily basis (assuming a 365 day year) throughout the period from and including the preceding Dividend Payment Date to the date of commencement of the winding-up;

(ii) any Shortfall; and

(iii) 104% of the Face Value,

before any return of capital is made to holders of Shares or any other class of shares ranking behind RRCPS.

(b) RRCPS do not confer on Holders any right to participate in the profits or property of the Company except as set out in these Terms of Issue.

7.5 Shortfall on winding-up

If, upon a return of capital on a winding-up, there are insufficient funds to pay in full the amounts referred to in clause 7.4 and the amounts payable in respect of any other shares in the Company ranking as to such Distribution equally with RRCPS on a winding-up, the Holders and the holders of any such other shares will share in any Distribution of assets of the Company in proportion to the amounts to which they respectively are entitled.

7.6 Participation in surplus assets and profits

RRCPS do not confer on their Holders any further right to participate in the surplus assets of the Company on a winding-up beyond the rights set out in these Terms of Issue.

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7.7 Participation in new issues

Until RRCPS are Converted, they confer no rights to subscribe for new securities in the Company or to participate in any bonus issues by the Company.

7.8 Payment of Shortfall on Exchange or winding-up

(a) The entitlement to any Shortfall attaches to the RRCPS and the Holder at the time referred to in clause 7.8(c), has the right to the Shortfall.

(b) A Holder is not entitled to enforce a claim in respect of a Shortfall until:

(i) Exchange of that Holder's RRCPS; or

(ii) winding up of the Company.

(c) If there is a Shortfall at the time of Exchange of an RRCPS or winding up of the Company, the amount of that Shortfall becomes a debt, due and owing from the Company at the time of Exchange or winding up to the Holder of that RRCPS at that time.

(d) Interest is not payable on a Shortfall.

8. Voting Rights

8.1 Notice and attendance

Holders have at least the same rights as holders of Shares to receive audited accounts, reports and notices and to attend meetings of the Company's Members.

8.2 Voting

(a) An RRCPS does not entitle its Holder to vote at any general meeting of the Company except in the following circumstances:

(i) during a period in which a Dividend on the RRCPS payable on a Dividend Payment Date has not been paid in full;

(ii) on a proposal to reduce the share capital of the Company;

(iii) on a resolution to approve the terms of a buy-back agreement;

(iv) on a proposal that affects rights attached to the RRCPS;

(v) on a proposal to wind up the Company;

(vi) on a proposal for the disposal of the whole of the property, business and undertaking of the Company; or

(vii) during the winding up of the Company.

(b) At a general meeting of the Company, Holders are entitled:

(i) on a show of hands, to exercise one vote when entitled to vote in respect of the matters listed in clause 8.2(a); and

(ii) if a poll is conducted on a resolution on which a Holder is entitled to vote under clause 8.2(a), the Holder has one (1) vote for each RRCPS held.

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9. Company Undertakings

9.1 Restriction on other security issues

(a) The Directors may issue further RRCPS or other preference shares ranking equally with any existing RRCPS without the approval of a Special Resolution.

(b) Until the date on which all RRCPS have been Exchanged, the Company must not, without approval of a Special Resolution, issue shares ranking in priority to the RRCPS or permit the conversion of any existing shares to shares ranking equally or in priority to the RRCPS.

9.2 Other undertakings

Until all RRCPS have been Exchanged, the Company must:

(a) ensure the LTV Ratio does not exceed 50.0% at the close of business on any Business Day;

(b) not, without approval of a Special Resolution:

(i) incur any new Financial Indebtedness; or

(ii) refinance, amend, amend and restate or extend any Financial Indebtedness,

other than Permitted Financial Indebtedness;

(c) not, without the approval of a Special Resolution, make any in-specie Distribution on any share capital in the Company over which RRCPS rank in priority;

(d) not make a Distribution if the LTV Ratio would exceed 50.0% immediately after such Distribution;

(e) not make a capital return to holders of Ordinary Shares greater than $5 million in any 12 month period;

(f) do everything reasonably necessary to maintain its corporate existence;

(g) do everything reasonably necessary to maintain the authorisations it is required to maintain in order to conduct its business;

(h) comply with all laws binding on it where a failure to comply would have a material adverse effect on the ability of the Company to comply with its obligations under the RRCPS; and

(i) ensure that the Company does not substantially change its core business activity of being a listed investment company with less than 15% of the value of the Group's Marketable Securities at any time being unlisted

9.3 Reporting Requirements

(a) The Company will release to ASX or its own publicly accessible website, the following:

(i) no later than 120 days after the end of each financial year, a copy of audited financial statements of the Company in respect of that financial year; and

(ii) no later than 75 days after the end of each financial half year, a copy of auditor reviewed financial statements of the Company in respect of that half year.

(b) In its annual and semi-annual financial statements, the Company shall:

(i) state the LTV Ratio as at the last Business Day of the reporting period the subject of the annual or semi-annual (as applicable) financial statement, setting out in reasonable detail supporting calculations; and

(ii) state whether any Trigger Event, or any other event or circumstance has occurred which would (with the expiry of a grace period, the giving of notice, the making of any determination under these Terms of Issue or any combination of the foregoing) be a Trigger Event, has occurred.

(c) If the Company ceases to be listed on ASX, the Company must provide to Holders, by making available on its own public website, for so long as any of the RRCPS remain outstanding, any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the RRCPS.

10. Amendments and Waivers of Terms of Issue

(a) Subject to complying with all applicable laws the Company may, without the authority, assent or approval of Holders, amend these Terms of Issue:

(i) if the Company is of the opinion that the amendment is:

(A) of a formal, minor or technical nature;

(B) made to cure any ambiguity;

(C) made to correct any manifest error;

(D) expedient for the purpose of enabling the RRCPS to be listed for quotation or to retain listing on any Stock Exchange or to be offered for, or subscription for, sale under the laws for the time being in force in any place and it is otherwise not considered by the Company to be materially prejudicial to the interests of Holders as a whole; or

(E) necessary to comply with the provisions of any statute, the requirements of any statutory authority, the Listing Rules or the listing or quotation requirements of any Stock Exchange on which the RRCPS are quoted; or

(ii) generally, in any case where such amendment is considered by the Company not to be materially prejudicial to the interests of Holders as a whole.

(b) Without limiting clause 10(a), the Company may amend these Terms of Issue if the amendment has been approved by a special resolution passed at a separate meeting of Holders.

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11. Governing law and jurisdiction

(a) These Terms of Issue and the RRCPS are governed by the laws of New South Wales, Australia.

(b) The Company and each Holder submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, Australia in connection with matters concerning the RRCPS or these Terms of Issue.

(c) The Company and each Holder waives any right they have to object to an action being brought in those courts, or to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

12. Interpretation and definitions

12.1 Interpretation

(a) Unless the context otherwise requires, if there is any inconsistency between the provisions of these Terms of Issue, and the Constitution, then, to the maximum extent permitted by law, the provisions of these Terms of Issue will prevail.

(b) A reference to $, dollars or cents is a reference to Australian currency.

(c) Notices may be given by the Company to a Holder in the manner prescribed by the Constitution for the giving of notices to Members of the Company and the relevant provisions of the Constitution apply with all necessary modification to notices to Holders.

(d) If an event must occur on a stipulated day which is not a Business day, then the stipulated day for that event will be taken to be the next Business Day.

(e) If a calculation is required, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.

(f) 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.

(g) The singular includes the plural and vice versa.

(h) Where a word or phrase is defined its other grammatical forms have a corresponding meaning.

(i) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.

(j) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novations) and assigns.

(k) If any provision of the Terms of Issue is prohibited or unenforceable in its terms but would not be prohibited or unenforceable if it were read down, and is capable of being read down, that provision must be read down accordingly. If, despite this clause, a provision is still prohibited or unenforceable, if the provision would not be prohibited or unenforceable if a word or words were omitted, the relevant words must be severed and, in any other case, the whole provision must be severed. However, the remaining provisions of the Terms of Issue are of full force and effect.

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12.2 Inconsistency with Listing Rules

So long as the RRCPS are quoted on a Stock Exchange, these Terms of Issue are to be interpreted in a manner consistent with the relevant Listing Rules.

12.3 Definitions

Unless the contrary intention appears, in these Terms of Issue:

Accounting Standards means:

(a) the requirements of the Corporations Act about the preparation and contents of financial reports;

(b) the Australian Accounting Standards approved under the Corporations Act to the extent that they are applied by the Company; and

(c) if and to the extent that any matter is not covered by the Australian Accounting Standards or under the Corporations Act, the generally accepted accounting principles applied in Australia for companies similar to the Company.

ASX means ASX Limited (ABN 98 003 624 691) or the securities market operated by it, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532), the body which administers CHESS.

ASX Settlement Operating Rules means the settlement rules of ASX Settlement as amended or replaced from time to time.

Business Day means a day which is a business day within the meaning of the Listing Rules but where used in connection with any Exchange or payment on the RRCPS, excludes a day on which major trading banks are not open for business in Sydney.

Business Hours means 9am to 5pm on a Business Day.

Cash and Cash Equivalents means, at any time, the principal amount of cash and cash equivalents as at such time, as determined in accordance with Accounting Standards.

Change of Control Event means the occurrence of any of the following:

(a) the Investment Management Agreement between the Investment Manager and the Company lapses or is terminated, and no replacement investment management agreement has been entered into by the Investment Manager and the Company with 15 Business Days of such lapse or termination; or

(b) the Company enters into an Investment Management Agreement (or other similar arrangement) with a party that is not the Investment Manager or a Related Body Corporate of the Investment Manager; or

(c) a takeover bid is made to acquire all or some of the Ordinary Shares and the offer under the takeover bid is, or becomes, unconditional and:

    (i) the bidder has acquired at any time during the offer period a relevant interest in more than 50 per cent of the Ordinary Shares on issue; or

    (ii) the Directors of the Company unanimously recommend the acceptance of the offer under the takeover bid, and acceptance of that offer would result in the bidder having a relevant interest in 100 per cent of the Ordinary Shares on issue; or

(d) a court approves a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in more than 50 per cent of the Ordinary Shares on issue.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Clean-Up Event means at any time the aggregate principal amount of the RRCPS outstanding is less than A$2.5 million.

Clearing System means CHESS or any other applicable securities trading or clearance system through which the RRCPS are cleared and/or settled.

Company means Glennon Small Companies Limited ACN 605 542 229.

Company Repurchase Notice means a notice to Repurchase given by the Company in accordance with clause 3.2.

Constitution means the constitution of the Company.

Conversion means the conversion of an RRCPS in accordance with clauses 3 and 4 and the words **Convert**, **Convertible**, **Converting** and **Converted** bear a corresponding meaning.

Conversion Amount has the meaning given in clause 4.2.

Conversion Price means A$0.86 or such other lower price as determined in accordance with clauses 4.6 to 4.9.

Conversion Shares has the meaning given in clause 4.2.

Corporations Act means the *Corporations Act 2001* (Cth).

a **Delisting Event** will occur if:

(a) the Ordinary Shares cease to be quoted on ASX;

(b) the RRCPS are no longer quoted on ASX; or

(c) trading of the Ordinary Shares or RRCPS on ASX is suspended for a period of more than 20 consecutive Business Days,

in any case, other than as a result (directly or indirectly) of a Change of Control Event.

Directors means some or all of the directors of the Company acting as a board.

Distribution means a distribution in any form whatsoever, including without limitation, by way of dividend (whether in cash or in specie), share buy-back, reduction of capital, bonus securities issue or otherwise.

Dividend, in respect of the RRCPS, means a dividend calculated in accordance with clause 2.1.

Dividend Entitlement has the meaning given to that term in clause 2.1.

Dividend Payment Date has the meaning given to that term in clause 2.5 whether or not a Dividend is paid on that date.

Dividend Period means:

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(a) from and including the day after the Issue Date until (but not including) the following Dividend Payment Date; and thereafter

(b) the period from and including the Dividend Payment Date until (but not including) the following Dividend Payment Date; and

(c) where the RRCPS is Exchanged on a date other than a Dividend Payment Date, from and including the first day of the period until (but not including) the relevant Exchange Date.

Dividend Rate has the meaning given in clause 2.2.

Exchange means Conversion or Repurchase of RRCPS, as the circumstances require, and the word **Exchanged** bears a corresponding meaning.

Exchange Date has the meaning given in clause 3.1(e) and / or 3.2(c) and / or 3.3(b) as the circumstances require.

Face Value means the nominal principal amount of each RRCPS, being A$10.00.

Financial Indebtedness means any actual or contingent debt or other monetary liability arising in respect of money borrowed or raised or any financial accommodation provided, including in respect of any:

(a) bill of exchange, bond, debenture, RRCPS or similar instrument;

(b) acceptance, endorsement or discounting arrangement;

(c) guarantee, indemnity, letter of credit or letter of comfort having binding effect and granted by a financial institution guaranteeing the payment of a debt (the guaranteed debt), in which case the guaranteed debt will not be included;

(d) finance lease;

(e) obligation to deliver goods or provide services paid for in advance by any financier or in relation to any other financing transaction;

(f) cash advance; or

(g) deferred purchase price (for more than 90 days) of an asset or service,

but excluding (for the avoidance of doubt) in respect of any operating lease. Where the Constitution or these Terms of Issue require the amount of any Financial Indebtedness to be determined or calculated, for Financial Indebtedness comprising a swap, option, hedge, forward, futures or similar transaction which is subject to netting, the net (and not the gross) amount payable by the relevant party will be counted.

Government Agency means a government, a government department or a governmental, semi-governmental, statutory, administrative, parliamentary, provincial, public, municipal, local, judicial or quasi-judicial body.

Group means the Company and each of its Related Bodies Corporate.

Holder means the person from time to time whose name is entered on the Register as the holder of an RRCPS.

Holder Conversion Notice has the meaning given in clause 4.1(a).

Holder Exchange Notice means a notice of Exchange given by a Holder in accordance with clause 3.1.

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Holder Repurchase Notice has the meaning given in clause 5.1(a).

Insolvency Event occurs in relation to a body corporate if:

(a) it is (or states that it is) insolvent (as defined in the Corporations Act); or

(b) it is in liquidation, in provisional liquidation, under administration (other than in circumstances where the appointment of the administrator or liquidator is stayed, withdrawn, dismissed or terminated within 30 Business Days) or wound up (each as defined in the Corporations Act).

Investment Management Agreement means the Management Agreement between the Company and the Investment Manager dated on or around 3 July 2015.

Investment Manager means Glennon Capital Pty Ltd ABN 84 137 219 866.

Issue Date means the date of issue of the RRCPS.

Issue Price has the meaning given in clause 1.2(a).

Listing Rules means the listing rules of the Stock Exchange.

LTV Ratio means, at any time, the loan-to-value ratio for the Company calculated as follows:

A = B/C

where:

A = the LTV Ratio (expressed as a percentage) as at such time;

B = Total Debt less Cash and Cash Equivalents as at such time; and

C = the Market Value of all Marketable Securities held by or on behalf of the Company as at such time.

Market Value in relation to a Marketable Security means, at any time:

(a) where that Marketable Security is listed on the ASX or other stock exchange, the most recent traded price listed for such Marketable Security on the relevant stock exchange; and

(b) where that Marketable Security is not listed on the ASX or other stock exchange, the redemption price (however described) specified in the terms for such Marketable Security unless there is no redemption price so specified, in which case the Market Value for such Marketable Security will be determined by reference to the higher of:

(i) the most recent price at which a marketable security comprising the same class as that Marketable Security was redeemed by the Company;

(ii) the most recent price (if any) at which the Company purchased that Marketable Security or purchased marketable securities comprising the same class as that Marketable Security (whichever purchase occurred most recently); and

(iii) the most recent price at which the Company sold marketable securities comprising the same class as that Marketable Security (whether together with other Marketable Securities or individually or whether in a single

transaction or series of transactions) provided the aggregate purchase price for such marketable securities exceeded A$1,000,000,

(c) provided that if the Market Value of an unlisted Marketable Security cannot be reasonably determined in accordance with paragraph (b) above, the Market Value of such Marketable Security will be determined by the reasonable estimate of the Company and supported by calculations which a Holder may reasonably request.

Marketable Securities means:

(a) any debentures, stocks, shares or bonds of any Government Agency, local government authority, body corporate, association or society, and includes any right or option in respect of shares in any body corporate and any interest in a managed investment scheme; and

(b) any unit (whatsoever called) or interest in a trust estate which represents a legal or beneficial interest in any of the income or assets of that trust estate and includes any options to acquire any units as described.

Maturity Date means 30 September 2030.

Member or **Shareholder** means a person holding Ordinary Shares and entered in the register of members as a member, for the time being, of the Company.

Ordinary Share means an ordinary share in the capital of the Company.

Permitted Financial Indebtedness means any of the following Financial Indebtedness:

(a) Financial Indebtedness under RRCPS issued on the Issue Date or any other security issued under clause 9.1(a);

(b) any Financial Indebtedness incurred for the purposes of refinancing any other Permitted Financial Indebtedness;

(c) up to $2.0 million of Financial Indebtedness which may rank for repayment in priority to RRCPS, and which is outstanding for no longer than six months;

(d) any other Financial Indebtedness approved by Holders by way of Special Resolution.

Record Date means, in relation to any payment to be made under or in respect of the RRCPS:

(a) subject to sub-paragraphs (b) and (c) below, the date which is eight calendar days before the applicable due date for payment; or

(b) such other date as is determined by the Company in its absolute discretion, and communicated to the Stock Exchange not less than eight calendar days before the Record Date which would have been determined under paragraph (a) above; or

(c) such other date as may be required by, or agreed with, the Stock Exchange.

Wherever it is necessary to determine the Holder as at a Record Date, such determination will be made as of such time as the Company reasonably determines.

Register means the register of Holders established and maintained under the Constitution and, where appropriate, includes:

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(a) a sub-register maintained by or for the Company under the Corporations Act, the Listing Rules or ASX Settlement Operating Rules; and

(b) any branch register.

Registrar means Boardroom Pty Limited (ABN 14 003 209 836) or any other person appointed by the Company to maintain the Register and perform any payment and other duties in relation to the RRCPS.

Related Bodies Corporate has the meaning given to it in the Corporations Act.

Repurchase has the meaning given in clause 5.2.

Reset Date means:

(a) 30 September 2024; and

(b) each further Reset Date notified by the Company in accordance with clause 6.1.

RRCPS means a debt obligation denominated in Australian dollars and issued, or to be issued, by the Company which is constituted by, and owing under, the Constitution, the details of which are recorded in, and evidenced by, entry in the Register.

Shortfall has the meaning given in clause 7.3.

Special Resolution means:

(a) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution; or

(b) the written approval of Holders holding at least 75% of the RRCPS.

Statement of Holding means a statement of holding (in the form determined by the Company and the Registrar from time to time) which sets out details of the number of RRCPS inscribed in the Register in the Holder's name as at the date specified in the statement.

Stock Exchange means the ASX and any other stock exchange or other relevant authority on which the RRCPS are quoted.

Tax Event occurs where, on or after the Issue Date, the Company receives an opinion of a nationally recognised legal counsel or tax adviser in Australia, experienced in such matters, that as a result of a change in a law or in the application or interpretation of a law there is a more than insubstantial risk that payment of an amount of Dividend will not be, or will cease to be, allowed as a deduction for Australian tax purposes.

Total Debt means, at any time, the outstanding principal amount of all Financial Indebtedness of the Company as at such time.

Trigger Event means any of the following events:

(a) (**non-payment**) the Company fails to pay any Dividend under any RRCPS within 10 Business Days after the date on which the payment is due for two consecutive Dividend Periods included where non-payment is due to an event under clause 2.4;

(b) (**non-delivery**) the Company fails to issue Ordinary Shares on Conversion within 10 Business Days after the date on which such issue is to be made;

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(c) (**breach of other obligations**) the Company fails to comply with any of its other material obligations under the Terms of Issue and such failure remains unremedied for a period of 30 Business Days after the Company has received written notice from a Holder in respect of the failure;

(d) (**gearing event**) the LTV Ratio exceeds 50% for 10 or more consecutive Business Days;

(e) (**default event**) any debt of the Company greater than $500,000 (or its equivalent in any other currencies) becomes due and payable before its stated maturity due to the occurrence of a default event (however described);

(f) (**change of control**) a Change of Control Event occurs;

(g) (**tax event**) a Tax Event occurs;

(h) (**change to business**) the activity of being a listed investment company with less than 15% of the value of the Group's Marketable Securities at any time being unlisted, ceases to be the core business of the Group;

(i) (**delisting event**) a Delisting Event occurs;

(j) (**insolvency**) an Insolvency Event occurs in respect of the Company;

(k) (**vitiation**) all or any rights or obligations of the Company or the Holders under the Terms of Issue are terminated or become void, illegal, invalid, unenforceable or of limited force and effect; or

(l) (**unlawfulness**) it is, at any time unlawful for the Company to perform any of its payment obligations under the RRCPS.

VWAP for the purpose of determining adjustments to the Conversion Price in respect of an RRCPS to be Converted, means the average of the daily volume weighted average sale prices of the Ordinary Shares sold on the Stock Exchange during the period specified in these Terms of Issue, excluding any transaction defined in the applicable Clearing System rules as 'special', crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises, subject to the following adjustments:

(a) where, on some or all of the Business Days in the relevant period, Ordinary Shares have been quoted on the Stock Exchange as cum dividend or cum any other distribution or entitlement which is not extended to a Holder, and the RRCPS will convert into Ordinary Shares after the date those Ordinary Shares no longer carry that entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend, or cum any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:

(i) in the case of a dividend or other distribution, the amount of that dividend or distribution (with no value included for any franking credits);

(ii) in the case of an entitlement which is traded on the Stock Exchange on any of those Business Days, the volume weighted average price of all such entitlements sold on the Stock Exchange during the relevant period on the Business Days on which those entitlements were traded; or

(iii) in the case of an entitlement not traded on the Stock Exchange during the relevant period, the value of the entitlement as reasonably determined by the Directors; and

(b) where, on some or all of the Business Days in the relevant period, Ordinary Shares have been quoted ex dividend, ex distribution or ex entitlement, and the RRCPS will convert into Ordinary Shares which carry entitlements for the holders of those Ordinary Shares to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend, ex distribution or ex entitlement will be increased by the Cum Value.

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Annexure A – Holder Exchange Notice

Glennon Small Companies Limited

ACN 605 542 229

Holder Exchange Notice

I/We, being holder(s) of [insert number of RRCPS] RRCPS issued by Glennon Small Companies Limited (**GC1** or the **Company**), hereby give notice, pursuant to and in accordance with clause 3.1(a) of the Terms of Issue of RRCPS (**Terms of Issue**), of my/our wish to Exchange all of my/our RRCPS, being [insert number of RRCPS].

I/We represent, both at the time of giving this notice and separately at the time my/our RRCPS are Exchanged pursuant to this notice, both for the benefit of the Company:

(a) I/we am/are the legal and beneficial owner of RRCPS; and

(b) the RRCPS, the subject of the notice, are free and clear of any interest or power reserved in or over any interest in any RRCPS including, without limitation, under a bill of sale, mortgage, charge, lien, pledge, option, trust or power, by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and whether existing or agreed to be granted or created.

Words and expressions defined in and for the purposes of the Terms of Issue have the same meanings where used in this notice.

[Name of Signature of Holder(s)]

[Date]

A corporation must execute by signing by two Directors or a Director and secretary or under its corporate seal (if it has one). In the case of joint holders, all holders must sign. Where the notice is signed under a power of attorney, a certified copy of that power of attorney must be attached to the notice and the attorney warrants that he or she has received no notice of revocation of the power by death of the grantor or otherwise.

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Appendix A

ACACIA PARTNERS FINANCIAL SERVICES GUIDE

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1. The issuer of this Financial Service Guide

This Financial Services Guide (FSG) is issued by Acacia Partners Pty Ltd (ABN 49 607 046 391 AFSL 480585) (Acacia Partners, our, we, or us) and is dated 15 September 2020. Acacia Partners is an Australian corporate advisory business. We advise and assist corporations with mergers, acquisitions and divestments as well as equity, hybrid and debt capital raisings. Acacia Partners may deal with retail investors in the context of those activities.

2. Issue of RRCPS by GC1

Acacia Partners has entered into an agreement with GC1 to make offers to you to arrange for the issue of RRCPS being offered by GC1 in accordance with the *Corporations Act 2001* (Cth). This is the service we are providing you.

3. Purpose and content of this Financial Services Guide

This FSG has been produced to inform you about the financial services that we will be, or are likely to be, providing to you, the kinds of financial products to which those services relate and the fees that we charge in relation to the service we are providing to you.

This FSG includes information about:

- the financial services and products we can provide;
- the type of advice you may receive;
- your privacy and your personal information;
- how we handle complaints;
- the remuneration and other benefits that may be received by us or other relevant persons in relation to the financial services we provide; and
- fees and charges you may pay.

4. Services and products we can provide

Acacia Partners does NOT offer personal advice that takes into account your personal financial objectives, financial situation or needs.

Acacia Partners may provide you with general advice in relation to specific products. This means that any advice given by representatives of Acacia Partners will not take into account your personal objectives, financial situation or needs. You will need to decide if a product or service is right for you.

Acacia Partners holds an Australian Financial Services Licence. Acacia Partners is authorised under its licence to provide general financial product advice in relation to the following financial products:

- basic deposit products;
- non-basic deposit products;
- managed investment schemes, including an Investor Directed Portfolio Service;
- government debentures, stocks or bonds; and
- securities.

Acacia Partners is also licensed to deal in each of those types of financial products, including by arranging to issue and underwriting interests in managed investment schemes and securities.

5. Remuneration and Compensation

Acacia Partners will be paid a fee equal of $95,000 (exclusive of GST) upon successful completion of the Offer.

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Our staff are paid a salary and a variable bonus based on their contribution to revenue, relationships, compliance and culture as well as the overall profitability of the business. There is no set formula for calculating such bonuses. Our senior staff are also shareholders of the business and, through their equity ownership, participate in the profits of the business.

6. Your privacy and your personal information

We will collect personal information for primary purposes, which are relevant to providing and administrating our financial products and services.

To enable us to provide advice on and arrange financial services, we collect the information needed by ourselves and information required by product suppliers. We will usually provide some or all of this information to the relevant product suppliers. Some of these companies may be located outside Australia.

We are committed to implementing and promoting a Privacy Policy which will ensure the privacy and security of your personal information. A copy of our Privacy Policy is available on request

If you wish to examine your file, please ask us. We will make arrangements for you to do so.

7. How we handle complaints

If you have a complaint, we encourage you to discuss the matter with your Acacia Partners representative. If you are not happy with the response you receive, please write to the Complaints Officer by email to admin@acaciapartners.com.au or by using the address below:

Acacia Partners Pty Ltd
Level 39, 55 Collins St
MELBOURNE VIC 3000

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to customers.

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1 800 931 678 (free call)
Mail: GPO Box 3, MELBOURNE VIC 3001

8. Professional indemnity insurance and compensation arrangements

Acacia Partners holds professional indemnity insurance that satisfies the requirements for compensation arrangements under section 912B of the *Corporations Act 2001* (Cth).

9. Further information

If you would like to know more about the services we provide please contact us.

Acacia Partners Pty Ltd

Level 39, 55 Collins St
MELBOURNE VIC 3000
Telephone: + 61 3 9639 1920
Email: admin@acaciapartners.com.au

Appendix B

APPLICATION FORMS

For personal use only

GLENNON SMALL COMPANIES LIMITED
ABN 52 605 542 229
PRIORITY OFFER APPLICATION FORM

This is an Application Form for Resettable Redeemable Convertible Preference Shares (**RRCPS**) in Glennon Small Companies Limited (**Company**) on the terms set out in the Prospectus dated 28 October 2020 (**Prospectus**). Defined terms in the Prospectus have the same meaning in this Application Form. You may apply for a minimum of 500 RRCPS. This Application Form and your Application Monies must be received by **5.00pm (Sydney time) on the Closing Date, being 20 November 2020**.

This Application Form is important and should be read in conjunction with the Prospectus. If you are in doubt as to how to deal with this Application Form, please contact your financial adviser, accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in the RRCPS of the Company and you should read the entire Prospectus carefully before applying for RRCPS, including the key risks set out in Section 6 of the Prospectus.

The Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website https://www.boardroomlimited.com.au/corp/privacy-policy

To meet the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**), this Application Form must not be distributed to another person unless included in or accompanied by the Prospectus. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. During the Offer Period, the Company will send you a free copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A Number of RRCPS you are applying for

You may apply for a minimum of 500 RRCPS

x $10 per RRCPS =

B Total amount payable

$

C Write the name(s) you wish to register the RRCPS in *(see reverse for instructions)*

Applicant #1

Name of Applicant #2 or <Account Designation>

Name of Applicant #3 or <Account Designation>

D Write your postal address here

Number/Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

X

Important please note *if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any RRCPS issued as a result of your Application will be held on the Issuer Sponsored subregister.*

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Method of payment

Australian registered applicants must apply online at www.boardroomlimited.com.au/ca/glennonoffer and pay by BPAY.

H Contact telephone number (daytime/work/mobile)

Contact name

E-mail address

By providing an e-mail address you are electing to receive all available shareholder communications from the Company electronically to the provided e-mail address.

For personal use only

For personal use only

Declaration

- ✓ have read the Prospectus in full;
- ✓ have received a copy of the electronic Prospectus or a print out of it;
- ✓ have received a personalised invitation from the Company to participate in the Priority Offer;
- ✓ have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- ✓ declare that the Application Form and all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ✓ acknowledge that once the Company (as applicable) accepts my/our Application Form, I/we may not withdraw it;
- ✓ apply for the number of RRCPS that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ✓ acknowledge that my / our Application may be rejected or scaled back by the Company (as applicable) in its absolute discretion;
- ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the RRCPS to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the constitution of the Company;
- ✓ acknowledge that neither the Company, nor any person or entity guarantees any particular rate of return on the RRCPS, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person;
- ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia or New Zealand unless prior consent is obtained from the Company and local laws permit me/us to access the Prospectus.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

A If applying for RRCPS insert the ***number*** of RRCPS for which you wish to subscribe at Item **A**. Multiply by A$10 to calculate the total Application Monies for RRCPS and enter the ***A$amount*** at Item **B**.

C Write your ***full name***. Initials are not acceptable for first names.

D Enter your ***postal address*** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**

F Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws

Quotation of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus medicare levy.

G Australian Applicants must apply online at www.boardroomlimited.com.au/ca/glennonoffer and pay by BPAY®. See instructions below.

H Enter your ***contact details,*** *including name, phone number and e-mail address,* so we may contact you regarding your Application Form or Application Monies.

By providing an e-mail address you are electing to receive all available shareholder communications from the Company electronically to the provided e-mail address.

Payment by BPAY®

Australian resident Applicants may apply for RRCPS online and pay your Application Monies by BPAY®. Applicants should complete the online Application Form accompanying the electronic version of the Prospectus available at **www.boardroomlimited.com.au/ca/glennonoffer** and follow the instructions on the online Application Form. When completing your BPAY® payment please ensure you use the specific Biller Code and Unique CRN provided in the online Application Form and confirmation e-mail. If you do not use the correct Biller Code and CRN your Application will not be recognised as valid. It is your responsibility to ensure payment is received by **5:00pm** (Sydney, Australia time) on the Closing Date for the Priority Offer **on 20 November 2020**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. Neither the Share Registry nor the Company accepts any responsibility for loss incurred through incorrectly completed BPAY® payments.

Correct form of registrable title

Note that ONLY legal entities can hold the RRCPS. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

The Priority Offer closes at **5:00 p.m. (Sydney, Australia time) on 20 November 2020**, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 (within Australia) and +61 2 9290 9600 (outside Australia).

Privacy statement

The Company advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of RRCPS held) to be included in the Company's share register. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and disclosures your information please contact the Company at the address or telephone number shown in the Prospectus, or visit https://www.glennon.biz/privacy-policy

Glennon Small Companies Limited
ABN 52 605 542 229
Broker Firm Application Form

Broker Reference – Stamp Only

Broker Code

Advisor Code

This is an Application Form for Resettable Redeemable Convertible Preference Shares (**RRCPS**) in Glennon Small Companies Limited (**Company**) on the terms set out in the Prospectus dated 28 October 2020. Defined terms in the Prospectus have the same meaning in this Application Form. You may apply for a minimum of 500 RRCPS. This Application Form and your Application Monies must be received by **5.00pm (Sydney time) on the Closing Date, being 26 November2020**.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus dated 28 October 2020 contains information relevant to a decision to invest in the RRCPS of the Company and you should read the entire Prospectus carefully before applying for RRCPS.

The Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website https://www.boardroomlimited.com.au/corp/privacy-policy

To meet the requirements of the *Corporations Act 2001* (Cth), this Application Form must not be distributed to another person unless included in or accompanied by the Prospectus dated 28 October 2020. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. During the Offer period, the Company will send you a free copy of the Prospectus if you have received an electronic prospectus and you ask for a paper copy.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A Number of RRCPS you are applying for

x $10 per RRCPS =

Minimum of 500 RRCPS to be applied for

B Total amount payable

$

C Write the name(s) you wish to register the RRCPS in *(see reverse for instructions)*

Applicant #1

Name of Applicant #2 or <Account Designation>

Name of Applicant #3 or <Account Designation>

D Write your postal address here

Number/Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

X

Important please note *if the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any RRCPS issued as a result of your Application will be held on the Issuer Sponsored subregister.*

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details – PIN CHEQUE(S) HERE.
Cheque to be made in accordance with the instruction from your broker. If payment is made by cheque, enter cheque details below.

Name of drawer of cheque	Cheque no.	BSB no.	Account no.	Cheque amount A$

H Contact telephone number (daytime/work/mobile)

Contact name

E-mail address

For personal use only

For personal use only

Declaration

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ have read the Prospectus in full;
- ✓ have received a copy of the electronic Prospectus or a print out of it;
- ✓ have completed this Application Form in accordance with the instructions on the form and in the Prospectus.
- ✓ Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- ✓ apply for the number of RRCPS that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the RRCPS to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the constitution of the Company;
- ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the RRCPS, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

A If applying for RRCPS insert the ***number*** of RRCPS for which you wish to subscribe at Item **A.** Multiply by A$10 to calculate the total Application Monies for RRCPS and enter the ***A$amount*** at Item **B**.

C Write your ***full name***. Initials are not acceptable for first names.

D Enter your ***postal address*** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**

F Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus medicare levy.

G Applicants pay their Application Monies to their Broker in accordance with the relevant Broker's directions. Please contact your broker for further instructions.

H Enter your ***contact details,*** *including name, phone number and e-mail address,* so we may contact you regarding your Application Form or Application Monies.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the RRCPS. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail your completed Application Form with your cheque(s) or bank draft attached to your broker, and complete the broker details below:

Broker Contact Number | **Broker Name**

The Broker Firm Offer closes at 5:00 p.m. (Sydney Time) on 26 November 2020, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and

+61 2 9290 9600 outside Australia.

Privacy statement

Glennon Small Companies Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of RRCPS held) to be included in the Company's share register. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and disclosures your information please contact the Company at the address or telephone number shown in the Prospectus, or visit https://www.glennon.biz/privacy-policy