

WHAT IS GOOD GOVERNANCE FOR GLAD GROUP?

Corporate governance structures encourage the individual companies within Glad Group to create value for its stakeholders through entrepreneurial behaviour, innovation, development and exploration. Good governance provides to Glad Group accountability and control systems commensurate with the risks involved.

The Board of Glad Group recognises that a company's system of governance must first be tailored to ensure it suits the individual companies and must also be dynamic to evolve with the changing circumstances of the individual companies themselves. Accordingly, the Board will periodically review the Governance Policy and Framework to ensure they remain applicable, appropriate and practically useful.

GOVERNANCE FRAMEWORK

The Governance Policy is the Board-approved framework that has been established to guide appropriate financial management, performance and control of company activities by directors, management and employees. This policy provides the four areas that support Glad Groups Core Values and key business objectives and outlines the key behaviours and attitudes.

The four areas are:

1. Fiduciary Responsibility;
2. Core Business Policy Statement;
3. Strategic and Operational Risk Management and Control;
4. Board Structure and Operation;

Senior management are responsible for bringing recommendations to the Board in each of these areas; for communicating their importance to staff; for ensuring effective and efficient implementation of Board policy; and for reviewing performance in each area across individual companies.

Senior management may from time-to-time seek independent professional advice on each of these areas. Glad Group places a great value on consultation, communication, collaboration and trust with clients, suppliers, the community, external consultants and other stakeholders in improving in each of these areas.

1. FIDUCIARY RESPONSIBILITY

Directors, management and staff accept the direct accountability and responsibility they have to manage their respective roles so as to achieve an appropriate balance between performance and risk taking to enhance and protect stakeholder interests.

Glad Group will meet its fiduciary responsibilities by striving for high performance while focusing on prudent risk management. Such a culture will be strengthened by the Core Values adopted by Glad Group.

The Board and senior management are to provide strong leadership in fiduciary responsibility. More specifically, the Board has a leadership role in modelling and promoting Glad Group's company values. It approves Glad Group's strategic direction and investment risk parameters; it agrees to the organisational framework within which the staff work and it reviews the integrity of the company's operating and risk control systems and the effectiveness of its operations across each individual company.

2. CORE BUSINESS POLICY STATEMENT

Glad Group aims to engage and empower its people at all levels of the organization to deliver a sustainable service that will exceed all our stakeholder expectations. Prudent management of risks is to be a fundamental part of the business practices of the Glad Group. In these activities Glad Group primarily adds value through its strategic decisions and by utilising appropriately qualified staff.

The primary ways in which Glad Group adds value for stakeholders is through:

- identification of appropriate investment objectives;
- determination of strategic assets and allocations;
- efficient implementation of Board approved strategies by management;
- the ongoing monitoring and regular review of all aspects of Glad Group's business processes, performance and risk profile;

Senior management will:

- maintain an effective overview of processes for reviewing opportunities to add performance value, taking into account effective management of risk;
- recommend policy amendments and implementation changes to the Board;
- recommend amendments to strategies and the allocation of assets, appointments and other strategic decisions;
- ensure the timely implementation of Board decisions;
- maintain an effective overview of compliance with policy and proactively inform the Board of any serious compliance non-conformance incidents;
- communicate effectively with all stakeholders, including management employees and clients about the performance and processes of all individual companies of Glad Group.

3. STRATEGIC AND OPERATIONAL RISK MANAGEMENT AND CONTROL

Glad Group maintains a rigorous approach to managing and controlling all aspects of strategic and operational risk by:

- Monitoring, reviewing and managing major strategic and operational risks;
- The delegation of authority to appropriate managers and staff;
- Implementation of an internal control framework to determine the prudential soundness, integrity and cost effectiveness of Glad Group's management practices, organisational approach and administrative systems;
- Developing policies and procedures to establish appropriate approaches to managing strategic and operational issues and risks;
- Ensuring reporting is complete, accurate, relevant and timely.

4. BOARD STRUCTURE AND OPERATION

The Board acknowledges it is responsible for the internal control framework of Glad Group. It recognises that no cost-effective internal control system will preclude all errors and irregularities but an effective governance system will reduce these risks while optimising the services that Glad Group provides to its management, employees and clients. The system is based upon written procedures, policies and guidelines and organisational structures that provide an appropriate division of responsibility, and the careful selection and training of qualified staff. Glad shall establish the roles of the board and senior management with a balance of skills, experience, and independence on the board, appropriate to the nature and extent of Glad Group operations.

The Board has adopted the formal charter below, which details the functions and responsibilities of the Board.

- To guide Glad Group with a view to build sustainable long-term value for owners having regard to interests of other stakeholders, including clients, staff, regulators, suppliers and the communities in which Glad Group operates;
- To have integrity in influencing Glad Group's strategy and financial performance, together with being responsible and ethical in decision making, taking into account not only legal obligations but also interests of stakeholders;
- To review Glad Group's performance and business results;
- Monitoring and reviewing the risk management processes and the processes for compliance with regulatory requirements and standards;
- Monitoring and influence Glad Group's culture, reputation and ethical standards;
- To avoid any action, position or interest that conflicts or would appear to conflict with an interest of Glad Group.



Nick Iloski

Managing Director

Glad Group, comprising of:

Glad Group Pty Ltd | ABN 62 092 928 115

Glad Cleaning Service Pty Ltd | ABN 43 054 617 891

Mutual Cleaning and Maintenance Pty Ltd | ABN 53 006 516 810

Glad Maintenance Pty Ltd | ABN 85 127 522 481 | Contractor's Licence: 215410C

Glad Security Pty Ltd | ABN 122 097 590 | Security Licences: NSW 409557154, ACT 17502081, QLD 3199590, VIC Licence 763-211-20S, WA SA40606

