

18 November 2019

Company Announcements  
Australian Securities Exchange

### **Clarification of Expiry of Unlisted Options Announcement**

Clime Investment Management Limited (ASX: CIW) (the Company) refers to the announcement released on 13 November 2019 titled “Expiry of Unlisted Options”.

The Company wishes to clarify that the ‘options’ issued under the original CIW Employee Incentive Scheme (EIS) approved by shareholders in October 2007 referred to in that announcement are not options, but rather are listed fully paid ordinary shares in CIW. The EIS does not provide for the issue of options and no options have been issued under it. The Company has, however, previously referred to shares issued under the EIS as ‘options’ as, due to certain aspects of the EIS, the Company is required to classify the shares issued under the EIS as ‘in-substance options’ in accordance with Accounting Standards.

When issuing shares under the EIS, the Company has made loans to the person being issued the shares to fund the issue price, in accordance with the terms of the EIS. Shares issued pursuant to the EIS are subject to a holding lock and cannot be traded until the expiry of the term of the employees’ respective loans (of three years) and the subsequent repayment of the outstanding balance. In accordance with the Rules of the EIS, all dividends received by employees in relation to shares issued under the Scheme must be directed towards repayment of their respective loans until the earlier of:

- a) expiration of the term of the employees’ respective loans (and the subsequent repayment of the outstanding balance); and
- b) early repayment of the employees’ respective loans.

With the exception of the holding lock, the securities issued under the EIS rank equally in all respects with other Fully Paid Ordinary Shares on issue.

Further details regarding the EIS are set out in the Notice of Meeting convening the 2007 AGM of the Company (released on ASX Market Announcements Platform on 24 September 2007) and in subsequent Annual Reports issued by the Company.

The options issued to Amigo Consulting Pty Limited referred to in the announcement of 13 November 2019 were not issued under the EIS, and were in fact options, however these have now expired as announced in that announcement.

Therefore the Company's total number of shares on issue currently is 56,070,687 comprising of:

- 54,820,687 Ordinary fully paid shares; and
- 1,250,000 Ordinary fully paid shares issued under the EIS comprising of:
  - o 200,000 EIS shares - issued at \$0.500 each, with the corresponding loans repayable on 23/06/2020
  - o 400,000 EIS shares - issued at \$0.485 each, with the corresponding loans repayable on 21/08/2021
  - o 200,000 EIS shares - issued at \$0.470 each, with the corresponding loans repayable on 02/01/2022
  - o 450,000 EIS shares – issued at prices ranging from \$0.630 to \$0.850, with the corresponding loans repayable on 03/01/2022

The Company does not have any options on issue.

Yours sincerely,

Biju Vikraman  
Company Secretary