

**Clime Capital Limited
(ACN 106 282 777)**

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Clime Capital Limited (**Clime**) will be held at:

Date: **Thursday 14th November 2019**

Time: **10.30 am (AEDT)**

Venue: The Press Room, Lower Ground Floor
Radisson Blue Hotel, 66 Pitt Street, Sydney

Business

Financial Statements and Reports

"To receive and consider the Company's annual Financial Report, including the Directors' Report and Audit Report for the year ended 30 June 2019."

Note: There is no requirement for Shareholders to approve these reports.

1. To adopt the Remuneration Report

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the Company adopt the Remuneration Report for the year ended 30 June 2019 in accordance with Section 250R(2) of the Corporations Act."

Notes:

- (a) The vote on resolution 1 is advisory only and does not bind the Directors or the Company.
- (b) As required by the *Corporations Act*, the Company will disregard any votes cast on resolution 1:
 - (i) by or on behalf of a member of the Company's Key Management Personnel details of whose remuneration is disclosed in the Remuneration Report for the year ended 30 June 2019 and their closely related parties, regardless of the capacity in which the vote is cast; or
 - (ii) as proxy by a person who is a member of the Company's Key Management Personnel at the date of the AGM and their closely related parties.
- (c) However, the Company need not disregard a vote cast on resolution 1 if it is cast as proxy for a person entitled to vote on resolution 1:
 - (i) in accordance with the directions on the proxy form; or
 - (ii) by the Chairman of the AGM in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

Clime Capital Limited

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2. Directors' Remuneration

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the total annual remuneration pool available for Board fees paid to Non-Executive Directors be increased by \$30,000, from \$150,000 to \$180,000 (inclusive of statutory entitlements)."

Without limitation, Rule 6.5 of the Company's Constitution and Australian Listing Rule 10.17 are relevant to resolution 2.

Notes:

- (a) The Company will disregard any votes cast on resolution 2 by any Director of the Company, or any Associates of a Director of the Company, other than votes cast:
 - (i) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (ii) by the Chairman of the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Re-election of Mr. Julian Gosse as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr. Julian Gosse, who retires by rotation in accordance with the Company's Constitution and, being eligible for re-election, be re-elected as a Director of the Company."

Without limitation, rule 6.7 of the Company's Constitution is relevant to resolution 3.

Other business

To consider any other business that may lawfully be brought forward in accordance with the constitution of the Company or the law.

In accordance with the *Corporations Act*, a reasonable opportunity will be given to Shareholders at the Meeting to ask questions about, or to make comment on, the management of the Company. Shareholders will have reasonable opportunity to ask the auditor, or their representative, questions relevant to the Company audit and preparation and content of the independent Auditor's Report.

Other information

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Voting by proxy

Any Shareholder entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Boardroom Pty Limited, or
- (b) faxed to the fax number specified below, no later than 10.30am (AEDT) on Tuesday 12th November 2019.

Address (hand deliveries): Boardroom Pty Limited,
Level 12, Grosvenor Place, 225 George Street, Sydney NSW 2000

Address (postal deliveries): Boardroom Pty Limited, GPO Box 3993, Sydney, NSW 2001

Fax number for lodgement: (02) 9290 9655

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

Undirected Proxies

If you appoint the Chairman as your proxy (including by default) and you do not specify how the proxy is to vote, you expressly authorise the Chairman to cast your vote "for" each item of business, even where the resolutions are connected directly or indirectly with the remuneration of one or more members of the Key Management Personnel, which includes the Chairman.

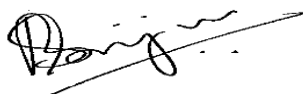
The Chairman intends to vote undirected proxies in favour of all resolutions on the agenda for the Meeting.

Any undirected proxy given to a Director (other than the Chairman), any "Associate" of a Director, or other member of the Key Management Personnel of the Company or their related parties for resolutions connected directly or indirectly with the remuneration of Key Management Personnel will not be cast, unless Shareholders specify how the proxy should vote on the Shareholder proxy form.

Entitlement to vote

In accordance with Section 1074E(2)(g)(i) of the *Corporations Act* and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all Shares will be taken to be held by the persons who held them as registered Shareholders at 7.00pm (AEDT) on Tuesday 12 November 2019. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board



Biju Vikraman
Company Secretary

14 October 2019

**Clime Capital Limited
(ACN 106 282 777)**

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of Clime Capital Limited (**Clime**) at the 2019 Annual General Meeting to be held commencing at 10.30 am (AEDT) on Thursday 14th November 2019 at The Press Room, Lower Ground Floor, Radisson Blue Hotel, 66 Pitt Street, Sydney.

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the Resolutions set out in the Notice of Meeting and should be read in conjunction with the Notice of Meeting.

Financial statements and reports

Under Section 317 of the *Corporations Act*, Clime is required to lay its annual Financial Report, Directors' Report and Auditors Report before its Shareholders at its Annual General Meeting. The 2019 Annual Report is available to Shareholders and is published on Clime's website

The annual Financial Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman in respect of any aspect of the Annual Report they wish to discuss.

Representatives of Clime's auditor, Pitcher Partners, will be present for discussion purposes on matters of relevance to the audit.

There is no requirement for Shareholders to approve any of these reports.

Resolution 1 – To adopt the Remuneration Report

Resolution 1 provides Shareholders the opportunity to vote on Clime's Remuneration Report. The Remuneration Report is contained in the Directors' Report. Under Section 250R(2) of the *Corporations Act*, Clime must put the adoption of its Remuneration Report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or Clime.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this Meeting when reviewing Clime's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of Clime's Directors other than the managing director must stand for election.

At the Company's 2018 annual general meeting, the votes cast by members against the adoption of the Company's Remuneration Report were less than 25%.

Key Management Personnel (including Directors) and their closely related parties must not cast a vote on the Remuneration Report, unless as holders of directed proxies for Shareholders eligible to vote on resolution 1.

Clime encourages all Shareholders to cast their votes on resolution 1. The Chairman will vote all undirected proxies in favour of resolution 1. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

Resolution 2 - Directors' Remuneration

ASX Listing Rule 10.17 and Rule 6.5(c) of the Company's Constitution requires Shareholders to approve any increase in the total amount of Non-Executive Directors remuneration that can be paid each year.

The Board seeks approval for an increase of \$30,000 in the total annual remuneration pool for Non-Executive Directors to \$180,000 (inclusive of statutory entitlements). In accordance with ASX Listing Rules and the Company's Constitution, a proposed increase in the total remuneration pool for Non-Executive Directors requires Shareholder approval.

The allocation of fees to Non-Executive Directors within the total remuneration pool is a matter for the Board. The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for the time commitment and responsibilities involved. In setting fees, the Board has regard to such factors as external data on fees, the time commitment of directors and the market capitalisation of the Company. In accordance with its policy, the Board reviews fees paid to Non-Executive Directors, and the total remuneration pool, periodically.

Fees paid to Non-Executive Directors are currently subject to a maximum pool of \$150,000 per annum (inclusive of statutory entitlements). The Board's current remuneration pool has remained unchanged since its last approval by Shareholders in November 2007. Since that time the Company has grown significantly:

- The Company's funds under management has increased by approximately 47% from \$73.3 million as at 30 September 2007 to \$107.9 million as at 31 August 2019.
- As a result of the takeover of CBG Capital Limited (**CBG**), the Company's gross portfolio asset value at the close of business on 23 September 2019 is estimated at \$141 million.

The proposed increase in the remuneration pool under resolution 2 will allow the Company:

- Flexibility to appoint an additional Non-Executive Director should the Board deem it necessary in the context of the Company's growth since listing; and
- To increase the remuneration of current Non-Executive Directors in line with market rates.

The approval of the proposed increase in the remuneration pool does not imply that the full amount will be utilised.

During the year, there were no securities issued to Non-Executive Directors under ASX Listing Rules 10.11 or 10.14.

Resolution 3 - Re-election of Mr. Julian Gosse as a Director

Under rule 6.7 of Clime's Constitution, a Director must not hold office after the later of:

- (i) the third Annual General Meeting held after the Director was last appointed or elected; and
- (ii) 3 years after the date on which the Director was last appointed or elected, whichever is the longer.

This is the third Annual General Meeting held since Julian Gosse was last re-elected as a Director of Clime.

Julian Gosse was appointed Independent Director in September 2003. Mr. Gosse has extensive experience in banking and broking both in Australia and overseas, having worked in London for Rowe and Pitman, in the United States for Janney Montgomery and Scott and in Canada for Wood Gundy. Mr. Gosse has also been involved in the establishment, operation and ownership of several small businesses.

Special responsibilities: Chairman of Audit Committee; Chairman of Remuneration Committee and Chairman of Nomination Committee.

Resolution 3 provides for the re-election of Mr. Gosse as Director of Clime in accordance with rule 6.7 of Clime's Constitution. Being eligible, Mr. Gosse offers himself for re-election.

The Directors (excluding Mr. Julian Gosse) unanimously recommend that Shareholders vote in favour of resolution 3.

The Chairman will vote all undirected proxies in favour of resolution 3. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

Glossary

In this Explanatory Memorandum, and the Notice of Meeting:

AEDT means Australian Eastern Daylight Time.

Annual General Meeting or **AGM** means the Company's 2019 annual meeting of Shareholders.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2019.

Associate means an associate as defined in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chairman the chairman of the Annual General Meeting.

Clime means Clime Capital Limited (ACN 106 282 777).

Company means Clime.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the *Corporations Act 2001* for the Company and its controlled entities.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice of Meeting.

Financial Report means the annual financial report prepared under Chapter 2M of the *Corporations Act 2001* of the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX Limited.

Meeting means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Thursday **14th November 2019**.

Notice means this notice of annual general meeting dated 14 October 2019 and accompanying Explanatory Memorandum.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

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

Shareholder means a holder of a Share.

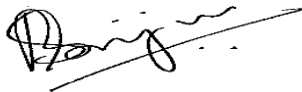
In this Notice, words importing the singular include the plural and vice versa.

Enquiries

Shareholders are invited to contact the Company Secretary, Biju Vikraman at bvikraman@clime.com.au if they have any queries in respect of the matters set out in these documents.

Dated this 14 October 2019 at Sydney.

By order of the Board

A handwritten signature in black ink, appearing to read 'Biju', followed by a horizontal line.

Biju Vikraman
Company Secretary



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (AEDT) on Tuesday 12 November 2019.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting **10:30am (AEDT) on Tuesday 12 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged in the following method:

- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Clime Capital Limited** (Company) and entitled to attend and vote hereby appoint:

☐

 the **Chair of the Meeting (mark box)**
OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **The Press Room, Lower Ground Floor, Radisson Blue Hotel, 66 Pitt Street, Sydney NSW 2000 on Thursday, 14 November at 10:30am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 2, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 2 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 2). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr. Julian Gosse as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div></div>	<div></div>	<div></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2019