

AUDIT AND RISK **COMMITTEE CHARTER**

The Board of Clime Capital Limited (“Company”) has established the Audit and Risk Committee (ARC or the Committee) in accordance with ASX Listing Rules and the ASX Corporate Governance Council’s Principles of Good Corporate Governance and Best Practice Recommendations.

This Charter sets out the Audit and Risk Committee’s objective, authority, composition and structure, roles and responsibilities, reporting and administrative arrangements.

Objective

The objective of the ARC is to provide independent assurance and assistance to the Board of the Company on its risk, control and compliance framework and its external accountability responsibilities.

Primary Responsibilities

The responsibilities of the ARC are to review, and provide assurance and assistance to the board on :

- The Company’s accounting policies
- The content of financial statements
- Issues relating to the controls applied to the Company’s activities
- The conduct, effectiveness and independence of the external audit
- Risk management and related issues
- Compliance

Composition and Structure

The ARC must comprise of at least two Non-Executive Directors who are independent of the management of the Company. The Committee Chair will be an independent Director and the Chair and members of the Committee will be appointed by the Board.

All Committee members shall be financially literate and at least one member of the Committee shall have relevant financial and accounting experience and qualifications.

A quorum for any meeting will be two members

Frequency of Meetings

The Committee normally meets at least twice per year. Meetings are to be held before half year and year-end financial reporting dates with a primary role to review and approve the content of the Company’s public reporting obligations, notably the Half-Yearly Report, the Annual Report and related Australian Securities Exchange (“ASX”) reporting. Other meetings may be convened by the Committee Chair or the external auditors as they see fit to generally focus on other ARC responsibilities. The external auditors will be asked to make presentations to the ARC at least twice per year.

Agenda and Papers

The Company Secretary (or his/her delegate) is responsible for preparing the agenda for the meetings. The agenda is required to be sent to Committee members and attendees where possible five (5) days prior to the meeting.

Electronic dissemination of papers is an acceptable method of communication.

Minutes and reporting to board

The Company Secretary will attend ARC meetings and keep minutes. The Company Secretary must prepare the minutes of the Committee meeting and submit these to the Committee Chair for preliminary approval.

After the Committee Chair has given preliminary approval, the draft minutes are to be tabled and adopted at the next Committee meeting and included in the board papers at the next board meeting.

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must

- (a) report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities; and
- (b) attend the Board meeting at which the Company's financial statements are approved.

Confidentiality

Issues discussed at and minutes documenting Committee meetings are likely to be commercially sensitive and should be treated as confidential by members, attendees and recipients of minutes. They should not be discussed with Company team members outside of the Committee except with those entitled to attend Committee meetings or persons otherwise legitimately requiring that information.

Authority

The Committee is a sub-committee of the Company Board. Within the limits of this Charter, the ARC may make determinations about matters for which it is responsible.

The ARC may require officers and staff of the Investment Manager to attend meetings and/or to provide advice or information.

ARC members have a right of access to the Company's financial records and may take independent professional advice in respect of their Committee responsibilities, at the expense of the Company, after advising the Chairman of the Board their intention to do so.

Key Activities

The key activities of the ARC cover the following matters:

1. External Reporting Communications – Review of material required to be provided publicly (i.e. Annual Reports, Half-Yearly Reports, ASX Appendices 4D and 4E, Tax Transparency Report etc, as appropriate) and recommend same to the full Board of CAM.
2. Management representation - Review Investment Manager representations, including the CEO and CFO declarations regarding the financial report and financial records. Ensure the CEO (or equivalent) and the CFO (or equivalent) are reasonably able to state that their declarations under S.295A of the Corporations Act 2001, relating to financial statements and reports of the company, are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to the financial reporting risks.
3. Corporate Governance Issues – Review the Company's corporate governance policies and practices to ensure that these are consistent with best practice, taking into account the size and structure of the Company and the nature of the Company's activities.
4. Risk Management and Internal Control Issues – To consider the Company's risk management policies, practices and internal controls as they relate to the Company's material business risks, including investment risk, compliance risk (including Taxation risk management), governance risk, reputation risk, strategic risk, political risk and operational risks (including cyber risk); including:
 - To review and approve the Risk Management Policy & Framework.
 - To report to the Board on the process and responsibilities for managing risk
 - To ensure management of insurance programs including appropriate coverage by reputable insurers at competitive premium levels with regard to the company's circumstance and need;
 - To confirm that appropriate risk management methodologies and practices have been implemented through:
 - Receiving risk reporting from Management to provide assurance that all key risks have

been appropriately identified and managed.

- Receiving appropriate audit and risk compliance signoff from key external service providers.
- To report to the Board on the company's adherence to the Risk Management Policy & Framework and to report on material matters, findings and recommendations, pertaining to risk management and the internal compliance and control framework.
- To make recommendations to the Board in relation to its responsibilities to determine the risk appetite and review, at least annually, the policies and procedures on risk oversight and management and internal control.

5. External Auditors– To oversee the relationship with the Company's External Auditors and the quality and effectiveness of the audit conducted. In doing so, the ARC must monitor and review:

- the process for selecting the external auditors, and make appropriate recommendations to the Board regarding the appointment, re-appointment and removal of the external auditors;
- the independence, objectivity and effectiveness of the external auditors, and in particular access whether the Committee is satisfied that the independence of the external auditors has been maintained, having regard to the provision by the external auditor of any non-audit related services;
- the rotation of the external auditors' engagement partners at agreed intervals;
- and recommend to the Board, the fees payable to the external auditors, which fees must be commensurate with the conduct of an effective and comprehensive audit;
- the performance by the external auditors of any non-audit related work in accordance with the company policy in relation to non-audit services;
- any management or other restrictions being placed on the external auditors;
- the proposed audit plans of the external auditors, including the nature, scope, materiality level and procedures of the audit plan;
- compliance with, and the quality and effectiveness of implementation of, the audit plans of the external auditors; and
- reports from the external auditors in relation to their major audit findings, management responses and action plans in relation to those findings, and reports from the external auditors on the implementation of those action plans.

6. Accounting Principles and Practices – To review the Company's accounting principles and practices and in particular any proposed changes to those principles and practices and to consider any special treatment of unusual transactions.

7. Internal Controls over Financial Reporting – To review the Company's system of risk management and internal control over financial reporting activities, including the effectiveness of the system and/or any weaknesses or breaches.

8. Compliance – To review the Company's policies and practices in meeting its legal and regulatory compliance obligations, including continuous disclosure requirements to the ASX, reporting to the Australian Securities and Investments Commission and the Australian Tax Office.

9. Related Party Transactions / Conflicts of Interest

The Committee must:

- monitor and review management's procedures and policies for identifying and (where appropriate) managing all related party transactions or potential or actual conflicts of interest that arise in relation to the business of any related entity and or their directors and overseeing the implementation of such policies and procedures;
- evaluate all related party transactions which the Committee becomes aware of or which

- management reports to the Committee;
- evaluate all potential or actual conflicts of interest which the Committee becomes aware of or which management reports to the Committee including assessing whether a particular conflict of interest situation is manageable or whether it must be avoided; and
- make recommendations to the Board in connection with managing related party transactions and any conflict-of-interest situations.

10. Other Matters

The Committee may undertake any special projects or investigations which the Committee considers necessary, or as may be directed by the Board.

This may include Whistleblower matters or complaints regarding accounting practices, internal accounting controls or auditing matters whether received from employees or otherwise and whether or not provided on a confidential or anonymous basis.

Reporting Relationships with the External Auditor

The external auditor shall communicate directly with the ARC. This should not be taken to deny the right of the external auditor to communicate with the other Directors and executives of the Company, nor of its right to communicate with the Investment Manager.

The ARC shall receive and review engagement letters, management letters or other reports from the external auditor at the same time as they are provided to Company executives (but, other than in exceptional circumstances, shall not pursue enquiries until Company executives have had an opportunity to respond to the draft letter or reports).

The Chairman of the ARC shall provide opportunities for the external auditor to meet with the ARC without executives of the Company, or officers and staff of the Investment Manager, being present to review the effectiveness of the Investment Manager's employees in meeting the Company's requirements in the areas related to the ARC's oversight.

Conflicts of Interest

Committee members are expected to avoid any action, position or interest that conflicts with a 'relevant duty' or 'relevant interest' of an entity within the Clime Group.

Other conflicts must be dealt with in accordance with the Clime Group Conflicts of Interest Policy.

Reporting

The Chair will ensure that the Clime Capital Board are immediately informed of matters that may impact significantly the legal, compliance, financial condition and/or the reputation of the Company.

Review

The Committee shall review its Charter every two years (or earlier in response to any significant regulatory developments), to ensure that it allows for effective operation, and forward any recommended amendments to the Board of the Company for approval.

This Audit and Risk Committee Charter was reviewed by the ARC and approved by the Board at a meeting of the Directors held in August 2024.