

Target Market Determination

Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Clime Capital Limited's design and distribution arrangements for the product.

This document is **not** a product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Document for the Clime Capital Limited Notes before making a decision whether to buy this product.

Target Market Summary

This product is likely to be appropriate for a consumer seeking regular income above the RBA Cash rate, to be used as an income component within a portfolio where the consumer has a 4 year+ investment timeframe, Balanced or above risk/return profile and does not need access to capital for up to 4 years.

Fund and Issuer identifiers

Instructions to issuers for table below: Include all codes that are available and omit those that are not relevant to the issuer/product.

Issuer	Clime Capital Limited
Issuer ABN	99 106 282 777
Name of Product	Unsecured, convertible notes in Clime Capital Limited
Market Identifier Code	CAMG on the ASX
Date TMD approved	27 October 2021
TMD Version	1
<i>TMD Status</i>	<i>Current</i>

Description of Target Market

This part is required under section 994B(5)(b) of the Act.

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market	Potentially in target market	Not considered in target market
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Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a customer meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

Definitions of terms are in the attachment.

Consumer Attributes	TMD Indicator for product	Product description including key attributes
Consumer's investment objective	TMD Indicator for product	Product description including key attributes
Capital Growth	AMBER	The consumer seeks to both invest in a product designed to generate regular investor income, and to invest in a product designed to generate capital return. The consumer prefers income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments). The consumer prefers exposure to growth assets or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	RED	
Capital Guaranteed	RED	
Regular Income	GREEN	

Consumer's intended product use	TMD Indicator for product	Product description including key attributes
Solution/Standalone (75-100%)	RED	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> .
Core Component (25-75%)	AMBER	
Satellite/small allocation (<25%)	GREEN	
Consumer's investment timeframe	TMD Indicator for product	Product description including key attributes
Short (≤ 2 years)	RED	The consumer is looking to maintain their investment for up to the full 4 years until the Conversion Event takes place (as per the Prospectus dated 27 October 2021).
Medium (≤ 6 years)	GREEN	
Long (> 6 years)	GREEN	
Consumer's Risk (ability to bear loss) and Return profile	TMD Indicator for product	Product description including key attributes
Very high	GREEN	The consumer is seeking higher levels of income with the potential of capital upside and can accept higher potential price volatility. The consumer typically prefers income producing growth assets such as shares, property and alternative assets as part of a balanced portfolio. The consumer understands that the value of the security may change through time.
High	GREEN	
Medium	GREEN	
Low	AMBER	
Consumer's need to withdraw money	TMD Indicator for product	Product description including key attributes
Daily	AMBER	The consumer is looking to maintain their investment for up to the full 4 years until the Conversion Event takes place (as per the Prospectus dated 27 October 2021), noting that the listing of the Notes on ASX may provide some liquidity subject to market conditions. The price at which the consumer can realise the investment may vary through time and may be lower than the price paid for the security.
Weekly	AMBER	
Monthly	GREEN	
Quarterly	GREEN	
Annually or longer	GREEN	

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described below, as the attributes of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

Distribution Channel	Permitted	Distribution Conditions
Direct (non-intermediated) retail – i.e. issued direct to consumer	No	Distribution via Priority or Broker Offers only
Suitable for distribution through all distributors	No	Distribution limited to approved distributors
Suitable for distribution through Morgans as Lead Manager	Yes	As per the Prospectus dated 27 October 2021, once Priority Offer closes, Clime Capital Limited Notes are only available via the Lead Manager, or any other authorised party under the Broker Offer (Morgans non-equity affiliates or referral partners).
Suitable for distribution via Priority Offer for existing CAM Shareholders, CAMG Noteholders, or as determined by CAM Board	Yes	As per the Prospectus dated 27 October 2021, parties eligible to participate in the Priority Offer.
Suitable for distribution through distributors not named above	No	Clime Capital Limited Notes are not available for distribution via any other channel.
Suitable for distribution to consumers who have not received personal advice	Yes	Personal Financial Product Advice is, whilst recommended, not required for distribution.

Review triggers
This part is required under section 994B(5)(d) of the Act.
Determination by the issuer of an ASIC reportable Significant Dealing
Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product.
The use of Product Intervention Powers, regulator orders or directions that affects the product.

Mandatory review periods	
This part is required under section 994B(5)(e) and (f) of the Act.	
Review period	Maximum period for review
Initial review	<p>Unless there is a material change in circumstances of the Company from the time the Prospectus is released to the market until the Offer closes, there will be no review of the TMD.</p> <p>The Clime Capital Limited Notes offer is close-ended. Once the Notes have been listed on the ASX, they are traded on the ASX directly and as such, there is no requirement for a TMD to be in place. Therefore, there will be no Initial Review required under s994B(5)(e).</p>
Subsequent review	<p>Unless there is a material change in circumstances of the Company from the time the Prospectus is released to the market until the Offer closes, there will be no review of the TMD.</p> <p>The Clime Capital Limited Notes offer is close-ended. Once the Notes have been listed on the ASX, they are traded on the ASX directly and as such, there is no requirement for a TMD to be in place. Therefore, , there will be no Subsequent Review required under s994B(5)(f).</p>

Distributor reporting requirements This part is required under section 994B(5)(g) and (h) of the Act.		
Reporting requirement	Reporting period	Which distributors this requirement applies to
Report on each acquisition that is outside of target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice. Report to issuer using FSC data standard for acquisitions outside target market.	Within 10 business days following close of the Offer.	All distributors
Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy. Report to issuer using FSC data standard for DDO complaints.	Within 10 business days following close of the Offer.	All distributors
Significant dealing outside of target market, under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.	All distributors

Distributors must report to Clime Capital Limited via email to compliance@clime.com.au, or via 1300 788 568.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth.
Regular Income	The consumer seeks to invest in a product designed to generate regular investor income. The consumer prefers income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below).
Investable Assets	Those assets that the investor has available for investment, excluding the family home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Very low	Single asset class, single country, low holdings of securities - e.g. high conviction Aussie Equities.
Low	Single Asset Class, Single Country, Moderate number of holdings e.g. Aussie Equities Fund.
Medium	1-2 Asset Classes, Single Country, Broad exposure within asset class e.g. Aussie Equities All Ords.
Medium High	Greater diversification across either asset classes or countries e.g. global equities or Australian multi-asset.
High	Highly diversified across either asset classes, countries or investment managers e.g. Australian multi-manager balanced fund or Global Equities extending beyond benchmark.
Very high	Diversified across asset classes AND across countries e.g. global multi-asset product.

Consumer's Risk (ability to bear loss) and Return profile	
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Medium	<p>The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income..</p>
Low	<p>The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>
Consumer's need to withdraw money	
Daily/Weekly/Monthly/Quarterly/Annually or longer	<p>The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.</p>