

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Clime Capital Limited (ASX: CAM)

ABN/ARBN

99 106 282 777

Financial year ended:

This Appendix 4G reflects the position from 1 July 2021 to the date of this statement

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>☒ This URL on our website: <https://clime.com.au/invest-with-us/clime-capital-limited/>The Corporate Governance Statement is accurate and up to date as at *19 August 2022* and has been approved by the board.The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 19 August 2022

Name of authorised officer authorising lodgement: Andrew Metcalfe, Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a>	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement in section 1.2	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement in section 1.3	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement in section 1.4	

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable to the Company</p>
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>section 1.6 of the Corporate Governance Statement where such process is required under the Board Charter</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>section 1.6 of the Corporate Governance Statement</p>	

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>		<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable to the Company</p>

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>Nomination Committee Charter</b>)</p> <p>and the information referred to in paragraphs (4) and (5) at: section 2.1 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Annual Report)</b></p>	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: section 2.2 of the Corporate Governance Statement</p>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at: section 2.4 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Annual Report)</b></p> <p>and the length of service of each director at: section 2.4 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Annual Report)</b></p>	

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2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> set out at: section 2.4 of the Corporate Governance Statement <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		<input checked="" type="checkbox"/> set out at: section 2.5 of the Corporate Governance Statement <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement in section 2.6	
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a>	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Code of Conduct)</b>	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.		<input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable to the Company
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.		<input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable to the Company

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):]</p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> (Audit Committee Charter)</p> <p>and the information referred to in paragraphs (4) and (5) at: section 4.1 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> (Annual Report)</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 4.1 in that the Committee is comprised of only 2 members (in accordance with the Audit Committee Charter)</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 4.2	
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 4.3	

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> ( <b>Continuous Disclosure Policy</b> )	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement in section 5.2	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement in section 5.3	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> ( <b>Communications Policy</b> )	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 6.2	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> ( <b>Communications Policy</b> )	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 6.4	
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 6.5	



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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> (Audit Committee Charter)</p> <p>and the information referred to in paragraphs (4) and (5) at: section 7.1 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> (Annual Report)</p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: section 7.2 of the Corporate Governance Statement</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>In respect of 7.3(b) at</i></p> <p>section 7.3 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement at section 7.3</p>

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: section 7.4 of the Corporate Governance Statement	

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p><a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Remuneration Committee Charter)</b></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>section 8.1 of the Corporate Governance Statement and at <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Annual Report)</b></p>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Remuneration Committee Charter)</b> and <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a> <b>(Annual Report)</b></p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input checked="" type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a>	
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	<input checked="" type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at: <a href="https://clime.com.au/invest-with-us/clime-capital-limited/">https://clime.com.au/invest-with-us/clime-capital-limited/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement



# CORPORATE GOVERNANCE STATEMENT

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Clime Capital Limited ("Company" or "Clime Capital") has adopted a program to review and improve its charters, policies and procedures periodically to ensure its corporate governance framework remains current and compliant with best corporate practice. The Board are committed to achieving and demonstrating the highest standards of corporate governance. This Corporate Governance Statement has been prepared on the basis of the recommendations in the 4th edition of Australian Securities Exchange's ("ASX") Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') where applicable. However, the Board also recognises that full adoption of the above ASX Principles and Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company.

The Company's Charters and Policies for the Board and its Board sub-committees referred to in this Corporate Governance Statement are available in the Corporate Governance section of the Company's website at <https://clime.com.au/invest-with-us/clime-capital-limited/>

A description of the Company's main corporate governance practices is set out below. This Corporate Governance Statement is current as at 19 August 2022 and has been approved by the Board.

## Principle 1: Lay solid foundations for management and oversight

### ***1.1 Roles and Responsibilities***

#### **The Board of Directors**

The Board operates in accordance with the broad principles set out in its Charter which is available from the corporate governance section of the Company website [www.clime.com.au/invest-with-us/clime-capital-limited](http://www.clime.com.au/invest-with-us/clime-capital-limited).

Subject at all times to any written guidelines issued by the Board of Directors of Clime Capital Limited, the day-to-day management and investment of funds is primarily carried out by Clime Asset Management Pty Limited (the Investment Manager) in accordance with a management agreement. The Board aims to ensure that all Directors and the Investment Manager act with the utmost integrity and objectivity, and endeavours to enhance the reputation of the Company. The Board should act in a manner designed to create and build sustainable value for shareholders.

#### **Responsibilities**

The role of the Board is to set strategic direction and to be responsible for the overall corporate governance of the Company which includes:

- to oversee and monitor the performance of the Investment Manager's compliance with the management agreement and to ensure that the Investment Manager is monitoring the performance of other external service providers;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving the interim and final financial statements and related reports and other communications to the ASX and shareholders;
- setting appropriate business standards and a code for ethical behaviour;
- ensuring compliance with corporate governance principles and practices by the Company and its Officers;
- ensuring adequate internal controls exist and are appropriately monitored for compliance with the Company's regulatory environment, which includes the Corporations Act 2001, the Listing Rules of the

ASX, taxation legislation, the Competition and Consumer Act and Australian Financial Services Licence (AFSL) requirements;

- establishing and ensuring compliance with ethical standards and the Company's code of conduct; and
- reviewing investment strategies, investment decisions and establishing executive authority limits.

### **Term of office**

All Directors must retire from office no later than the third Annual General Meeting (AGM) following their last election. Any Directors appointed by the Board must retire at the next AGM. A retiring Director can declare their availability for re-election at the next AGM.

### **1.2 Director Selection**

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

In determining candidates to join the Board, the Board evaluates the mix of skills, experience, expertise, gender and diversity of the existing Board. In particular, the Board will seek to identify the particular skills and diversity that will best increase the Board's effectiveness. Consideration will also be given to the balance of independent directors.

When appointing a Director, the Company conducts appropriate pre-appointment checks and shareholders have the opportunity of reviewing relevant information prior to voting on the appointment at the Annual General Meeting (AGM) usually held in November each year.

During the 2022 reporting period, there were no changes to the Board of directors from the prior reporting period. Details of the members of the Board, their experience, expertise, qualifications and term of office are set out in the Directors' Report under the heading "Board report".

### **1.3 Terms of Appointment**

New Directors receive letters of appointment stating the effective commencement date of their Directorships with Clime Capital Limited together with their remuneration details. Directors are also provided with induction material and given the opportunity to consult with the Chairman and other Directors to deepen their overall understanding of the Company and its operations.

Clime Capital has written agreements with Directors setting out the key terms and responsibilities of their appointment.

### **1.4 Company Secretary**

The Company Secretaries are directly accountable to the Chairman on all matters to do with the proper function of the Board. All Directors have the ability to communicate with the Company Secretaries and vice versa, and the decision to appoint or remove a Company Secretary is made by the Board.

### **1.5 Diversity**

The Company's operations are primarily conducted through Clime Asset Management Pty Limited (Investment Manager) and Mainstream Fund Services Pty Limited (Administrator). The Company presently does not have any full-time employees and hence the Board considers setting measurable diversity objectives as per Recommendation 1.5 is of less relevance to the Company.

### **1.6 Board Performance Assessment**

The Board undertakes an annual self-assessment of its collective performance, the performance of the Chairman and of its Committees. This review is coordinated by the Chairman and is assessed against both measurable and qualitative indicators. The Board uses surveys for the purpose of its internal Board and committee performance reviews. Those reviews are to ensure that individual Directors and the Board work effectively in meeting their responsibilities as described in the Board and Committee Charters. The performance of all directors is reviewed periodically by the Chairman. Directors whose performance is unsatisfactory are asked to retire. The Board performed the annual self-assessment during the reporting period.

### **1.7 Executive Performance Assessment**

The Company does not have any full-time employees and hence there is no executive performance assessment undertaken by the Company.

The Company's executive and management operations are primarily conducted through Clime Asset Management Pty Limited (Investment Manager) and Mainstream Fund Services Pty Ltd (Administrator).

These entities, together with the Company Secretaries, incorporate the specialist wholesale investment and administration personnel who have undertaken the Company's executive operations. The Company Secretaries report directly to the Board through the Chairman and are accessible to all directors.

The Company's executive management arrangements have been structured to provide investors with an extremely cost-efficient investment vehicle and access to a significant depth of professional resources.

## **Principle 2: Structure the Board to add value**

### **2.1 Nomination Committee**

Clime Capital has a Nomination Committee, which is chaired by Mr J Gosse, an independent Non-Executive Director, in line with ASX recommendations for an independent chair. Two of the three committee members are independent directors. The committee formally reports to the Board after each meeting. Details of the number of meetings of the Nomination Committee during the year are set out in the Director's Report of the recent Annual Report.

#### **Nomination of Directors**

The Nomination Committee oversees the selection and appointment process for directors. The Committee annually reviews the composition of the Board and makes recommendations on the appropriate skill mix, personal qualities, expertise and diversity required. Where a vacancy exists, the Committee develops selection criteria and generates a list of potential candidates for review, determination of an order of preference and ultimate selection by the Board or shareholders.

The Board is committed to undertaking appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and to providing shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a director.



## 2.2 Skills Matrix of the Board

The composition of the Board is determined in accordance with the following principles:

- the Board shall comprise not fewer than three members;
- the Board shall comprise a mix of Independent and Non-executive Directors;
- a Director need not be a shareholder;
- the Board shall comprise of Directors with an appropriate range of qualifications and experience; and
- the Chairman is elected by the full Board and is required to meet regularly with the Investment Manager.

During the financial year the names of each director, their respective role, appointment date and classification were:

Name	Appointed	Classification
J Abernethy	31 July 2009	Non-Executive
R Chalmers	17 December 2019	Non-Executive
J Gosse	11 September 2003	Independent
M Schwartz	21 October 2020	Independent

The Board is of the opinion that the current Directors add value to the Company by virtue of their financial and considerable industry experience. The Board is structured to provide a broad mix of skills and experience in the managed funds / financial services industry sector representing its main undertaking.

A Board skills review was undertaken during the 2022 reporting period and the following table sets out the mix of skills the Board currently has while providing guidance for expanding the skills base of Directors for the future needs of the Company.

Director background & experience	Director's Name
Industry	J Abernethy, R Chalmers, J Gosse, M Schwartz
Capital Markets	J Abernethy, R Chalmers, J Gosse, M Schwartz
Risk Management	J Gosse, M Schwartz
Board Governance and Compliance	J Abernethy, R Chalmers, J Gosse, M Schwartz
Strategy	J Abernethy, R Chalmers, J Gosse, M Schwartz

## 2.3 Directors' Independence

The Board assesses the independence of each of the Non-Executive Directors based on the interests and associations disclosed by the Directors and in-line with the ASX Principles and Recommendations.

The Board has adopted specific principles in relation to Directors' independence. These state that to be deemed independent, a director must be non-executive and must:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years, not have been employed in an executive capacity by the Company or any other Company member, or been a director after ceasing to hold any such employment;
- within the last three years have not been a principal of a material professional adviser or a material consultant to the Company or any other Company member, or an employee materially associated with the service provided;
- not be a material supplier or customer of the Company or any other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- have no material contractual relationship with the Company or a controlled entity other than as a Director of the Company;
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

#### ***2.4 Majority should be Independent Directors***

On 30 June 2022 and as at the date of the statement, the Company had two independent Directors from a Board of four Directors.

Whilst the Board acknowledges the benefits of a majority of independent directors, it believes that it can adequately achieve the Company's objectives with the current Board's level of expertise and without unnecessarily burdening shareholders with the additional costs associated of adding further independent Directors to the Board. The Board also notes that the principal management function, being the management of the Company's investments, resides with the Investment Manager, Clime Asset Management Pty Limited.

The Board comprises directors with significant experience as directors of public companies, experience in the management and growth of businesses and the Australian and International securities industry. The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report and their term in office are detailed in the Directors' Report of the recent Annual Report. All Directors bring a diverse skill base and are suitably qualified to represent the Company and its shareholders at the present time. The Board considers that these skills and experiences are appropriate for the Company.

The current Directors who meet the principles of independence are listed below:

<b>Name</b>	<b>Role</b>	<b>Appointed</b>	<b>Classification</b>
J Gosse	Non-executive Director	11 September 2003	Independent
M Schwartz	Non-executive Director	21 October 2020	Independent

#### ***2.5 Chair should be Independent and not CEO***

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's executive and management operations which are primarily conducted through Clime Asset Management Pty Limited (Investment Manager) and Mainstream Fund Services Pty Ltd (Administrator).

The Chairman of the Board, Mr. John Abernethy, is not an Independent Director. The Company believes that an independent chairman under recommendation 2.5 does not necessarily improve the function of the Board. The Company believes that when the chairman is a significant driver behind the business, and is a sizable shareholder, as is the case with this Company, it adds value to the Company and all shareholders' benefit.

During the 2022 reporting period, the Board Chair was not the CEO of the Company and therefore Clime Capital complied with this ASX recommendation. Clime Capital acknowledges that a separation of roles between the chairperson and CEO is best practice corporate governance to minimise the possibility of a lack of transparency and promote constructive debate at Board level.

#### ***2.6 Induction for New Directors***

New Directors will be familiarised with the Company by undertaking an induction program, which is arranged by the Company Secretary. Clime Capital supports additional professional education to assist Directors in their role.

**Board Committees**

The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Remuneration Committee, Nomination Committee and Audit Committee. It is the Company's policy that the voting membership of each Committee is comprised entirely of Non-Executive Directors. The Charters for all committees were reviewed during the reporting period.

The Audit Committee supports the work of the Board in maintaining compliance with the Company's Australian Financial Services Licenses and ASX obligations, the risk management framework, and other compliance and risk obligations.

Each Committee's structure and membership are reviewed on at least an annual basis.

**Principle 3: Promote ethical and responsible decision making****3.1 Company Values**

The Company's core values and commitments are:

**a) Honesty and Integrity**

The Directors and executives will act honestly, in good faith and in the best interests of the Company as a whole and will not engage in conduct likely to bring discredit upon the Company.

**b) Fair Dealing**

The Directors and executives will deal fairly with the Company's external service providers, colleagues, suppliers, competitors and shareholders and will maintain a high standard of responsibility and awareness as corporate citizens.

**c) Diligence**

The Directors and executives will use due care and diligence in fulfilling the functions of office and in exercising the powers attached to that office.

**d) Independence**

The Directors and executives will be independent in their judgement and actions and take all responsible steps to be satisfied as to the soundness of all decisions taken by the Board of Directors and by the executives.

**e) Avoid Conflicts of Interest**

The Directors and executives acknowledge that there may be times when their personal or other interests conflict with those of the Company. In these circumstances, the Directors and executives will take action to remove or manage the conflict, so as to avoid detriment to the Company or any perception of conflict of interest.

**f) Safety**

We are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of associated persons, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.

## **g) Environment, Social and Corporate Governance Standards**

We act in a manner that aims to preserve and protect the Company's reputation consistent with reasonable expectations of our investors and the broader community in which we operate, acting ethically and responsibly and complying with all laws and regulations that apply to the entity and its operations, acting responsibly towards the environment and complying with legislation as part of the Company's operations.

### ***3.2 Code of Conduct***

The Company has developed a statement of values and a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all Directors and to the employees of the Investment Manager and Administrator. The Code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism, and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all Directors and the employees of the Investment Manager and Administrator act with the utmost integrity, and in compliance with the letter and spirit of both the law and Company policies. A copy of the Code is available on the Company's website.

### ***3.3 Whistleblowing***

The Company presently does not have any full-time employees and hence Recommendation 3.3 is of less relevance to the Company. The Investment Manager has implemented a Whistleblower Policy and applies to all Directors and employees of the Investment Manager and Administrator. The Whistleblower Policy sets out the expectations of the employees of the Investment Manager and Administrator in the areas of unlawful, unethical or irresponsible behaviour and how this can be reported within the organisation. The Audit Committee and Board are informed of any incidents of this nature. The Whistleblower Policy is reviewed and updated by the Board as and when necessary.

### ***3.4 Anti-Bribery and Corruption Policy***

The Board and Company have in place guidance regarding Conflicts of Interest and engagement with regulatory bodies.

The Company has procedures in place regarding financial transactions, including separation of duties regarding contract review, checking payments, and payment approval. These procedures form part of the Company's Anti-Bribery and Corruption policy measures, in line with Recommendation 3.4.

### ***3.5 Trading in Company Shares and non-Company Shares***

The Board of the Company has established a set of guidelines governing the trading in the Company's shares or securities by Directors and the employees of the Investment Manager and Administrator. These guidelines are designed to supplement (not replace) the legislative and reporting requirements already established for Directors under the Corporations Act 2001 and the ASX Listing Rules.

The guidelines grant authority to the Board to determine periods during which Directors and employees of the Investment Manager and Administrator will be prohibited from trading of any ASX listed securities:

- at any time, the Board believes that Directors or employees of the Investment Manager and Administrator are aware of any undisclosed price-sensitive information or in possession of price sensitive information;
- during specified 'black-out' periods approaching the release of annual and half-year financial results, and any other Board-imposed black-out periods that may apply from time to time.

Directors are required to notify the Chairman of their intention to trade in the Company's shares prior to doing

so. The approval for trading in Company shares or securities is detailed on the Securities Trading Policy. Directors are required to notify the ASX via the Company Secretary within five business days of any dealing in the Company's shares.

All Directors and employees of the Investment Manager and Administrator are expressly prohibited from trading in Company securities at any time where that trading amounts to 'short-selling'.

Directors are not required to hold a minimum number of shares in order to hold their positions. The directors are satisfied that the Company has complied with its policies on trading in the Company's securities.

## Principle 4: Safeguard integrity in financial reporting

### **4.1 Audit Committee**

The Audit Committee Charter states that the committee must comprise at least two members, all of whom are to be Non-Executive Directors, and independent of management of the Company. The Chairman of the Committee will be appointed by the Board. Members will be selected on the basis of their appropriate skills and at least one member will be financially literate. A quorum for any meeting will be two members of which one must be an independent Non-Executive Director. The Company Secretary will attend Audit Committee meetings and keep minutes.

The Audit Committee is chaired by Mr J Gosse, an independent Non-Executive Director, in line with ASX recommendations for an independent chair. Details of these Directors' qualifications and attendance at Audit Committee meetings are set out in the Board Report within the Annual Report. The Audit Committee meet at least two times a year. Additional meetings may be convened by the Chairman or the external auditors as they see fit. The external auditors are asked to make presentations to the Audit Committee at least twice a year. All meetings are minuted.

The charter for the Audit Committee is summarised as follows:

- Review the Company's financial reporting processes, internal control and management of financial, business and investment risks (risk management);
- Evaluate the processes in place, including communication to and training of executives, to ensure internal control, compliance with codes of conduct and the management of risk;
- Review the annual and half-year financial statements and determine whether they are complete, consistent with Committee members' understanding of the business and reflect appropriate accounting principles and satisfy themselves that any announcements and interim financial statements contain adequate and appropriate disclosures;
- Review the external auditors' proposed audit scope and approach and ensure that no unjustified restrictions or limitations have been placed on that scope. Review the performance of the external auditors. Ensure that significant findings and recommendations made by the external auditors are received, discussed and acted on by the executives of the Company on a timely basis;
- Review the independence of the external auditors, considering the length of service and the provision of non-audit services. Make recommendations to the Board regarding the reappointment of the external auditors;
- Review the provision of non-audit services by the external auditors to ensure independence; and
- Review the Company's processes for ensuring compliance with laws and regulations. Be satisfied that all regulatory compliance matters have been considered in the preparation of financial statements

The Audit Committee also requires the Company's administrator to report annually on the operation of internal controls.

The external audit firm partner responsible for the Company's audit attends Audit Committee meetings by invitation and presents to the Audit Committee twice per year. The Audit Committee formally reports to the Board after each of its meetings.

#### **4.2 Financial reporting**

In accordance with the ASX Corporate Governance Principles and Recommendations, the Investment Manager, Clime Asset Management Pty Ltd, is required to state to the Board in writing that:

- The Company's financial reports present a true and fair view, in all material respects, of the Company's financial position and operational results and are in accordance with relevant Accounting Standards;
- The statement above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

#### **4.3 External Auditor**

The Company and Audit Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually. Pitcher Partners Sydney was appointed as the external auditor in November 2015. It is Pitcher Partners' policy to rotate audit engagement partners on listed companies in accordance with the *Corporations Act 2001*.

An analysis of fees paid to the external auditor, including a break-down of fees for non-audit services, is provided in the notes to the financial statements. It is the policy of the external auditor to provide an annual declaration of their independence to the Audit Committee. A copy of this declaration is included in the Company's 2022 Annual Report. The external auditor is requested to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Release of reports not reviewed by the external auditor: The Company may release, from time to time, information to the market, such as quarterly updates and investor presentations, that are neither audited nor reviewed by our external auditor. Notwithstanding this, the information released to the market is derived from the same process as that developed for the collection of information and data that accompanies the Company's Half year Report and Annual Report. Therefore, shareholders can be confident that the information released to the market is reliable.

### **Principle 5: Make timely and balanced disclosure**

#### **5.1 Continuous Disclosure and Shareholder Communication**

The Company has policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. A summary of these policies and procedures is available on the Company's website.

Relevant information is communicated to the Company's shareholders through the following measures:

- An Annual Report will be mailed at the close of the financial year to those shareholders who have elected to receive a hard copy. Alternatively, for those shareholders who so choose, a link to a copy of the Annual Report on the Company's website will be emailed in lieu of a hard copy;

- Weekly Net asset backing per share is released to the ASX on a weekly basis on Mondays;
- Monthly Net asset backing per share is released to the ASX by the 14th day following each month-end;

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

### **5.2 Market Announcements**

All communications to the ASX are reviewed by the Chairman and Company Secretary and are authorised prior to the release by the Board. The Board automatically receives a copy of market announcements immediately after they have been released on the ASX Market Announcements Platform.

### **5.3 Investor Presentations**

Where investors are briefed on aspects of the Company's operations, the material used in such presentation is released in advance of the Presentation on the ASX Market Announcements Platform.

## **Principle 6: Respect the Rights of Shareholders**

### **6.1 Information to Investors via Website**

The Company is committed to providing shareholders with appropriate information and facilities to allow them to exercise their rights as shareholders.

The Company provides information about itself and its corporate governance on its website.

### **6.2 Investor Relations**

The Company maintains a shareholder information centre on its website which displays:

- copies of Half Year and Annual reports;
- copies of notices of meetings; and
- other relevant material of interest to investors.

The Company Secretaries are nominated as the persons responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Relevant information is communicated to the Company's shareholders through the following measures:

- An annual report will be mailed to those shareholders who have elected to receive a hard copy. Alternatively, for those shareholders who chose a link to a copy of the Annual Report on the Company's website will be emailed in lieu of a hard copy;
- Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the Continuous Disclosure Requirement.

### **6.3 Participation at Meetings**

Shareholders are encouraged to participate in meetings which are announced to the ASX, included on the Company's website and by mailouts to all shareholders prior to meeting of shareholders.



The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of Company's strategy and goals.

#### **6.4 Substantive resolutions by Poll, not show of hands**

Clime Capital Limited shareholders are given the opportunity to vote on all substantive resolutions by Poll at the Company's AGM or at a General Meeting. Notices of meeting are sent out in advance of the meeting with proxy voting forms attached.

#### **6.5 Communicating Electronically**

The Investor Relations page on the Company's website provides contact details for shareholders to communicate with either the Company's Share Registry or Clime Capital directly.

The Company's registry, Boardroom Pty Limited, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at [www.clientonline.com.au](http://www.clientonline.com.au).

### **Principle 7: Recognise and manage risk**

#### **7.1 Risk Assessment and Management**

The Board, through the Audit Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

#### **7.2 Risk Management Framework**

The Directors recognise that risk management is an essential element of the Company's business planning and investment process.

Risks are identified and assessed by the Company's Board as well as by the Company's auditors. Controls (which may include policies, procedures, reviews, audits and/or obtaining appropriate insurance) are implemented to deal with risks based on an assessment of:

- The nature and extent of the risk facing the Company;
- The extent and categories of risks which the Board considers acceptable to bear;
- The likelihood of the risk materialising;
- The Company's ability to minimize the risk of incident and its resultant impact on the business should a particular risk materialise; and
- The costs of operating particular controls relative to the benefit obtained by managing the relevant risk.

The Investment Manager, Clime Asset Management Pty Limited, will report any instances of control or policy failure or breach to enable the Board to consider whether relevant controls require reassessment, strengthening or improvement and whether the level of monitoring by the Audit Committee and the Board is adequate.



### **7.3 Internal Audit**

The Company does not have an internal audit function. The Board and the Audit Committee are sufficiently knowledgeable of the Company's operations to evaluate the effectiveness of risk management and internal control processes of the Company.

### **7.4 Risk Exposure**

During the 2022 reporting period, the main exposure to economic risk for Clime Capital was the impact of the Covid-19 pandemic on the Company and unstable political and global economic conditions. The Board and the Audit Committee continually monitor the Company's cash flow position and adopt the appropriate strategy to maintain solvency in the face of any economic risk.

During the reporting period the Company was engaged solely in the managed funds / financial services industry, providing a comprehensive range of financial managed services. The Company does not have any notable social sustainability risks or environmental risks.

A summary of financial risks including credit, liquidity, market, interest rate, other price and foreign exchange rate risks are included in the most recent annual financial statement.

## **Principle 8: Remunerate fairly and responsibly**

### **8.1 Remuneration Committee**

The Remuneration Committee makes specific recommendations on remuneration packages and other terms of employment for the CEO and senior management. The Remuneration Committee is chaired by Mr J Gosse, an independent Non-Executive Director, in line with ASX recommendations for an independent chair. Membership of the Committee is reviewed annually. Details of these Directors' attendance at Remuneration Committee meetings are set out in the Directors' Report of the Annual Report.

### **8.2 Remuneration Policy**

The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves. The Remuneration Committee meets periodically to review the terms of remuneration packages for executive and non-executive directors.

The maximum total remuneration to directors of the Company has been set at \$200,000 per annum to be divided in such proportions as they agree. The scope for the Company's operations, and the frequency of board meetings are principal determinants of the fee level. Further information on Directors' remuneration is set out in the Directors' Report and in the notes to the financial statements of the Annual Report.

As the principal management function being the management of the Company's investments resides with the Investment Manager, Clime Asset Management Pty Limited, the Company has no employees. The Company presently does not have any full-time employees and hence the Board considers Recommendation 8.2 is of less relevance to the Company.

The Company has a policy that Non-Executive Directors:

- are not entitled to retirement benefits in addition to the statutory minimum; and
- may not participate in the Company's bonus scheme or Employee Incentive Scheme

### **8.3 Remuneration Policy**

The Company does not have an equity-based remuneration scheme.