

CLIME CAPITAL LIMITED  
ACN 106 282 777



# NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

## EXPLANATORY STATEMENT & PROXY FORM

Date of Meeting  
Thursday, 18 November 2021

Time of Meeting  
10:00 AM (AEDT)



**CLIME CAPITAL LIMITED  
(ACN 106 282 777)**

**Notice of Virtual Annual General Meeting**

Clime Capital Ltd ACN 106 282 777 (**Clime Capital** or the **Company**) gives notice that its 2021 Annual General Meeting of Shareholders will be held at **10:00 am (AEDT) on Thursday, 18 November 2021.**

In light of the restrictions on public gatherings in response to the COVID-19 pandemic, **Shareholders** of the Company will be able to attend this year's Annual General Meeting virtually and will be able to participate in the Annual General Meeting online at <https://web.lumiagm.com/324559644> as per the details below. To do this you, Shareholders will need a desktop or mobile/tablet device with internet access.

Further information on how to participate in the Annual General Meeting electronically is set out in this Notice of Annual General Meeting (**Notice**). The Directors of the Company encourage Shareholders to participate in the Annual General Meeting via the online platform. While Shareholders will be able to vote online during the Annual General Meeting, Shareholders are encouraged to lodge a Proxy Form ahead of the Annual General Meeting, even if they intend to participate in the Annual General Meeting online. If you are unable to attend the Annual General Meeting, you may wish to appoint a proxy by completing and returning the Proxy Form enclosed with this Notice.

Shareholders and proxyholders will have the ability to ask questions during the Annual General Meeting via the online platform, and to hear all of the discussion, subject to connectivity of their device. Shareholder/proxyholder participation (as relevant) in the Annual General Meeting is possible by:

- online voting;
- appointment of a proxy; and
- submission of questions to the Company's share registry provider in advance of the Annual General Meeting.

As noted above, due to current circumstances relating to COVID-19 and associated government-imposed restrictions on physical gatherings, there will be no physical meeting where Shareholders and proxies can attend in person.

Terms used but not defined in this document have the meaning given to them in the Glossary on page 17.

Copies of the presentations given, and the results of the Annual General Meeting will be announced to the ASX and placed on the Company's website at <https://clime.com.au/invest-with-us/clime-capital-limited/> in accordance with the time frames prescribed by the ASX Listing Rules. The presentations will be available immediately prior to the Annual General Meeting, with the results being available following the Annual General Meeting.



## ACCESSING NOTICE OF ANNUAL GENERAL MEETING MATERIALS

In accordance with recent amendments made to the *Corporations Act 2001* (Cth) (**Corporations Act**) through the passing of the *Treasury Laws Amendment (2021 Measures No. 1) Bill 2021* that commenced on 14 August 2021, this Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link: <https://clime.com.au/wp-content/uploads/2021/10/CC-NOM.pdf>

## HOW CAN SHAREHOLDERS ACCESS THE ANNUAL GENERAL MEETING?

Shareholders and proxy holders will be able to participate in the AGM online:

From their computer or mobile device, by entering the URL into their browser:

<https://web.lumiagm.com/324559644>

To participate in the AGM online or through the app, log in on the day of the meeting using:

- (a) Your username, which is your Voting Access Code (VAC), which can be located on the first page of your Proxy Form or Notice of Meeting email; and
- (b) Your password, which is the postcode registered to your holding if you are an Australian Shareholder. Overseas Shareholders should refer to the [user guide](#) for their password details.

If you have been nominated as a third-party proxy, please contact Boardroom on 1300 737 760.

Shareholders and proxyholders will be able to view the AGM live, ask questions, and cast direct votes at the appropriate times whilst the AGM is in progress.

More information regarding participating in the AGM online can be found by visiting the Company's ASX Market Announcement page or at the end of this Notice of Meeting.

Online registration will open at 9:00 am (AEDT time) on Thursday, 18 November 2021 (one hour before the AGM).

The meeting ID is **324-559-644**.

## HOW CAN SHAREHOLDERS ASK QUESTIONS AT THE ANNUAL GENERAL MEETING?

In accordance with the Corporations Act and the Company's policy, reasonable opportunity will be provided to Shareholders during the AGM to:

- (a) ask questions about or make comments on the management or performance of the Company, and on its 2021 Remuneration Report; and
- (b) ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company and the independence of the Auditor.



A Shareholder may also submit a written question to the Company's Auditor, Pitcher Partners, in relation to the content of the Auditor's report or the conduct of the audit in relation to the annual financial report for the year ended 30 June 2021. Questions must be submitted to the Company no later than 5:00pm (AEDT) on Thursday, 11 November 2021 in accordance with section 250PA(1) of the Corporations Act and can be submitted to the Company at [investorrelationscam@clime.com.au](mailto:investorrelationscam@clime.com.au) or sent to:

Clime Capital Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

The questions submitted will be forwarded to Pitcher Partners, who will answer these at the AGM.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. The Company will attempt to address the more frequently asked questions in the Chairman's address to the AGM.

Written questions must be received by the Company or Boardroom Pty Limited by 5.00pm (AEDT) on Thursday, 11 November 2021, and can be submitted by email or mail as outlined above.

### **Submitting votes prior to the AGM**

If Shareholders or proxy holders do not wish to vote online during the AGM, they may submit their votes by proxy before the AGM at <https://www.votingonline.com.au/camagm2021> (see page 9 for further information).

The deadline for submitting votes by this method and for appointing proxies for the AGM is 10:00 am (AEDT time) on Tuesday, 16 November 2021.

If a Shareholder has voted prior to the AGM, but wishes to view the live webcast, they can visit <https://web.lumiagm.com/324559644>, as described earlier.

### **BUSINESS TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING**

The business to be considered at the AGM is set out below. The Explanatory Memorandum and Proxy Form which accompany, and form part of this Notice, describe in more detail the matters to be considered at the AGM. Please consider this Notice, the Explanatory Memorandum and the Proxy Form in their entirety.

#### **Business**

##### **A. Consideration of Financial Statements and Reports**

To receive and consider the Company's Financial Report, the Directors' Report and Auditor's Report of the Company (and its controlled entities) as set out in the Company's 2021 Annual Report for the year ended 30 June 2021.

**Note:** *There is no requirement for Shareholders to approve these reports or vote on this item of business.*



## B. Items for Shareholder approval

### Resolution 1: To adopt the Remuneration Report

To consider, and if thought fit, to pass the following resolution as a non-binding advisory **ordinary resolution**:

*“That the Remuneration Report of the Company for the year ended 30 June 2021 be adopted in accordance with Section 250R(2) of the Corporations Act 2001 (Cth).”*

**Note:** In accordance with section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.

Notwithstanding that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of this resolution.

### Voting exclusion statement for Resolution 1

The Company will disregard any votes cast on Resolution 1 by or on behalf of:

- a. a member of the Company's **KMP**, the details of whose remuneration are included in the Company's Remuneration Report for the year ended 30 June 2021; or
- b. a **Closely Related Party** of such a member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy form specifies the way the proxy is to vote; or
- b. the vote is cast by the Chairman of the AGM and the appointment of the Chair as proxy:
  - a. does not specify the way the proxy is to vote; and
  - b. expressly authorises the Chairman of the AGM to exercise the proxy even if the item is connected directly or indirectly with the remuneration of a member of the KMP.

It is noted that, in accordance with section 250BD(2) of the Corporations Act, a vote must not be cast on Resolution 1 as a proxy by a member of the KMP at the date of the AGM, or a Closely Related Party of such a member, unless it is cast as proxy for a person where the proxy form specifies the way the proxy is to vote on Resolution 1. This restriction on voting undirected proxies does not apply to the Chairman of the AGM where the proxy form expressly authorises the Chairman of the AGM to exercise undirected proxies even if the item is connected, directly or indirectly, with the remuneration of the KMP. The Chairman of the AGM intends to exercise undirected proxies in favour of Resolution 1.

### Resolution 2: Re-election of Mr. John Abernethy as a Director

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

*“That **Mr. John Abernethy**, 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 this resolution.



### Resolution 3: Directors' Remuneration

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

*“That, for the purposes of ASX Listing Rule 10.17, the Company's constitution and for all other purposes, the aggregate amount of fees that may be paid per annum to Non-Executive Directors as a whole be increased by \$20,000, from \$180,000 to \$200,000 (inclusive of statutory entitlements), effective from the date which this Resolution is passed by Shareholders.”*

Without limitation, Rule 6.5 of the Company's Constitution and ASX Listing Rule 10.17 are relevant to Resolution 3.

### Voting exclusion statement for Resolution 3

- (a) The Company will disregard any votes cast on Resolution 3 by, or on behalf of, any Director of the Company, or any Associates of a Director of the Company, other than votes cast:
  - (i) as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
  - (ii) by the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chairman of the AGM to vote on Resolution 3 as the Chairman of the AGM decides; or
  - (iii) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - (A) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate or a person excluded from voting, on Resolution 3; and
    - (B) the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, for the purposes of section 250BD(1) of the Corporations Act:

- (i) a vote must not be cast on Resolution 3 by a KMP or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Resolution 3. However, this voting exclusion does not apply if the KMP is the Chairman of the AGM acting as proxy and their appointment expressly authorises the Chairman of the AGM to exercise the proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the KMP; and
- (ii) if you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on Resolution 3 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the AGM.

The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of Resolution 3.



#### **Resolution 4: Issue of convertible notes**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 35 million convertible notes by the Company on the terms and conditions set out in the Explanatory Memorandum”*

The Board recommends that Shareholders vote in **favour** of this Resolution 4.

#### **Voting exclusion statement for Resolution 4**

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder of the Company) or an Associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chairman of the AGM to vote on Resolution as the Chairman of the AGM decides; or
- (c) a holding acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 4; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Resolution 5: Amendment to Constitution (Special Resolution)**

To consider, and if thought fit, to pass the following Resolution as a **special Resolution**:

*That, pursuant to section 136(2) of the Corporations Act, the existing Constitution of the Company be amended in the manner as set out in the amended Constitution tabled at the meeting and signed by the chair for identification with effect from the close of the meeting.*

The Board recommends that Shareholders vote in **favour** of this Resolution.



## **Other business**

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 reports, business, operations and 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.

## **All resolutions to be considered at the Annual General Meeting will be conducted on a poll**

As Shareholders are asked to participate virtually in the AGM, each Resolution considered at the AGM will be conducted by a poll. Shareholders and proxy holders' votes may be given by online voting poll while the AGM is in progress (as described above), or Shareholders may vote by proxy prior to the AGM in accordance with the instructions provided on the Proxy Form (further details of which are set out below). The Board considers voting by poll to be in the interests of the Shareholders as a whole and ensures the views of as many Shareholders as possible are represented at the AGM.

## **Voting by proxy**

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this AGM. Broadly:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chairman of the AGM, who must vote the proxies as directed.

You should seek professional advice if you need any further information on this issue.

In accordance with section 249L of the Corporations Act, Shareholders are advised of the following:

- (a) a Shareholder entitled to attend and vote at the AGM has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a representative of a body corporate;
- (b) a Shareholder that is entitled to cast two or more votes may appoint two 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; and
- (c) if an appointed proxy is not also the Chairman of the AGM, the proxy need not vote on a poll; however, if the proxy does vote on a poll, the proxy must vote as directed by the Shareholder.



Where a poll is conducted and the proxy holder does not vote, the proxy appointment defaults to the Chairman of the AGM to vote as directed. If the appointed proxy is the Chairman of the AGM, the proxy must vote on a poll in the manner directed by the Shareholder.

Proxies must be:

- (a) lodged online; or
- (b) delivered to the Company's share registry, Boardroom Pty Limited, (by hand, post or facsimile as specified below), no later than 10.00am (AEDT) on Tuesday, 16th November 2021.

Online <https://www.votingonline.com.au/camagm2021>

Hand deliveries Boardroom Pty Limited  
Level 12, Grosvenor Place  
225 George Street  
Sydney NSW 2000

Postal deliveries Boardroom Pty Limited  
GPO Box 3993,  
Sydney, NSW 2001

Fax number for lodgement: (02) 9290 9655

Proxies participating in the virtual AGM will need to contact Boardroom at least 24 hours prior to the AGM on 1300 737 760 to obtain their login details and password. Proxies are asked to log in online at least 15 minutes prior to the time designated for the commencement of the AGM.

### Proxy Form

A Proxy Form has been enclosed with this Notice. Please read all instructions carefully before completing the Proxy Form.

### Undirected Proxies

The Chairman of the AGM intends to vote undirected proxies (where he has been appropriately authorised) in favour of the resolutions to be considered at the AGM, to the extent permitted by law. If a Shareholder appoints the Chairman of the AGM as their proxy, expressly or by default, and they do not direct the Chairman how to vote on a Resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman of the Meeting to exercise the proxy and vote as the Chairman sees fit on a Resolution, even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Any undirected proxy given to a Director (other than the Chairman), any "Associate" of a Director, or other member of the KMP or their Closely Related Parties for resolutions connected directly or indirectly with the remuneration of KMP will not be cast, unless Shareholders specify how the proxy should vote on the Shareholder Proxy Form.



### **Voting by Attorney**

A Shareholder may appoint an Attorney to vote on his or her behalf. For an appointment to be effective for the AGM, the instrument effecting the appointment (or a certified copy of it) must be received by the Company no later than 10:00 am (AEDT time) on Tuesday, 16 November 2021.

### **Corporate Representatives**

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements of section 250D of the Corporations Act. Written notice of the appointment, including any authority under which it is signed, must be provided to the Company no later than 10:00 am (AEDT time) on Tuesday, 16 November 2021, unless it has previously been given to the Company.

### **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 16 November 2021. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote (by virtual means) at the AGM.

### **Scrutineer**

The Company's registrar, Boardroom Pty Limited, will act as scrutineer for any poll conducted at the AGM.

If you choose to participate in the AGM, you will be able to view the AGM live, lodge a direct vote in real time, and ask questions online. Shareholders participating in the AGM using the online platform will be able to cast votes and ask questions at the commencement of the AGM (10.00 am AEDT on Thursday, 18 November 2021) up until the closure of voting as announced by the Chairman during the AGM.

By order of the Board

**Biju Vikraman**  
**Company Secretary**

18 October 2021

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

**Explanatory Memorandum**

This Explanatory Memorandum accompanies the Notice of virtual Annual General Meeting of the Company to be held at 10.00 am (AEDT) on Thursday, 18th November 2021.

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 Annual General Meeting.

**A. Consideration of Financial statements and reports**

The Company's 2021 Annual Report, which includes the Financial Report and the Report of the Directors and of the Company's Auditor for the year ended 30 June 2021, is available at <https://clime.com.au/invest-with-us/clime-capital-limited/>.

Printed copies of the 2021 Annual Report have only been mailed to those Shareholders who have elected to receive a printed copy. We encourage all Shareholders to reconsider the use of printed materials, and encourage you to change your election to receive these electronically. Please update your preferences regarding election communications at <https://www.investorserve.com.au/>.

In accordance with section 317 of the Corporations Act, the Directors of a public company are required to lay the Company's Financial Report, Directors' Report and Auditor's Report (together comprising the Annual Report) for the previous financial year before its Shareholders at its Annual General Meeting. There is no requirement under the Corporations Act or the Constitution for a formal Resolution on this item of business and, as such, there will be no formal Resolution put to the AGM. However, Shareholders will be given a reasonable opportunity to ask questions about or make comments on the Company's Financial Report, the Directors' Report and Auditor's Report, and the general management of the Company.

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 the Company'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.

**B. Ordinary Business**

**Resolution 1 – To adopt the Remuneration Report**

Resolution 1 provides Shareholders the opportunity to vote on the Company's Remuneration Report.

Pursuant to section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to the vote at its Annual General Meeting. The Remuneration Report is contained in the Directors' Report (within the Company's Annual Report, available at <https://clime.com.au/invest-with-us/clime-capital-limited/>).



The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company. However, the Company values Shareholders' feedback.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the AGM when reviewing the Company'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 of the Company, 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 the Company's Directors (other than a Managing Director) must stand for election.

At the Company's 2020 annual general meeting, the votes cast by members against the adoption of the Company's Remuneration Report were less than 25%.

A reasonable opportunity for discussion of, and comment on, the Remuneration Report will be provided by the Chairman at the AGM.

KMP (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.

The Company encourages all Shareholders to cast their votes on Resolution 1. The Chairman of the AGM will vote all undirected proxies **in favour** of Resolution 1, to the extent permitted by law. If you wish to vote "against" Resolution 1 or "abstain" from voting on Resolution 1, you should mark the relevant box in the attached Proxy Form.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

## **Resolution 2 - Re-election of Mr. John Abernethy 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 John Abernethy was last elected as a Director of the Company.

Mr. John Abernethy was appointed Director on 31 July 2009. Mr. Abernethy has over 35 years' funds management experience in Australia, having been General Manager Investments of the NRMA. John holds a Bachelor of Commerce (Economics)/LLB from the University of New South Wales.

Special responsibilities: Member of Remuneration and Nomination Committees.

Resolution 2 provides for the re-election of Mr. John Abernethy as Director of the Company in accordance with rule 6.7 of the Company's constitution. Being eligible, John Abernethy offers himself for re-election.

The Directors (excluding Mr. John Abernethy) unanimously recommend that Shareholders vote **in favour** of Resolution 2.



The Chairman will vote all undirected proxies in favour of Resolution 2. If you wish to vote “against” or “abstain”, you should mark the relevant box in the attached Proxy Form.

### **Resolution 3 - Directors' Remuneration**

ASX Listing Rule 10.17 prevents the Company from increasing the total aggregate amount of Directors' fees payable to all of its Non-Executive Directors without shareholder approval.

In accordance with Clause 6.5(c) of the Company's constitution and ASX Listing Rule 10.17, Shareholder approval is sought to increase the maximum aggregate amount of directors' fees per annum that may be paid by the Company to its Non-Executive Directors (**Fee Pool**) by \$20,000 from \$180,000 per annum to \$200,000 per annum.

Under the ASX Listing Rules, the term “Directors' fees” means all fees payable by the Company or its controlled entities or subsidiaries and includes committee fees, superannuation contributions and fees sacrificed for other benefits but does not include reimbursement of genuine out-of-pocket expenses, genuine “special exertion” fees or securities issued to Non-Executive Directors with approval of Shareholders in accordance with the ASX Listing Rules.

The allocation of fees to Non-Executive Directors within the total Fee 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 Fee Pool, periodically.

Fees paid to Non-Executive Directors are currently subject to a maximum pool of \$180,000 per annum (inclusive of statutory entitlements). The Board's current Fee Pool has remained unchanged since its last approval by Shareholders in November 2019. Since that time the Company has grown significantly:

- The Company's assets under management has increased by approximately 49% from \$107.9 million as at 31 August 2019 to \$160.9 million as at 31 August 2021.
- As a result of the issue of new convertible Notes (subject to Shareholder approval), the Company's gross portfolio asset value at the close of business on 1 December 2021 is estimated at \$175 million.

The proposed increase in the Fee Pool under Resolution 3 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 Fee Pool does not imply that the full amount will be utilised.

For the purposes of ASX Listing Rule 10.17, in the preceding three years, there were no securities issued to Non-Executive Directors under ASX Listing Rules 10.11 or 10.14.

If the Shareholders do not approve Resolution 3, the maximum aggregate amount of fees to be paid Non-Executive Directors per annum will remain at \$180,000 (inclusive of statutory entitlements), individual Non-Executive Directors' fees will remain unchanged and the ability to retain, and attract additional, Non-Executive Directors will be constrained.



The Board makes no recommendation to Shareholders for Resolution 3 as it involves the payment of fees to Directors.

#### **Resolution 4 – Approval for issue of convertible notes**

The Company intends to undertake an offer of unsecured, redeemable listed convertible notes (**Convertible Notes**) to raise up to \$35 million (**Convertible Note Offer**).

The Convertible Notes allow investors to acquire an interest in the Company and to provide existing Shareholders and existing holders of the Company's listed convertible notes (**Existing Noteholders**) with a further avenue to benefit from their ownership in the Company.

The key terms of the Convertible Notes are as follows:

<b>Issuer</b>	Clime Capital Limited ACN 106 282 777
<b>ASX</b>	CAMG
<b>Type of security</b>	Unsecured, redeemable convertible notes to be listed on ASX
<b>Subscription amount</b>	Up to a maximum of \$35 million Convertible Notes to be issued with a face value of \$1.00 each
<b>Face Value per Convertible Note</b>	\$1.00
<b>Interest rate</b>	5.25% per annum
<b>Maturity Date</b>	30 November 2025
<b>Interest payment dates</b>	Quarterly in arrears
<b>Maximum number of Convertible Notes to be issued</b>	35 million
<b>Conversion price</b>	\$1.00, subject to adjustment for certain dilutionary and other capital transactions by the Company
<b>Repayment</b>	<b>30 November 2025</b>
<b>Conversion mechanism</b>	<b>Issue 1 Share for 1 Note converted</b>

The full terms of the Convertible Notes are expected to be set out in the prospectus to be released by the Company to ASX in October 2021 (**Prospectus**).

The Convertible Notes will provide an immediate injection of capital which will be utilised by the Investment Manager in accordance with the existing Investment Mandate. The issuance of the Convertible Notes is subject to the Company obtaining Shareholder approval to issue the Convertible Notes.

The purpose of Resolution 4 is for Shareholders to approve, under ASX Listing Rule 7.1 and for all other purposes, the issue of up to 35 million Convertible Notes without using the Company's available placement capacity under ASX Listing Rule 7.1.



ASX Listing Rule 7.1 prevents the Company from issuing more than 15% of its issued capital within the twelve month period before the date of the proposed issue without shareholder approval. The issue of 35 million Convertible Notes does not fit within any of the exceptions provided under ASX Listing Rule 7.2. Resolution 4 therefore proposes that Shareholders approve the issue of 35 million Convertible Notes for the purpose of ASX Listing Rule 7.1.

The effect of the issue of the Convertible Notes on the capital structure of the Company will depend upon a number of variables including:

- the number of current notes that are converted or redeemed; and
- the number of new convertible notes that will be issued.

As at the date of this notice, the company is not in a position to accurately describe the impact of the issue of new convertible notes on its capital structure.

If Shareholders do not pass Resolution 4, the Company may decide to proceed with the issue of new convertible notes, subject to any limits imposed on new issuances by the Listing Rules. The Company may also decide to re-evaluate the issue of the convertible notes at the relevant time, having regard to all relevant factors at that time.

This could see a cancellation of the proposed issue, a delay to the issue or the Company proceeding with the issue (in whole or in part).

The following information is provided to Shareholders in relation to Resolution 4 for the purposes of ASX Listing Rule 7.3:

<b>Maximum number of Convertible Notes to be issued</b>	A maximum of \$35 Million Convertible Notes (if issued) are convertible into a maximum of 35 Million Shares
<b>Expected date of issue</b>	The Company will issue the Convertible Notes no later than three months after the date of the AGM, unless otherwise extended by way of ASX granting a waiver to the ASX Listing Rules.
<b>Issue price of the securities</b>	The Convertible Notes will be issued for \$1.00 per Convertible Note and will be convertible into one Shares, for a conversion price of \$1.00 per Share, subject to adjustment for certain dilutionary and other capital transactions by the Company.
<b>The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected</b>	As at the date of this NOM the company do not have details of the persons to whom it will issue the Convertible Notes.
<b>The terms of the securities</b>	The key terms of the Convertible Notes are set out above will be included in the Prospectus.  Any Shares allotted and issued on conversion of the Convertible Notes will rank equally in all respects with the existing Shares on issue.
<b>The intended use of the funds raised</b>	The Company intends to use the new proceeds to invest in securities listed on the ASX and selective unlisted entities or funds in accordance with the Company's investment strategy.
<b>Conversion Period</b>	The details of the Conversion Period will be provided in the Prospectus.
<b>Class of securities issued on conversion</b>	Fully paid ordinary shares in the Company.



The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chairman will vote all undirected proxies **in favour** of Resolution 4. If you wish to vote “against” Resolution 4 or “abstain” from voting on Resolution 4, you should mark the relevant box in the attached Proxy Form.

#### **Resolution 5: Amendment to Constitution**

The Board proposes amendments to the Constitution to remove the right of Directors to appoint alternate Directors. The alternate Director provisions of the Constitution allow Directors to appoint alternate Directors to carry out the duties of the Director for certain periods of time and in certain circumstances.

The Board considers it is important for Directors to carry out their own duties. Particularly with modern technology, the Board considers that the appointment of alternate Directors should not be needed. The amendments will enhance the accountability of Directors and are considered by the Board to reflect better corporate governance practice.

The constitution of the Company was last updated in 2011. The proposed amendments will be to strike out clause 6.14 in its entirety, and make any consequential amendments where there is reference to alternate Directors. The amendments will not affect any acts of alternate Directors prior to the AGM.

A copy of the proposed constitution is available on Company’s website for Shareholders to inspect at: <https://clime.com.au/invest-with-us/clime-capital-limited/>

Pursuant to section 136(2) of the Corporations Act, a company may modify or repeal its constitution by special Resolution of Shareholders. For this Resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution must be in favour of the Resolution.

#### *Board Recommendation*

The Board unanimously recommends that the Shareholders vote **in favour** of this Resolution.



## Glossary

In this Explanatory Memorandum, and the Notice of Meeting:

**AEDT** means Australian Eastern Daylight Savings Time.

**Annual General Meeting** or **AGM** means the annual general meeting of the Company the subject of this Notice of Meeting scheduled to occur on Thursday, 18 November 2021.

**Annual Report** means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2021.

**Associate** means an associate as set out in Sections 11 – 17 of the Corporations Act.

**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 annual Auditor's report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Board** means the board of Directors of the Company.

**Chairman** means the chairman of the Annual General Meeting.

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

**Closely Related Party** has the meaning given in the Corporations Act and when used in relation to a member of the KMP will include a spouse, dependent and certain other close family members as well as any other companies controlled by the member of the KMP.

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

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

**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** or **KMP** 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 ASX.



**Meeting** means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Thursday 18<sup>th</sup> November 2021.

**Notice** means this notice of annual general meeting dated 18 October 2021 and accompanying Explanatory Memorandum.

**Proxy Form** means the proxy from accompanying this Notice and Explanatory Memorandum.

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

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a fully paid ordinary share in the Company.

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](mailto:bvikraman@clime.com.au) if they have any queries in respect of the matters set out in these documents.

Dated this 18 October 2021 at Sydney.

By order of the Board

**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](http://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 10:00am (AEDT) on Tuesday, 16 November 2021.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/camagm2021>

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### 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:

- 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.
- 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, therefore by **10:00am (AEDT) on Tuesday, 16 November 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/camagm2021>

📠 **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

☐

**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 **virtually on Thursday, 18 November 2021 at 10:00am (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 or 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 or 3 is 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 or 3). 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	Re-election of Mr. John Abernethy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Amendment to Constitution (Special Resolution)	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021