



Clime Investment Management Limited

ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2 August 2021

Statement from Director Mr. Neil Schafer to shareholders

Please find attached herewith a statement from Mr. Neil Schafer in response a notice provided to the company under section 249N of the Corporations Act, requesting an extraordinary meeting to consider removal of Mr. Neil Schafer as a director of the Company.

This announcement was authorised for release by the Board of Directors of Clime Investment Management Limited.

ENDS

For more information contact:

John Abernethy
Chairman
Email: jabernethy@clime.com.au

2 August 2021

Dear Shareholders,

I am writing to you in relation to the upcoming extraordinary general meeting (**EGM**) of Clime Investment Management Limited ABN 37 067 185 899 (the **Company** or **Clime**) scheduled for 6 August 2021.

This EGM was called following the Company's receipt of a request under section 249D of *the Corporations Act 2001* (Cth) (**Corporations Act**) which contained a resolution seeking my removal as a director of the Company. The shareholder who made this s 249D request was Locope Pty Limited ACN 064 653 952 (**Locope**), which, is an entity whose corporate officers include Ronni Chalmers, an executive of Clime.

I was first made aware that Ronni Chalmers was seeking my removal via his email to me, without any prior discussion from him. When this occurred, I was shocked for a number of reasons. I have served diligently as an independent director on the Board since 7 January 2011. During this period, I have strived at all times to add value to the Company and its shareholders by pursuing ethical and effective corporate governance. Further I have acted as an independent voice for all the Company's shareholders, including minority and non-related shareholders. Finally, when called upon, I have agreed to step into other roles for the Company including as Chairman and co-CEO, when needed.

The most concerning aspect of the resolution that is being put to shareholders at the EGM is the lack of any explanation or reasoning behind it. In the section 249D notice sent to the Company, Locope chose not to provide any information other than what is required under the Corporations Act, including, the circumstances that warrant my removal as a director. Similarly, I note that Locope has not elected to distribute a statement to the Company's shareholders regarding the resolution and its cause. This leads me to question the underlying reasons behind Locope's decision.

In the context of the Company's current Board structure, I further struggle to understand why a shareholder would unilaterally seek to remove me. As recently as last November, I was overwhelmingly re-elected as a director by shareholders to serve a further term. Since my re-election, the Company has been performing well. Indeed, as outlined in several ASX announcements, we enacted a strategy for balanced and sustainable growth, and the initiation of Project Streamline to reduce costs, better support our people, focus on key products, improve client service and increase revenue. One key financial goal was the achievement of a sustainable pre-tax profit / revenue margin of 25%. The results of that strategy are a matter of record as evidenced in the Company's ASX announcement of 21 July 2021.

Given these accomplishments, why is this EGM being called by a shareholder controlled by an executive member of staff? Does it pass the test of being in the best interests of the Company? Is the cost to shareholders and disruption to the Company caused by this EGM for personal rather than corporate benefit?

It is widely accepted that bona fide independent directors underpin the notion of good corporate governance for publicly listed companies. They represent the interests of all shareholders and provide checks and balances on management with alternative non-vested-interest views. In my own experience, these are aspects which are critical for this Company to succeed. During my time as an

independent Director of Clime I contributed to a resolution of many business issues. However, it should be noted that I technically ceased being independent when I was appointed as to undertake the co-CEO role on a temporary basis. It would be troubling to imagine the extent to which similar future problems would reach without the presence of independent directors.

This EGM has been called without a full and frank explanation for why it is needed and for why I am no longer considered suitable by some to serve as a director of the Company. Shareholders should seek answers from the involved parties and come to their own conclusions about what reasons those parties might have for pursuing this course of action. Shareholders should then ask if these reasons are properly justified.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Neil Schafer". The signature is fluid and cursive, with the first name "Neil" and last name "Schafer" clearly distinguishable.

Neil Schafer

Director

Ph: 0403 227 667