Prospectus

Clime Capital Limited ACN 106 282 777 (ASX:CAM)

Offer of unsecured, redeemable convertible notes to raise up to $35,000,000

IMPORTANT INFORMATION

CAM Notes offered under this Prospectus may not be suitable for some investors.

Their overall complexity may make them difficult to understand and the risks associated with the CAM Notes could result in the loss of all your investment. If you do not fully understand how they work or the risks associated with them, you should obtain professional advice.

Lead Manager

Morgans Financial Limited

Clime Capital Limited (CAM)

Unsecured Convertible Notes Offer

Issuer	Clime Capital Limited ACN 106 282 777 (**CAM**)
Security Name	CAM Notes, being CAM Unsecured Redeemable Listed Convertible Notes
Security Price or Face Value	$1.00 per Note
Interest Rate	5.25% p.a
Maturity Date	30 November 2025
Conversion Price	$1.00.
Priority Offer	The Priority Offer is open to any eligible person who has a registered address in Australia or New Zealand and who: • is a current Shareholder or Noteholder in CAM; • is any past Shareholder or Noteholder of CAM as determined by the Board in its absolute discretion; and • any other person as determined by the Board in its absolute discretion to be eligible to participate in the Priority Offer.
Broker Firm Offer	The Broker Firm Offer under this Prospectus is open to Australian and New Zealand clients of the Lead Manager and Participating Brokers.
Size	Up to $35,000,000.

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IMPORTANT NOTICE

This Prospectus is an important document and requires your immediate attention. It should be read in its entirety. Your investment decision regarding the Offer should be based upon the information contained in this Prospectus, the information disclosed by the Company to the ASX in compliance with its continuous disclosure obligations, and any advice which you determine is necessary or appropriate to inform your decision regarding the Offer. If you do not understand any part of this Prospectus, you should consult your accountant, tax adviser, stockbroker, solicitor or other professional adviser.

Please refer to the instructions in section 8 of this Prospectus regarding your application under the Offer.

General

This Prospectus is issued by Clime Capital Limited (ABN 99 106 282 777) (**CAM, Company or Issuer**) in connection with the issue of redeemable, unsecured, unsubordinated, convertible notes (**CAM Notes**).

This Prospectus is dated 27 October 2021. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of any investment under this Prospectus. No CAM Notes will be issued on the basis of this Prospectus after the expiry date of this Prospectus, being the date 13 months after the date of this Prospectus.

No person may give any information or make a representation about the Offer, which is not in this Prospectus. Information or representations not in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in the Company. Read this document in its entirety. Examine the assumptions underlying the risk factors that could affect the financial performance of the Company. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the investment objectives, financial situation or needs of particular investors.

CHAIRMAN'S LETTER

27 October 2021

Dear Investor,

On behalf of Clime Capital Limited (**Company or CAM**), I am pleased to invite you to participate in an offer of unsecured, redeemable, convertible notes with a term expiring 30 November 2025 (a term of approximately 4 years) and a fixed interest rate of 5.25% per annum payable quarterly in arrears (**CAM Notes**) (**Offer**).

Each CAM Note will have a Face Value of $1.00 and can be convertible into one fully paid ordinary share in the capital of the Company. The Company is a listed investment company and its ordinary shares are listed on the ASX ASX:CAM).

The Offer is managed by Morgans Financial Limited.

The Company intends to raise up to $35,000,000 by undertaking the Offer. The total number of CAM Notes issued under this Prospectus will depend on the number of existing Notes which remain on issue after 30 November 2021. The Company intends to issue only those number of new CAM Notes so that the total CAM Notes on issue is capped at 35 million.

The Offer is made up of the Priority Offer and the Broker Firm Offer.

The Priority Offer is open to any eligible person who has a registered address in Australia or New Zealand and who:

- is a current Shareholder or Noteholder in CAM;
- is any past Shareholder or Noteholder of CAM as determined by the Board in its absolute discretion; and
- any other person as determined by the Board in its absolute discretion to be eligible to participate in the Priority Offer (see Section 8.3).

The Board intends to give priority under the Priority Offer to persons who were Noteholders and Shareholders as at 5pm on 13 October 2021.

The Company intends to use the proceeds of the Offer to fund redemptions (and payment of accrued interest) of existing Notes and to fund further investments in securities on the ASX, recognised international exchanges and selected unlisted investments in accordance with the Company's existing strategy.

It is the intention of the Company that the Notes will be quoted on ASX, and application will be made to list the CAM Notes on ASX under the same ASX Code as the Company's existing Notes (ASX: CAMG).

The Offer is scheduled to close on 26 November 2021.

Full details of the Offer, including the terms of issue of the CAM Notes, the effect of the Offer on the Company, and the risks associated with an investment in the CAM Notes, are set out in this Prospectus. I encourage you to read the entire Prospectus carefully and consider all the risks before deciding whether to participate in the Offer.

If you are uncertain whether the CAM Notes are a suitable investment for you, please consult your professional adviser for appropriate advice.

If you have any questions about the Offer, please call the Company on 1300 788 568 between 8.30am and 5.30pm (Sydney Time), Monday to Friday or contact the Company via email on info@clime.com.au.

Shareholders should seek the guidance of professional advisors regarding the impact of the Offer on their shareholding in the Company.

Yours sincerely

John Abernethy
Chairman
Clime Capital Limited

OTHER IMPORTANT NOTICES

Transaction specific prospectus

This Prospectus is a transaction specific prospectus for an offer of CAM Notes and has been prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Offers of Convertibles) Instrument 2016/83.

As such it does not contain the same level of disclosure as an initial public offering prospectus, or a prospectus prepared in accordance with section 710 of the Corporations Act.

This Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. In providing information in this Prospectus, regard has been had to the fact that CAM is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Intermediary authorisation

The Company does not hold an Australian Financial Services Licence (**AFSL**) under the Corporations Act necessary to carry out the Offer under this Prospectus. Accordingly, the Offer will be made under an arrangement between the Company and Morgans Financial Limited as holder of an AFSL under section 911A(2)(b) of the Corporations Act, to act as Authorised Intermediary. The Company has authorised the Authorised Intermediary to invite people to apply for and to arrange for the issue of the CAM Notes under the Offer and the Company will only issue the CAM Notes in accordance with those offers and no others.

Morgans Financial Limited, the Lead Manager will manage the Offer on behalf of the Company.

The Lead Manager and the Authorised Intermediary's functions must not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer for any investor. The Lead Manager does not guarantee the success or performance of the Company or the returns (if any) to be received by an investor. Neither the Lead Manager nor any other AFSL licensee is responsible for, or has caused the issue of, this Prospectus.

Electronic prospectus

This Prospectus is available electronically at https://clime.com.au/invest-with-us/clime-capital-limited/.

The Corporations Act prohibits any person passing onto another person an Application Form for the Offer unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered electronic version of this Prospectus. A paper copy of this Prospectus will be made available free of charge by contacting the Company.

No representation other than in this prospectus

You should rely only on information in this Prospectus. No person is authorised to provide any information or to make any representations in connection with the Offer which are not contained in this Prospectus. Any information or representations not contained or incorporated by reference in this Prospectus may not be relied upon as having been authorised by CAM in connection with the Offer.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Notes issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (https://clime.com.au/invest-with-us/clime-capital-limited/). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Restrictions in foreign jurisdictions

This Prospectus does not constitute an offer or invitation to apply for CAM Notes in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the CAM Notes or the Offer, or to otherwise permit a public offering of the CAM Notes, in any jurisdiction outside Australia or New Zealand. The distribution of this Prospectus outside Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on

and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States of America (**USA**). The CAM Notes have not been, and will not be registered under the United States Securities Act of 1933 (**U.S Securities Act**) and may not be offered or sold in the USA or to US Persons (as defined in Rule 902(k) of Regulation S under the U.S Securities Act) except in transactions exempt from, or not subject to, registration under the U.S Securities Act and applicable USA state securities laws.

Important Information for New Zealand investors

In New Zealand, this Prospectus is being distributed only to persons who are wholesale investors within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 (**Financial Markets Conduct Act**).

Past performance

Past performance and pro forma financial information included in this Prospectus is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of CAM cannot be relied upon as an indicator of (and provides no guidance as to) CAM's future performance including future share price performance.

The historical information included in this Prospectus is, or is based on, information that has previously been released to the market.

Investors should also be aware that certain financial data included in this Prospectus may be 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Prospectus.

No withdrawal of application

You cannot withdraw your Application once it has been lodged, except as permitted under the Corporations Act.

Privacy

The Company and Registrar collect, hold and use personal information received from you to communicate and provide services to you as a Noteholder. The Company may disclose information to its agents, service providers (such as the Registrar) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that the Company holds about you as an investor (by contacting the Registrar), how you can complain about privacy related matters and how the Company responds to complaints.

Defined terms

Capitalised terms used in this Prospectus are defined in the Glossary.

Currency

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Photographs and diagrams

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

Future performance

Certain statements in this Prospectus are about the future and are forward looking in nature. Generally, you can identify forward-looking statements by terms such as 'may', 'will', 'should',

'could', 'would', 'aim', 'assumes', 'intends', 'objectives', 'positioned', 'targets', 'expects', 'plans', 'anticipates', 'believes', 'estimates', 'projects', 'predicts', 'potential' and other similar expressions that are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on current expectations, estimates, forecasts and projections about CAM's business and the industry in which CAM operates and management's beliefs and assumptions.

These forward-looking statements are not a guarantee of future performance. You should be aware that there are a number of risks (both known and unknown), uncertainties, assumptions and other important factors, some of which are beyond the control of the Company that could cause the actual conduct, results, performance or achievements of the Company to be materially different from those expressed or implied by such statements or that could cause future conduct or results to be materially different from the historical conduct or results. This Prospectus details some important risk factors that could cause CAM's actual results to differ from the forward-looking statements made in this Prospectus. Further details regarding these risks, and other risks which may affect CAM or an investment in CAM, are contained in Section 4 of this Prospectus.

Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

Except as required by law and then only to the extent required, neither CAM nor its related bodies corporate, Investment Manager and their respective Directors, officers, partners, employees, agents, representatives or advisors, or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Prospectus will occur. Investors are cautioned about relying on forward-looking statements included in this Prospectus.

The forward-looking statements in this Prospectus reflect views held as at the date of this Prospectus, unless otherwise specified. Subject to the Corporations Act, the Listing Rules and any other applicable laws or regulations, CAM does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports filed from time to time with the ASX after the date of this Prospectus.

Responsibility statement by the Trustee

The Trustee, Equity Trustees Limited:

(a) has not authorised or caused the issue, submission, dispatch or provision of this Prospectus and does not make any statement or purport to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based;

(b) does not, nor do any of its Directors, employees, officers, affiliates, agents, advisors, intermediaries or related body corporate (each a 'related person') assume any responsibility for the accuracy or completeness of any information contained in this Prospectus;

(c) to the maximum extent permitted by law expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of this Prospectus, or any statements in, or omissions from this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with its written consent;

(d) has given, and has not, before the lodgement of this Prospectus with ASIC withdrawn, its written consent to be named in this Prospectus in the form and content in which it is named;

(e) does not, nor does any related person, make any representation as to the truth and accuracy of the contents of this Prospectus;

(f) has relied on CAM for the accuracy of the contents of this Prospectus; and

(g) does not, nor does any related person, make any representation or warranty as to the performance of the CAM Notes or the payment of interest or redemption of CAM Notes.

GUIDANCE FOR RETAIL INVESTORS

The Notes are 'unsecured notes' for the purposes of section 283BH of the Corporations Act.

If you are considering applying for any CAM Notes under the Offer, this Prospectus is important and should be read in its entirety before making an Application. In particular you should have regard to:

- 'Key features of the Offer' and the 'Key terms of the CAM Notes' in Section 1 and information about 'CAM' in Section 2;
- 'Risk factors' in Section 4; and
- 'CAM Note Terms' in Section 9.

You should carefully consider the risks and other information regarding an investment in CAM Notes and CAM in light of your investment objectives, financial situation and particular needs (including financial and taxation issues).

Speak to your professional adviser

CAM Notes are a complex investment and may be difficult to understand, even for experienced investors, and involve different risks from a simple debt or ordinary equity security. You should ensure that you understand the CAM Note Terms and risks of investing in CAM Notes and consider whether CAM Notes are an appropriate investment for your particular circumstances.

CAM recommends that you seek guidance from your licensed financial adviser or other professional adviser before deciding whether to invest. ASIC has published guidance on how to choose a licensed financial adviser on its MoneySmart website. You can read this guidance by searching for the term 'choosing a Financial Adviser' at www.moneysmart.gov.au.

Consider the ASIC guidance for retail investors

ASIC has published guidance on its MoneySmart website which may be relevant to your consideration of whether to invest in CAM Notes – namely, information for retail investors who are considering investing in hybrid securities. You can find this guidance by searching 'hybrid securities' at www.moneysmart.gov.au. ASIC's guidance includes a series of questions you should ask before you invest in hybrid securities, and a short quiz you can complete to check your understanding of how hybrids work, their features and the risks of investing in them.

Obtain further information about CAM

CAM is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. CAM must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about it that a reasonable person would expect to have a material effect on the price or value of its securities. While the CAM Notes are on issue, CAM will also produce quarterly reports about the CAM Notes that are provided to ASIC and the Trustee in accordance with the requirements of section 283BF of the Corporations Act (283BF Report).

Copies of documents lodged with ASIC, which are publicly available, can be obtained from ASIC's website at www.asic.gov.au (a fee may apply) and CAM's ASX announcements may be viewed at www.asx.com.au.

Enquiries

If you have any questions in relation to the Offer or an Application, please visit https://boardroomlimited.com.au/, email the Registrar at enquiries@boardroom.com.au or call the CAM Notes Offer Information Line on 1300 737 760 (within Australia) or on +61 2 9290 9600 (International) Monday to Friday 8:30am to 5:30pm, Sydney time.

KEY DATES

Summary of key dates

Event	Date
Lodgement of Prospectus with ASIC	27 October 2021
Annual General Meeting of Shareholders and the Noteholder Meeting	Both on 18 November 2021
Offer Opening Date	18 November 2021
Priority Offer Close	5.00 pm 24 November 2021
Broker Firm Offer Close	5.00 pm 26 November 2021
Settlement Date	29 November 2021
Allotment Date of CAM Notes under this Prospectus	30 November 2021
Despatch of holding statements	1 December 2021 to 8 December 2021
Commencement of trading on ASX (on normal settlement basis)	8 December 2021
First Interest Payment Date	14 March 2022 (in respect of the quarter ending 28 February 2022)
Maturity Date (as extended)	30 November 2025

Other than the date of the Annual General Meeting, Noteholder Meeting and Maturity Date, these dates are indicative only. The Company reserves the right to change the dates without notice. The Company and the Lead Manager may (without notice to any investor or other person) accept late Applications, extend the Offer Close date, close the Offer early or withdraw the Offer at any time before the CAM Notes are issued. If the Offer is withdrawn before the issue of the CAM Notes, all Application Monies received by the Company will be refunded (without interest) to Applicants as soon as practicable after the withdrawal.

1 INVESTMENT OVERVIEW

1.1 About the Company

Question	Answer	More information
Who is the Issuer?	Clime Capital Limited (ABN 99 106 282 777) (**Company** or CAM). CAM is an investment company, primarily investing in listed Australian securities. The Company provides investors with access to a diversified Australian investment portfolio. CAM's Ordinary Shares are listed on the ASX (ASX: CAM).	Section 2.1
Who is the Investment Manager?	Clime Asset Management Pty Limited (ACN 098 420 770) is the investment manager of CAM (**Investment Manager**).	Section 2.3
What is the Company's net tangible asset position?	The unaudited net tangible assets (NTA) of CAM at 30 September was $0.965 per Ordinary Share. The NTA after tax of CAM at 30 September 2021 was $0.950 per Ordinary Share.	
What is the Company's dividend policy?	CAM aims to deliver shareholders a sustainable growing stream of fully franked dividends, provided CAM has sufficient profit reserves and franking credits and it is within prudent business practices to do so. The Company operates a dividend reinvestment plan, which will continue to apply to any future dividends declared on Shares. CAM Notes do not entitle a holder of CAM Notes to a dividend unless the CAM Notes are Converted into fully paid ordinary shares in accordance with the CAM Note Terms prior to the relevant record date for any dividend that may be declared.	
Who are the Directors?	The Directors of CAM are: (a) Mr John Abernethy, Non-Independent Chairman; (b) Mr Ronni Chalmers, Non-Independent Director; (c) Mr Julian J Gosse, Independent Director; and (d) Mr Marc Ariel Schwartz, Independent Director.	Section 2.4

1.2 Key features of the Offer

<table>
<tr><th>Question</th><th>Answer</th><th>More information</th></tr>
<tr><td>What are the CAM Notes?</td><td>The CAM Notes are unsecured, redeemable, convertible notes.</td><td>Section 9</td></tr>
<tr><td>What is the Offer size?</td><td>Up to a maximum of $35 million.</td><td>Section 3</td></tr>
<tr><td>What is the purpose of the Offer?</td><td>Proceeds of the Offer will be used to fund redemptions (and payment of accrued interest) of existing Notes and to fund further investments in securities in accordance with the Company's existing investment strategy and costs associated with the Offer.</td><td>Section 2</td></tr>
<tr><td>Is the Offer conditional upon Shareholder Approval?</td><td>No, the Offer is not conditional on CAM obtaining Shareholder Approval. However, Shareholder Approval under Listing Rule 7.1 is being sought at the Annual General Meeting of Shareholders to provide the Company with flexibility to issue the maximum number of CAM Notes under the Offer. If Shareholder Approval is obtained, then Shareholder approval of the issue of any Shares on conversion of the CAM Notes will not be required to be obtained in the future.

If Shareholder Approval under Listing Rule 7.1 is not obtained, CAM may still proceed with the Offer, although the number of CAM Notes issued under the Offer may need to be scaled-back to ensure the Company complies with the ASX Listing Rules.

If Applications are scaled-back, the scaled-back Application Monies will be returned to Applicants without interest.</td><td>Section 7.1</td></tr>
<tr><td>What is the effect of the Offer on CAM's financial position?</td><td>The unaudited pro forma statement of financial position shows the adjustments that would be made to CAM's statement of financial position as at 30 June 2021, assuming an issue of $35 million of CAM Notes, before raising costs and is set out below.
<table>
<tr><th></th><th>30 June 2021 Historical</th><th>Conversion of existing Notes</th><th>Offer</th><th>30 June 2021 Pro forma Historical</th></tr>
<tr><th></th><th>$'000</th><th>$'000</th><th>$'000</th><th>$'000</th></tr>
<tr><td>Assets</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Cash and cash equivalents</td><td>6,616</td><td>-</td><td>35,000</td><td>41,616</td></tr>
<tr><td>Trade and other receivables</td><td>1,014</td><td>-</td><td>-</td><td>1,014</td></tr>
<tr><td>Financial Assets at Fair Value</td><td>155,731</td><td>-</td><td>-</td><td>155,731</td></tr>
</table></td><td>Section 3</td></tr>
</table>

	Current tax benefit & Prepayments	930	-	-	930
	TOTAL ASSETS	**164,291**	**-**	**35,000**	**199,291**
	Liabilities				
	Trade and other payables	3,241	-	-	3,241
	Dividend payable	1,678	-	-	1,678
	Deferred tax liabilities	3,464	-	-	3,464
	Convertible notes	27,211	(27,211)	35,000	35,000
	TOTAL LIABILITIES	**35,594**	**(27,211)**	**35,000**	**43,383**
	NET ASSETS / TOTAL EQUITY	**128,697**	**27,211**	**-**	**155,908**

What is the effect of the Offer on CAM's capital structure?

Section 2.6

	Pre-Offer **As at 30 September 2021**	**Post-Offer**
Ordinary Shares	139,874,179	163,020,606 (Note 2)
CAM Notes	22,581,880 (Note 1)	35,000,000 (Note 1)

1 **Note 1**: Assumes conversion prior to 1 December 2021 of all existing Notes into Shares based on a conversion ratio of 1.025 ordinary shares for each of the existing Notes (with face value $0.96). It also does not take into account any existing Notes that may be redeemed on 30 November 2021 or 'rolled-over' (i.e. not redeemed or converted) and maintained as an investment of Notes in the Company after 30 November 2021 where the Noteholder Resolutions are passed at the Noteholder Meeting.

2 **Note 1**: Also assumes an issue size of $35 million CAM Notes under the Offer made pursuant to this Prospectus (and that the Shareholder Approval is obtained at the

		annual general meeting of Shareholders). The number of CAM Notes on issue after completion of the Offer may be less if the maximum number of CAM Notes are not issued under the Offer.	
	3	**Note 2**: If a lesser number of the existing Notes are converted into Shares prior to 1 December 2021, then depending on whether those existing Notes are either redeemed on 30 November 2021 or remain outstanding after 1 December 2021, the number of Ordinary Shares will change. The number of Ordinary Shares does not include 330,555 Shares which will be allotted on 28 October 2021 under the Dividend Reinvestment Plan in respect of the dividend for the quarter ended 30 September 2021.	

1.3 Key terms of the CAM Notes

Key Features of the CAM Notes	
As this Section contains a summary only of the Note Terms, it is important that you read the information in the Prospectus (including the Note Terms set out in Section 9) in full before you decide whether to apply for Notes. If you are unclear in relation to any aspect of the Offer or the Note Terms, or if you are uncertain whether the Notes are a suitable investment for you, you should consult your professional adviser.	
Issue Price/Face Value	$1.00 per CAM Note.
Maturity Date	Unless earlier converted or redeemed, the Company will redeem all outstanding Notes at Face Value on the Maturity Date.
Interest Rate	5.25% per annum, payable quarterly in arrears (on the 10th Business Day following the quarterly periods ending 28 February, 31 May, 31 August, and 30 November) until and including the Maturity Date (or if earlier the Conversion Date or Redemption Date).
Conversion Rights	The Noteholder has the right to convert some or all of their CAM Notes to Shares at any time before the Maturity Date on the basis set out below.
Conversion Basis	The Noteholder has the right to convert some or all of its CAM Notes into Shares on a one for one (1:1) basis. Where the Company receives a Conversion Notice at any time before 5pm on the 25th of any month, it is the current intention of the Board that Notes will be Converted on the last day of that month.
Consequences of an Event of Default	If an Event of Default occurs (as set out in the Note Terms) and is continuing in relation to the Notes, the Trustee may declare by notice to the Company (with a copy to Noteholders and the Registrar) that all the Notes are to be Redeemed at their Face Value (together with any accrued interest) immediately (but not earlier than 10 Business Days after the date the Trustee gives notice) or on such other date specified in the notice, or the Trustee may take enforcement action against the Company in accordance with the Trust Deed and Note Terms.

	The Trustee is not bound to take enforcement action to declare all Notes be Redeemed, unless the Trustee has been so directed by a Special Resolution of the Noteholders and is indemnified to its satisfaction in connection with the enforcement action.
Events of Default	Each of the following is an Event of Default in relation to any of the Notes: (a) (**non-issue of Shares**) the Company fails to issue Shares on Conversion in accordance with the Note Terms within 10 Business Days after the date on which such issue is to be made; (b) (**non-payment**) the Company fails to pay any amount payable by it under the Note Terms and such default is not remedied within 3 Business Days; (c) (**breach of Negative Covenants**) the Company fails to comply with clause 7 (Negative Covenants) and such failure remains unremedied for a period of 10 Business Days; (d) (**breach of other obligations**) the Company fails to comply with any of its other obligations under the Note Terms or the Transaction Documents and such failure remains unremedied for a period of 10 Business Days after the earlier of (A) the Company receiving written notice from the Trustee in respect of the failure to comply and (B) the Company becoming aware of the failure to comply; (e) (**insolvency**) an Insolvency Event occurs in respect of the Company; (f) (**delisting**) a Delisting Event occurs in respect of the Company; (g) (**cessation of business**) the Company ceases or suspends (or threatens to cease or suspend) the conduct of all of its business or a substantial part of its business; (h) (**unlawfulness**) at any time, it is unlawful for the Company to perform any of its payment obligations under the Notes; (i) (**Government Agency**) all or substantially all of the assets of the Company are resumed, or compulsory acquired by any Government Agency; or (j) (**vitiation**) all or any rights or obligations of the Company, Noteholders or the Trustee under the Trust Deed or the Note Terms are terminated or are or become void, illegal, invalid, unenforceable or of limited force and effect.
Security	The CAM Notes are not secured by any assets of the Company.
Ranking	Each Note ranks for payment in a Winding Up of the Company:

	• behind secured creditors of the Company; • equally amongst themselves and at least equally with all other unsecured and unsubordinated debt obligations of the Company, other than those obligations mandatorily preferred by law; and • ahead of ordinary equity of the Company and any of the Company's obligations that are subordinated to the Notes. On conversion, the resulting Shares will rank equally with all other issued ordinary shares in the capital of the Company.
Trustee	Equity Trustees Limited will continue to act as the trustee in relation to the CAM Notes pursuant to the terms of the Trust Deed.
Negative Covenants	For so long as any of the Notes remain outstanding, the Company must not, without the approval of Noteholders by Ordinary Resolution, incur any indebtedness that would cause the Company's total indebtedness to exceed 40% of the Company's total assets.
Delisting Event	This occurs if: (a) the Shares cease to be quoted on ASX; (b) the Notes cease to be quoted on ASX; or (c) trading of the Shares or Notes on the ASX is suspended for a period of more than 20 consecutive Business Days.
Voting	Noteholders do not have a right to vote at meetings of Ordinary Shareholders. Noteholders may vote at meetings of Noteholders in accordance with the Trust Deed.
Key Terms	Issued by the Company. Term expiring 30 November 2025 (a term of approximately 4 years). Fixed interest rate of 5.25% per annum, payable quarterly in arrears. Interest paid quarterly in arrears (on the 10th Business Day following the quarterly periods ending 28 February, 31 May, 31 August and 30 November). Interest paid as 100% cash. Interest is not deferrable by the Company and interest payments are not discretionary. Must be redeemed by the Company at maturity (unless earlier converted). Each CAM Note is convertible at any time by the Noteholder into 1 Share. The CAM Notes may be traded on ASX prior to the Maturity Date.

1.4 Key risks associated with CAM Notes

Key Risks of the CAM Notes	
There are a number of risks associated with an investment in the CAM Notes. To understand these risks, you should read Section 4 of the Prospectus before deciding whether to invest.	
Key risks associated with Company's business	The risks associated with the Company's business include the following: • **Investment risk**: there is a risk that the value of the Company's investment portfolio, and therefore the value of its assets, will fall in value over the short or long term or may experience sustained periods of poor investment performance. The Company's securities may trade on ASX at a discount to the net asset value of the investment portfolio on a per security basis and the performance of the Company's securities may not be correlated with the performance of the Company's investment portfolio. • **Securities risk**: As with any investment in listed securities, the market price of the Company's Shares or any other securities may be adversely affected by changing circumstances or events. • **Reliance on key personnel**: The loss or departure of one or more key personnel (including the Directors or key executives of the Company or the Investment Manager) and/or the inability to hire effective replacements may have a material adverse effect on the Company's performance or ability to grow. • **Investment Manager and management company risk**: The Company's success and profitability depends heavily on the ability of its Investment Manager to construct an investment portfolio that increases over time and delivers income. There is a risk that the Investment Manager may not effectively manage the investment portfolio or may advise the investment portfolio in a manner that does not consistently meet the investments objectives of the Company over time. The past performance of the portfolios managed by the Investment Manager (and persons associated with the Investment Manager) is not necessarily a guide to future performance of the Company Under the Investment Management Agreement the Investment Manager is appointed as manager until the expiry of the current term (currently on 4 February 2029), unless the agreement is terminated earlier. • **Compliance with and changes to financial services legislation and regulation**: The Investment Manager operates under an AFSL and is subject to the regulatory regime associated with carrying on a business pursuant to that AFSL. There may be adverse material effects on the Investment Manager if it does not or cannot comply with the necessary laws and regulations, including exposure to fines, penalties, or loss of AFSL authorisation. These may in turn have a material adverse effect on the Company's financial performance and future prospects. • **Future capital raisings:** There is no assurance that the Company will not need to raise additional capital to fully exploit future business opportunities available to it. There can be no

	assurance that the Company will be able to raise such capital on favourable terms (if at all) or, if it is able to raise capital, that it will be able to invest that capital efficiently. If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity which could adversely affects its business, financial condition, and results of operation.
Key risks associated with CAM Notes	The key risks associated with the CAM Notes include the following: • **Market price:** The market price of CAM Notes may fluctuate due to various factors that affect financial market conditions or factors relating to the Company. There may be volatility in the market price of CAM Notes and this may result in a market price below the Issue Price of $1.00 per CAM Note. If you wish to sell your CAM Notes, you may have to do so at a price which is below your expectation, or you may not be able to sell them at all if insufficient liquidity exists in the market for CAM Notes; • **Exit rights:** As a Noteholder, the CAM Note Terms provide you with specific exit rights (including Conversion into Shares at the election of the Noteholder) prior to the Maturity Date. In addition, CAM Notes can be realised before maturity by a sale on market. As already noted, there is a risk that the sale price on market or by private sale may be less than the Issue Price of $1.00; • **Redemption risk:** If early Redemption of the Notes occurs (due to an Event of Default by the Company), you may not receive the expected returns on your investment (compared to holding the CAM Notes to maturity); • **Interest payment risk:** The Company may be unable to pay Interest or repay all or any of the money owed on the CAM Notes on time or at all (however, under the CAM Note Terms, default in payment is an Event of Default); • **Enforcement risk:** The Trustee has no obligation to monitor the Company's financial position, including the capacity of the Company to fulfil its obligations in relation to the CAM Notes; and • **Liquidity risk**: there can be no guarantee that an active and liquid market for the Company's Shares and Notes will develop or be maintained.
General risks	The above risks are not an exhaustive list of the potential risks faced by Noteholders. There are a number of general commercial risk factors and general market risks that could adversely affect the Company's financial performance, position or prospects. You should carefully consider all the risk factors set out in Sections 4.1 to 4.4 before deciding to invest in CAM Notes.

1.5 Further information about the offer

Question	Answer	More information
Offer structure	The offer consists of: (a) a Priority Offer; and (b) a Broker Firm Offer. If there is excess demand, Applications may be scaled back by CAM. There is no general public offer of the CAM Notes.	Section 8
Application process	If you are applying under the Priority Offer, you must apply online at https://clime.com.au/invest-with-us/clime-capital-limited/cam-notes/. Instructions on how to complete the Application Form are set out online. Further information can be obtained by contacting the CAM Notes Offer Information Line on 1300 737 760 (within Australia) or on +61 2 9290 9625 (International) (Monday to Friday 8:30am to 5:30pm, Sydney time). If you are applying under the Broker Firm Offer, you should contact the Participating Broker who has offered you a Broker Firm Allocation for information about how and when to lodge your Application. For further information on how to apply for CAM Notes, see Section 8.	Section 8
Brokerage, commission or stamp duty payable	Applicants under the Broker Firm Offer may pay brokerage or other fees to their Broker in relation to their Application. Any such fees will be on terms agreed between the applicant and their Broker. No brokerage, commission or stamp duty is payable by you on your application under the Priority Offer. You may be required to pay brokerage if you sell CAM Notes on ASX after CAM Notes have been quoted on ASX.	Section 8
Minimum Application	Applications must be for a minimum of 2,000 Notes (being $2,000). If your Application is for more than 2,000 CAM Notes, you must apply in multiples of 100 CAM Notes (being $100) thereafter.	Section 8
Participation in the Priority Offer	The Priority Offer is open to any eligible person who has a registered address in Australia or New Zealand who: • is a current Shareholder in CAM or a current Noteholder of CAM; or • is any past Shareholder or Noteholder of CAM as determined by the Board in its absolute discretion; or • any other person as determined by the Board in its absolute discretion to be eligible to participate in the Priority Offer.	Section 8
Participation in the Broker Firm Offer	The Broker Firm Offer is open to clients of the Lead Manager and Participating Brokers who are participating Wholesale and Sophisticated Clients and Australian Retail Clients.	Section 8

Allocation policy	CAM will seek to provide Applicants under the Priority Offer with an allocation of at least 2,000 CAM Notes (where such Applicants have applied for 2,000 or more CAM Notes) on a reasonable endeavours basis. CAM does not guarantee any minimum allocation and the extent of any allocation will ultimately depend on the number of Applicants under the Priority Offer and the total level of Applications under the Offer. Allocations to brokers and institutional investors under the Broker Firm Offer will be determined by CAM, in agreement with the Lead Manager.	Section 8
Fees and expenses of the Offer	In consideration for management services provided to the Company in relation to the Offer, the Company will pay Morgans Financial Limited as Lead Manager a flat lead manager fee of $300,000 (exclusive of GST). In addition, the Lead Manager will be paid an Application Fee of 1.25% (inclusive of GST) of the total proceeds of the Broker Firm Offer raised by the Lead Manager and Participating Brokers. Retail Clients who participate in the Broker Firm Offer will be rebated the Application Fee paid in respect of their allocation by their Broker. To find out more about this rebate, including whether you are eligible contact your Broker. No application fees will be paid (or rebated) in respect of proceeds raised via the Priority Offer. The costs of the Offer, net of tax and GST, include legal, accounting, marketing and other costs associated with the preparation of the Prospectus and the issue of CAM Notes. These costs are estimated to be $800,000 if the full amount is raised through the Offer.	Section 6
Underwriting	The Offer is not underwritten.	Section 8
Tax implications of investing in CAM Notes	A general description of the Australian taxation consequences of investing in CAM Notes is set out in Section 5. That discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.	Section 5
Issue Date	CAM expects that CAM Notes will be issued on 1 December 2021.	Key dates
Commencement of trading on ASX	CAM expects that CAM Notes will begin trading on ASX on 8 December 2021.	Key dates
Holding Statements	CAM expects that Holding Statements will be despatched by 8 December 2021.	Key dates
Withdrawal of Offer	CAM reserves the right not to proceed with the Offer or any part of it at any time before the issue of CAM Notes to Successful Applicants. If CAM withdraws the Offer, CAM Notes will not be issued and all relevant application monies will be refunded (without interest).	

Further information about CAM and the CAM Notes	CAM is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. In addition, CAM must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about CAM that is not generally available, and that a reasonable person would expect to have a material effect on the price or value of its securities, including the CAM Notes.	Further information about CAM and the CAM Notes

2 CLIME CAPITAL LIMITED – THE BUSINESS

2.1 Company overview

CAM is a Listed Investment Company (**LIC**) quoted on the ASX.

Investing in CAM provides investors with access to a portfolio primarily investing in listed Australian securities. The Company provides investors in Shares with access to a diversified Australian investment portfolio. As a LIC, the Company's purpose is to deliver value to its shareholders based upon the Company's corporate values of integrity, transparency, conviction and progress.

The portfolio is managed by Clime Asset Management Pty Limited ACN 098 420 770 (**Investment Manager**) which has a strong funds management investment team renowned for its stability, track record and sound investment process. The Company invests in quality companies that have integrity, but only when the Company can buy the stocks at a discount to appraised value.

The portfolio of investments comprises investments in well managed companies whose operations cover a wide spectrum of business activities and is constructed from the perspective of a business owner and not simply by tracking the index weighting of various index component stocks.

2.2 Investment objectives and process

(a) Achieve medium to long-term capital growth and income through investing in a diversified portfolio of Australian companies;

(b) Preserve and enhance the NTA backing per Share; and

(c) Provide Shareholders with a fully franked quarterly dividend.

2.3 Description of Investment Manager

Clime Asset Management Pty Limited, the Investment Manager, is the investment manager appointed by the Company to manage the investment portfolio of the Company. The Investment Manager is a wholly owned subsidiary of Clime Investment Management Limited, a company listed on the Australian Securities Exchange (ASX: CIW). The Investment Manager is an Australian asset manager specialising in investing with a quality focus and a strong valuation discipline. Its corporate values of integrity, transparency, conviction and progress are reflected in its investment solutions, which are developed to help investors grow their wealth and achieve security in retirement. The Investment Manager currently manages in excess of $1 billion on behalf of investors in its Australian Equities, Fixed Income and International investment products and services.

The Investment Manager of the Company will not change as a result of the Offer of CAM Notes under this Prospectus.

2.4 Investment philosophy

The Company's Investment Manager has a quality focus with strong valuation discipline.

The Investment Manager believes that attractive long-term investment returns can be achieved through the implementation of a disciplined investment process, using bottom-up fundamental analysis and with a focus on high quality companies.

The Investment Manager seeks to identify high quality securities issued by businesses which contain most if not all of the following characteristics:

(a) a competitive advantage or leadership within a specific niche and a sound track record;

(b) strong financial strength, high levels of profitability and margin, historic and forecast;

(c) low financial leverage;

(d) capital efficient growth and cash generation;

(e) highly capable management team aligned with creating shareholder value;

(f) companies that can deliver genuine sustainable long-term growth; and

(g) investments that can be purchased at appropriate prices.

Mr. John Abernethy

Non-Independent Chairman

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

Mr. Abernethy is a non-executive director of WAM Research Limited, Jasco Holdings Limited, Clime Private Limited and CBG Asset Management Limited.

Mr. Abernethy is also the chairman of Clime Investment Management Limited, the parent entity of the Investment Manager.

Mr. Julian J Gosse

Independent Director

Mr. Julian Gosse was appointed Independent Director in September 2003. Mr. Gosse has extensive experience in banking and broking both in Australia and overseas, having worked in London for Rowe and Pitman, in the United States for Janney Montgomery and Scott and in Canada for Wood Gundy. Mr. Gosse has also been involved in the establishment, operation and ownership of several small businesses.

Mr. Gosse is a non-executive director of WAM Research Limited.

Mr. Ronni Chalmers

Non-Independent Director

Mr. Ronni Chalmers has over 40 years of Australian equities investment management experience. He began his career as a graduate at Bankers Trust Australia, rising to Associate Director during its rapid growth in the 1980s. After a decade at Bankers Trust he left and subsequently held senior Portfolio Manager / Investment Manager roles with several funds management and insurance companies before founding CBG Asset Management Limited in

2001. Mr. Chalmers has a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australasia (FINSIA).

Mr. Chalmers is also director of Clime Investment Management Limited, the parent entity of the Investment Manager and the Chairman of CBG Asset Management Limited.

Mr. Marc Ariel Schwartz

Independent Director

Mr. Marc Schwartz has had a very successful business career from being Manager of Structured Finance Products at Macquarie Bank in 2007, to being Managing Director of Pascoes Pty Ltd from 2008 to 2018, which employed 150 people across two manufacturing sites and manufactured or distributed over 400 items to retailers. Mr. Schwartz is currently a director of Gelflex Laboratories, the largest manufacturer of contact lenses in the Southern Hemisphere. He is also Director of Blackfox Property – a property syndication company and current chair of YPO Sydney Pacific. Mr. Schwartz's specialisation has been in operational and financial efficiency, investment and strategy. Mr. Schwartz holds a Bachelor of Computer Science and Mathematics (majoring in Finance) from the University of Western Australia and is a fellow of the Australian Institute of Company Directors.

2.5 Effect of the Offer on the Company's capital structure

The effect of the Offer on the Company's capital structure will depend on the number of existing Notes that are either redeemed or converted by existing Noteholders before 1 December 2021 (or 'rolled-over') and the number of CAM Notes that are issued under the Offer. It is not possible for the Company to provide further guidance as to what existing Noteholders may elect to do with respect to their existing Notes.

However, for illustrative purposes, the following tables show the effect of the Offer in two different scenarios:

(a) where 50% of the existing Notes are redeemed before 1 December 2021 (Table A); and

(b) where 25% of the existing Notes are redeemed and 25% of the existing Notes are converted into Shares before 1 December 2021 (Table B).

Table A – 50% of existing Notes are redeemed by existing Noteholders on 30 November 2021

This table illustrates the effect on the Company's capital where it is assumed that:

(i) 11,290,940 existing Notes at face value $0.96 (with accrued interest at 6.25% p.a) are elected to redeemed by existing Noteholders on a redemption date of 30 November 2021; and

(ii) none of the other existing Notes are converted into Shares, such that all of the remaining existing Notes are 'rolled-over' and maintained as Notes (on a consolidated 25 Notes for 24 Notes basis) in the capital of the Company after 1 December 2021 and on the same terms as the CAM Notes offered under this Prospectus (assuming the Noteholder Resolutions are passed at the Noteholder Meeting).

	Shares	Notes
Existing securities	139,874,179[1]	22,581,880
Existing Notes that are 'rolled-over' on a post-consolidated basis from 1 December 2021		10,839,302 (on a post-consolidation basis)
Number of CAM Notes issued under the Offer		24,160,698
Total securities on issue following completion of the Offer	139,874,179[2]	35,000,000

Table B – 25% of existing Notes are redeemed and 25% of existing Notes are converted

This table illustrates the effect on the Company's capital where it is assumed that:

(i) 5,645,470 existing Notes at face value $0.96 (with accrued interest at 6.25% p.a) are elected to redeemed by existing Noteholders on a redemption date of 30 November 2021; and

(ii) 5,645,470 existing Notes are elected to be converted into Shares (on a 1.025 Share for Note basis) on 24 November 2021; and

(iii) 11,290,940 existing Notes are 'rolled-over' and maintained as Notes (on a consolidated 25 Notes for 24 Notes basis) in the capital of the Company after 1 December 2021 and on the same terms as the CAM Notes offered under this Prospectus (assuming the Noteholder Resolutions are passed at the Noteholder Meeting).

	Shares	Notes
Existing securities	139,874,179[3]	22,581,880
Number of Shares issued on conversion of 5,645,470 existing Notes	5,786,607	
Existing Notes that are 'rolled-over' on a post-consolidated basis from 1 December 2021		10,839,302 (on a post-consolidation basis)
Number of CAM Notes issued under the Offer		24,160,698

[1] The number of Ordinary Shares does not include 330,555 Shares which will be allotted on 28 October 2021 under the Dividend Reinvestment Plan in respect of the dividend for the quarter ended 30 September 2021.
[2] As above.
[3] As above.

Total securities on issue following completion of the Offer	145,660,786[4]	35,000,000

3 FINANCIAL INFORMATION AND EFFECT OF THE OFFER

3.1 Historical and pro forma consolidated balance sheet as at 30 June 2021

This section contains a summary of the historical financial information for the Company as at 30 June 2021 (**Historical Financial Information**) and a pro forma historical statement of the financial position as at 30 June 2021 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**). The Financial Information has been prepared to illustrate the effect of the Offer before raising costs. The Pro Forma Historical Financial Information assumes that:

(a) all existing Notes are converted on 24 November 2021 (i.e. it does not take into account any existing Notes that may be redeemed or 'rolled-over' and maintained as Notes on a post-consolidated basis after 1 December 2021 assuming the Noteholder Resolutions are passed); and

(b) a maximum of 35 million CAM Notes are issued under the Offer at a Face Value of $1 per CAM Note (and none of these CAM Notes are Converted immediately after issue).

	30 June 2021 Historical	Conversion of existing Notes	Offer	30 June 2021 Pro forma Historical
	$'000	$'000	$'000	$'000
Assets				
Cash and cash equivalents	6,616	-	35,000	41,616
Trade and other receivables	1,014	-	-	1,014
Financial Assets at Fair Value	155,731	-	-	155,731
Current tax benefit & Prepayments	930	-	-	930
TOTAL ASSETS	**164,291**	**-**	**35,000**	**199,291**
				Liabilities
Trade and other payables	3,241	-	-	3,241
Dividend payable	1,678	-	-	1,678
Deferred tax liabilities	3,464	-	-	3,464

[4] The number of Ordinary Shares does not include 330,555 Shares which will be allotted on 28 October 2021 under the Dividend Reinvestment Plan in respect of the dividend for the quarter ended 30 September 2021.

Convertible notes	27,211	(27,211)	35,000	35,000
TOTAL LIABILITIES	**35,594**	(27,211)	**35,000**	**43,383**
NET ASSETS	**128,697**	27,211	**-**	**155,908**
				Equity
Issued capital	119,395	27,211	-	146,606
Reserves	33,488	-	-	33,488
Accumulated losses	(24,186)	-	-	(24,186)
TOTAL EQUITY	**128,697**	**27,211**	**-**	**155,908**

3.2 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the Prospectus, as if those events or transactions had occurred as at 30 June 2021. The Pro Forma Historical Financial Information is provided for illustrative purposes and will not necessarily reflect the actual position and balances as at the date of this Prospectus or at the conclusion of the Offer.

The Pro Forma Historical Financial Information has been prepared on the basis of the number of Shares on issue as at 30 June 2021 and the assumption stated above in Section 3.1 that the maximum number of CAM Notes (35 million CAM Notes) are issued under the Offer. The Pro Forma Historical Financial Information does not take into account changes to the numbers of Shares and Notes on issue in the capital of the Company since 30 June 2021 due to the buy-back of Shares, Buy-Back of Notes or conversions since 30 June 2021.

CAM is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including an obligation to lodge half-yearly and annual financial reports with ASIC.

CAM's financial statements for the year ended 30 June 2021 have been audited by Pitcher Partners in accordance with Australian Auditing Standards. A complete version of CAM's financial reports are available from ASX's website, www.asx.com.au.

The Financial Information should be read in conjunction with the notes set out in the 2021 Annual Report, the risks described in Section 4 and other information contained in the Prospectus.

The Directors are responsible for the preparation and presentation of the Financial Information.

The Pro Forma Historical Financial Information has been prepared by the Directors and assumes completion of the Offer. The accounting policies used in preparation of the Pro Forma Historical Financial Information are consistent with those set out in CAM's Annual Report for the year ended 30 June 2021.

3.3 Pro forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the following significant transactions occurred as at 30 June 2021:

(a) Material transactions since 30 June 2021

(i) Nil

Due to the nature of the pro forma adjustments, they do not represent the actual or prospective financial position of CAM.

3.4 Pro forma cash flow statement as at 30 June 2021

The Company's pro forma historical cash position as at 30 June 2021, adjusted for the Offer (assuming 35 million CAM Notes are issued under the Offer), is derived from actual cash as follows:

	$'000
Cash as at 30 June 2021	6,616
Gross and maximum proceeds of the Offer	35,000
Offer costs of the Offer	(800)
Pro forma historical cash balance	**40,816**

3.5 CAM's existing debt facilities and debt maturity

As at the date of this Prospectus:

(a) the Company has on issue a total of 22,581,880 existing Notes that were issued with a face value of $0.96 and accrue interest at the rate of 6.25% per annum for the period ending 30 November 2021. The number of these existing Notes that the Company is either required to Convert into Shares or redeem on 30 November 2021 will depend on the relevant election made by an existing Noteholder i.e. whether an existing Noteholder elects to not redeem or Convert on or before 30 November 2021 but continue to hold the existing Notes (on a consolidated basis) from 1 December 2021 on the same terms as set out in Section 9 (i.e. if the Noteholder Resolutions are passed at the Noteholder Meeting to amend the terms of the existing Notes).

(b) other than the existing 22,581,880 Notes with face value of $0.96 referred to in (a) above, CAM has no other outstanding interest-bearing loans and borrowings.

4 RISK FACTORS

4.1 Key Risks

By investing in the CAM Notes, you will be lending money to the Company and, therefore, you will be exposed to a number of risks which can be broadly classified as risks associated with the CAM Notes and risks associated with the Company's business which may affect the CAM Notes. There are also risks associated with the Offer itself.

This Section describes the potential risks associated with the Company's business and the risks associated with an investment in the CAM Notes and the Shares (issued on Conversion of

Notes). It does not purport to list every risk that may be associated with an investment in the CAM Notes now or in the future. Some of the risks can be mitigated by appropriate commercial action, but many of the risks (and the occurrence or consequences of those risks) described in this Section of the Prospectus are partially or completely outside the control of the Company and its Directors.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the date of this Prospectus but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Neither the Company nor any of its Directors, the Investment Manager or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of the CAM Notes offered by this Prospectus will be achieved.

In particular, there can be no guarantee that any forward-looking statements contained in this Prospectus will be realised or will otherwise eventuate. **Investors should note that past performance is frequently not a reliable indicator of future performance.**

Before applying for CAM Notes, you must satisfy yourself that you have a sufficient understanding of the risks noted in this Section and have fully considered whether the Notes are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. Potential investors should read this Prospectus in full and, if appropriate, seek professional advice if they require further information and advice before deciding to subscribe for Notes.

4.2 General risks

General risk factors outside the control of the Company which may have a significant impact on the future performance of the Company include but are not limited to the following:

(a) economic conditions in Australia and internationally;

(b) many developed economies face major structural issues, particularly those countries with high sovereign debt levels;

(c) market volatility, especially given the present uncertainties in international trade, financial and political conditions;

(d) changes in the earnings of companies in Australia (whether as a result of general weakness in economic conditions or otherwise);

(e) a slowdown in emerging markets, including China, which may impact economic growth in Australia;

(f) changes in investor sentiment and perceptions in local and international stock markets;

(g) changes in interest, exchange and inflation rates;

(h) changes in domestic or international fiscal, monetary, regulatory and other government policies, including changes to the taxation of company income and gains and the dividend imputation system in Australia, changes in other general world, economic and political factors may also adversely affect the Company, its future earnings and capital appreciation of the Company's investments; and

(i) geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities.

In addition, investors should be aware that there are risks associated with any investment in securities. Prospective investors should recognise that the trading price of the CAM Notes and

Shares may fall as well as rise with movements in the equity capital markets in Australia and internationally.

It should be noted that there is no guarantee that the CAM Notes will trade at or above their Face Value or that the Shares (issued on Conversion of Notes) will trade at or above the Conversion Price. It should also be noted that the historic share price performance of the Shares provides no guidance as to the future market price of the Shares or the likely trading price of the CAM Notes.

4.3 Specific Company risks

Key risks relating to the Company are set out below. It is not, however, possible to describe all the risks to which the Company may become subject, and which may impact adversely on the Company's prospects and performance. Specific risk factors which may have a significant impact on the future performance of the Company include the following:

Investment Manager and investment company risk

The Company's success and profitability depends heavily on the ability of its investment manager to construct an investment portfolio that increases over time and delivers income. The Investment Manager may not effectively manage the investment portfolio or may advise the company in a manner that does not consistently meet the company's investment objectives over time. The past performance of portfolios managed by the Investment Manager, and persons associated with the Investment Manager, are not necessarily a guide to future performance of the Company or the Company's investment portfolio.

If the Investment Manager, or a key employee of the Investment Manager ceases to manage the investment portfolio, or the Investment Management Agreement is terminated, the Company will need to identify and engage a suitably qualified and experienced investment manager to ensure that the investment portfolio continues to meet the company's investment objectives. The term of the current agreement with the Investment Manager will expire on 4 February 2029.

While the Investment Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, there can be no guarantee that the Investment Manager will achieve any particular investment return or yield within the Company's investment portfolio.

Investment risk

There is a risk that the Company's investment portfolio will fall in value over the short or long term or may experience sustained periods of poor investment performance, or fail to meet the Company's investment objectives. Individual security prices may fluctuate and under perform other asset classes over time. Investors in the Company are exposed to this risk through both their holdings in securities in the Company and through the Company's investment in equity assets.

The Company's securities may trade on ASX at a discount to the net asset value of the investment portfolio on a per security basis and the performance of the Company's securities may not be correlated with the performance of the Company's investment portfolio.

Performance fee structure risk

The Investment Manager may receive performance fees based on the performance of the Company's portfolio. These performance fee arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than would be the case in the absence of such a fee.

Securities risk

There are risks associated with any investment in listed securities. The market price of listed securities is affected by numerous factors including hostilities, tension and acts of terrorism, general investor sentiment and the movement of prices on local and international share markets. As a consequence, securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Share markets tend to move in cycles, and individual share prices may fluctuate and underperform other asset classes over extended periods of time. Shareholders in the Company are exposed to this risk through their holding of Shares and Notes, as well as through the company's investment portfolio.

Key Personnel risk

The performance of the Company is highly dependent on a number of highly skilled personnel, including the directors and the Investment Manager. The loss or departure of one or more key personnel and/or the inability to hire new personnel, may have a material adverse effect on the Company's performance or ability to grow.

Compliance with and changes to financial services legislation and regulation

The financial services industry is highly regulated in Australia. The Investment Manager operates under an AFSL and is subject to the regulatory regime associated with carrying on business pursuant to that AFSL. If the Investment Manager does not or cannot comply with the necessary laws and regulations, it may be exposed to fines, penalties or loss of its AFSL authorisation, which may alone or in combination have a material adverse effect on the Investment Manager's ability to operate as a fund manager, and therefore its financial performance and reputation. As a consequence, these factors may have a material adverse effect on the Company's financial performance and future prospects.

Further capital requirements of the Company

There is no assurance that the Company will not need to raise additional capital to fully exploit future business opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (if at all) or, if it is able to raise capital, that it will be able to invest that capital efficiently. If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity which could adversely affects its business, financial condition and results of operation.

4.4 Risks associated with investing in CAM Notes

CAM Notes are complex instruments and may not be suitable investment for all investors

Each potential investor in the CAM Notes must determine the suitability of that investment in light of their own circumstances. A potential investor should not invest in the CAM Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the CAM Notes will perform under changing conditions, the resulting effects in the value of such CAM Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Interest payments

The Company expects to make interest payments using available cash balances and cash flow from its operations. If CAM’s investments do not perform as expected by CAM, there is a risk that CAM would be unable to generate sufficient cash balances and cash flows from operations and would in that case have insufficient cash flows to service the quarterly interest payments on the CAM Notes. The Company intends to mitigate this risk by ensuring it has cash or liquid interests to make interest payments when due.

The interest payments on the CAM Notes are not guaranteed by the Investment Manager, the Trustee or any other entity.

Redemption risk

The Company expects to be able to redeem the CAM Notes on the Maturity Date using the proceeds from future debt or equity raisings, cash flows from operations or proceeds from the sale of investments. There is a risk that the Company may be unable to procure or raise sufficient cash resources from its operations, future debt or equity raisings and may, in that case, have insufficient cash to redeem the CAM Notes at the Maturity Date (or any earlier date as otherwise required under the Note Terms).

If the Company fails to make interest payments or redeem the CAM Notes when due, the Trustee has certain rights under the Trust Deed and the Note Terms to take enforcement action against the Company. The rights of each Noteholder to enforce the obligations of the Company under the CAM Notes are limited to the exercise of its rights to enforce and seek due administration by the Trustee of the Trust Deed. In the event of an early redemption (before the Maturity Date) of CAM Notes due to an Event of Default (as described in the Note Terms contained in Section 9), which includes an insolvency event or Delisting Event occurs in respect of the Company, Noteholders may not receive the returns they expected to achieve on CAM Notes if held until maturity.

Interest rate risk

Interest on the CAM Notes is fixed at 5.25% per annum (payable quarterly in arrears). No adjustment will be made to the rate of interest paid to Noteholders as other market-based interest rates rise or fall.

The market price of the CAM Notes on ASX may fluctuate due to changes in interest rates generally, credit spreads on other corporate securities or investor sentiment towards the Company.

Inflation rate risk

An increase in the inflation rate may erode in real terms the value of the capital invested in the CAM Notes.

Financial market conditions

The market price of the CAM Notes will fluctuate due to various factors, including worldwide economic conditions, interest rates, credit spreads on other corporate securities, COVID-19 pandemic (and government responses) related impacts, general movements in the Australian and international equity markets, movements in the market price of Shares, factors which may affect the Company's financial position and earnings and investor sentiment.

The market price of CAM Notes may be more sensitive than that of the Shares to changes in interest rates and, therefore, the CAM Notes could trade on ASX at a price below the Issue Price.

The Shares issued as a result of conversion of any CAM Notes will, following conversion, rank equally with the existing Shares. Accordingly, their value after issue will depend upon the market price of the Shares (which price, compared to the Conversion Price, may rise or fall).

Market price of Shares and Notes

The market price of the Shares may be volatile. The volatility of the market price of the Shares may cause volatility in the price of the CAM Notes and affect the ability of Noteholders to sell their CAM Notes either at all or at an acceptable price. Additionally, this may result in greater volatility in the market price of the CAM Notes than would be expected for non-convertible debt securities. There may be volatility in the market price of CAM Notes, and this may result in a market price below the Issue Price of $1.00 per CAM Note. If you sell your CAM Notes, you may

not be able to do so at an acceptable price or you may not be able to sell at all if insufficient liquidity exists in the market for CAM Notes.

Liquidity

While the Company will seek quotation of the ACM Notes on ASX in order to facilitate on market trading of the CAM Notes, the market for CAM Notes may be less liquid than the market for Shares and, as such, there can be no assurance that Noteholders will be able to buy or sell CAM Notes on ASX.

Ranking

If the Company is wound-up, Noteholders will rank behind secured creditors of the Company and equally with other unsecured creditors and unsubordinated creditors of the Company (other than those mandatorily preferred at law) and ahead of Shareholders.

If there is a shortfall of funds on winding-up, there is a risk that Noteholders will not receive a full (or any) repayment of their money invested in the CAM Notes or payment of unpaid interest.

Conversion

The Shares held by Noteholders following conversion of their CAM Notes will have the same rights as other existing Shares, which are different from the rights attached to the CAM Notes.

The market price of the Shares may fluctuate over time as a result of a number of factors.

Noteholders have no voting rights at Shareholder meetings

There is a risk that Noteholders may be affected by corporate decisions made by CAM. Noteholders have no voting rights or other rights in relation to the Shares until Shares are issued to them on Conversion.

Noteholders have limited anti-dilution protection

While CAM is subject to the constraints of the Listing Rules regarding the percentage of capital that it is able to issue within a 12-month period, any issuance of equity securities by CAM after the offer of the CAM Notes could dilute the interest of the existing shareholders.

CAM may undertake additional offerings of securities in the future. The CAM Note Terms provide for an adjustment to the basis for Conversion in relation to a reorganisation or reconstruction (including consolidation, subdivision, reduction or return) of the issued capital. Refer to the CAM Note Terms contained in Section 9.

Change in the Australian tax system

Prospective investors should be aware that any future changes in Australian tax law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of the acquisition, holding and disposal of Notes and the market price of the Notes.

Enforcement risk

The CAM Note Terms provide that rights under the CAM Note Terms and the Trust Deed may generally only be enforced by the Trustee and not by the Noteholders directly. Noteholders must therefore notify their claims to the Trustee and rely on enforcement by the Trustee, except in certain circumstances where the Trustee has failed to take action after being directed by the Noteholders to do so.

The Trustee is not obliged to take any enforcement action unless it is indemnified and first placed in funds. The Trustee may waive any breach of the Trust Deed except for non-payment of the face value of CAM Notes.

Noteholders may, by Special Resolution, amend the Note Terms in order to waive a breach of the Note Terms or amend by Ordinary Resolution or Special Resolution, depending on the type of modification, the Trust Deed or Note Terms. A large Noteholder may influence the outcome of any such vote.

Investors should carefully read the above risk factors and the other information in the Prospectus concerning the Offer and, if they are unsure in any regard to any aspect of the Offer or the CAM Notes, consult their professional advisers before deciding whether to subscribe for CAM Notes.

5 AUSTRALIAN TAXATION IMPLICATIONS

This section contains a general description of the Australian tax consequences of acquiring, holding, converting or disposing of the CAM Notes.

The description applies only to Noteholders who are individuals who are not otherwise associates of CAM and who acquire, hold and dispose of the CAM Notes on capital account. It does not apply to Noteholders which are companies, trusts or other types of entities and it does not apply to Noteholders who acquire, hold or dispose of the CAM Notes as part of the conduct or carrying on of a business (in any jurisdiction), or who otherwise hold the CAM Notes on revenue account or as trading stock nor to Noteholders who are subject to the taxation of financial arrangements rules contained in Division 230 of the Tax Act in relation to gains and losses on their CAM Notes.

The actual taxation consequences of acquiring, holding and disposing of the CAM Notes will vary depending upon the particular circumstances of each Noteholder. Therefore, prospective Noteholders should obtain independent professional advice relating to their own specific circumstances and they should not rely on the summary below.

This summary assumes that all relevant transactions are carried out in the manner described in this Prospectus and is based upon the law and the commonly understood administrative practices of the Australian Taxation Office (**ATO**) as in effect at the date of this Prospectus. Prospective investors should note that taxation law and its interpretation is subject to change and is open to challenge. Prospective investors should treat the following comments as a guide only. No ruling has been sought from the ATO to confirm the views below.

5.1 CAM Notes as debt interests

The CAM Notes should be 'debt interests' issued by CAM, notwithstanding that the Noteholders will have the right to convert their CAM Notes into Ordinary Shares in CAM in accordance with the CAM Note Terms. Therefore, interest payable on the CAM Notes should not be frankable distributions for tax purposes but treated as interest, as discussed below.

5.2 Australian resident individuals

Payments of interest

Payments of interest in respect of the CAM Notes should be included in the assessable income of Noteholders who are residents of Australia for Australian income tax purposes, generally in the year of income in which the payments are received.

Noteholders are not required to quote their tax file number to CAM in connection with their acquisition of the CAM Notes, but CAM may be required to withhold and remit to the ATO a portion (currently 47%) of any interest payable on the CAM Notes to a Noteholder who has not validly quoted their tax file number in connection with their acquisition of the CAM Notes (or provided evidence of an applicable exemption from withholding). Where withholding is required, the Noteholder would be entitled to claim from the ATO a credit for the amount which CAM withheld from that Noteholder and remitted to the ATO.

No additional amounts are payable to a Noteholder if withholding is required because that Noteholder did not validly quote a tax file number or provide evidence of an applicable exemption.

Sale or redemption of CAM Notes

The CAM Notes held by Australian resident individuals should be subject to the rules applicable to traditional securities because the CAM Notes would not be issued at a discount to their face value, nor would they have any deferred income features such as indexation of invested capital.

Therefore, any gain made on the sale or redemption of the CAM Notes (where the amount received on sale or redemption exceeds the cost of subscribing for or purchasing the CAM Notes), should be included in the assessable income of the Australian resident Noteholder, usually in the year of income in which the Noteholder becomes entitled to receive the proceeds of sale or the redemption amount. In those circumstances, the gain would generally not be subject to the capital gains tax (**CGT**) provisions and the CGT discount would not apply, even if the CAM Notes were held for more than 12 months.

Any loss made by an Australian resident individual Noteholder from the sale or redemption of the CAM Notes (where the amount received on sale or redemption is less than the cost of subscribing for or purchasing the CAM Notes) should generally be an allowable deduction, subject to certain exceptions, usually in the year of income in which the Noteholder becomes entitled to receive the proceeds of sale or the redemption amount Noteholders should seek their own advice regarding their entitlement to a deduction for any loss made from the sale or redemption of the CAM Notes.

Conversion to Ordinary Shares

A Noteholder of a CAM Note may request Conversion of the CAM Note into Ordinary Shares. The Conversion would generally be ignored for the purposes of both the traditional securities rules described above and the CGT rules, such that there will be no taxing point (and no loss) at the time of Conversion under those rules. Instead, the Ordinary Shares acquired pursuant to the Conversion will be treated as having a cost base that is, in broad terms, equal to the cost base of the CAM Notes at the time of Conversion, plus any amount paid on Conversion (where applicable).

Any gain or loss on the ultimate disposal of the Ordinary Shares held on capital account will be subject to the CGT provisions.

A Noteholder will be taken to have acquired the Ordinary Shares acquired pursuant to a Conversion at the time of the Conversion. The acquisition date of the Ordinary Shares does not go back to the date of the acquisition of the CAM Notes. Therefore, the Ordinary Shares would need to be held for a further 12 months from the time of Conversion in order to be eligible for any available CGT discount. Noteholders should seek their own advice regarding their entitlement to the CGT discount upon an ultimate disposal of any Ordinary Shares acquired pursuant to a Conversion.

5.3 Other taxes

Noteholders will generally not be subject to any Australian goods and services tax or stamp duties in any Australian State or Territory in respect of their acquisition, holding, sale, redemption or Conversion of CAM Notes or the receipt of interest payable on CAM Notes.

6 MATERIAL AGREEMENTS

6.1 Key documents

The Board considers that certain agreements relating to CAM are significant to the Offer, the operations of CAM or may be relevant to investors. A description of material agreements or

arrangements, together with a summary of the more important details of each of these agreements is set out below.

6.2 Investment Management Agreement

The management of the Company's investment portfolio is undertaken by the Investment Manager, Clime Asset Management Pty Ltd pursuant to the Investment Management Agreement between the Company and the Investment Manager.

Mr. John Abernethy is the Chairman of the Investment Manager (a wholly-owned subsidiary of ASX listed company Clime Investment Management Limited). Mr. Ronni Chalmers is a Director in the Company and also a director in Clime Investment Management Limited. Clime Asset Management Pty Ltd receives management and performance fees as remuneration for managing the Company's investment portfolio.

The investment management agreement entered into by the Company with the Investment Manager is for an initial period of 25 years and commenced on 2 February 2004, the date of listing of CAM on ASX.

The Investment Manager is entitled to a monthly base fee calculated as 0.08334% (excluding GST) of the market value of all assets of the Company's portfolio less total indebtedness of the Company, calculated on the last Business Day of each month and payable monthly in arrears.

The Investment Manager is also entitled to a performance fee calculated as 20% (excluding GST) of the amount by which the absolute dollar value of the investment performance (after deducting the base fee) exceeds the All Ordinaries Accumulation Index for the annual period, provided that the performance is positive.

The term of the current investment management agreement will expire on 4 February 2029.

Further information on the Investment Manager is available from www.clime.com.au.

6.3 Trust Deed

Trust Deed

The Trust Deed governs the terms and conditions on which the CAM Notes are to be issued and is subject to the Corporations Act and ASX Listing Rules. Schedule 1 to the Trust Deed contains the terms of issue of the Notes (**Note Terms**). The Note Terms that apply to the CAM Notes offered under this Prospectus are set out in Section 9 of this Prospectus.

The following is a summary of the material provisions of the Trust Deed. To obtain a complete understanding of the Trust Deed, it is necessary to read it in full. Copies of the Trust Deed are available free of charge on request by a person during the Offer period from the Company office on (02) 8917 2100 or alternatively by emailing info@clime.com.au.

Legal Nature of the Notes

The Trust Deed provides that the CAM Notes:

(a) constitute separate and independent acknowledgements of the indebtedness of the Company;

(b) are subject to the terms of the Trust Deed;

(c) are direct, redeemable, unsecured obligations of the Company;

(d) are convertible into Shares on and in accordance with the Note Terms;

(e) rank equally between themselves;

(f) do not carry a right to vote at any general meeting of Shareholders or to dividends paid by the Company.

The Company's obligations in relation to the CAM Notes, as constituted by and specified in the Trust Deed, are to the Trustee and to those persons who are registered as Noteholders. No note certificates will be issued by the Company unless the Company determines such evidence should be made available or is required by law, the Listing Rules or the ASX Settlement Operating Rules.

Declaration of Trust

The Trustee declares that it holds on trust for the Noteholders the Trust Fund and the right to enforce the Company's duty to pay the Moneys Owing on the CAM Notes on the due date for payment in accordance with the CAM Note Terms.

Company's undertakings

Under the Trust Deed, the Company undertakes to the Trustee that it will among other things:

(a) to pay the Moneys Owing when due and payable in accordance with the Note Terms to, or to the order of, the Trustee;

(b) comply with the Trust Deed;

(c) comply with the negative covenants as set out in the Note Terms;

(d) not enter into any amalgamation, demerger, merger or corporate reconstruction (other than solvent reorganisation);

(e) carry on and conduct its business in a proper and efficient manner;

(f) obtain and maintain all Authorisations required to:

(i) execute the Trust Deed and to carry out the transaction that the Trust Deed contemplates;

(ii) ensure that the Trust Deed is legal, valid, binding and admissible in evidence; and

(iii) comply with any conditions to which any of the Authorisations are subject.

Trustee's undertakings

Under the Trust Deed, the Trustee makes certain undertakings including that it will:

(a) act honestly and in good faith in the performance of its functions as Trustee, and show the degree of care and diligence required of a trustee having regard to the extent of its rights and obligations under the Trust Deed;

(b) act continuously as Trustee until either the Trust is terminated, or it retires or is removed in accordance with the Trust Deed;

(c) comply with all duties imposed on it under the Corporations Act and satisfy at all times the requirements to be appointed and act as a trustee as provided for in section 283AC(1) and 283AC(2) of the Corporations Act;

(d) subject to the provisions of the Trust Deed and the Trustee's general duties as trustee at law, in equity or by statute, not interfere with the conduct of the ordinary business of the Company; and

(e) hold, and account for, the Trust Fund separate from any other property owned or administered by it,

without being responsible, or liable to any person, for any loss occasioned by so doing unless the Trustee has been guilty of fraud, wilful default or gross negligence.

Powers of the Trustee

In addition to those powers arising under law, the Trustee has certain powers and discretions as set out in the Trust Deed, including the power:

(a) exercise all Powers under the Trust Deed and any other document to which it is party in its capacity as trustee of the Trust (including those Powers conferred on trustees generally by statute and those conferred on trustees generally by law or equity) as if the Trustee were the absolute and beneficial owner of the Trust Fund and such documents;

(b) enter into such other documents in its capacity as trustee of the Trust as it is authorised to from time to time by the Noteholders;

(c) to waive any breach by the Company of any provision under the Trust Deed (except the non-payment of the Face Value of any Note in breach of the Trust Deed which has not been remedied);

(d) to decide whether or not to take action to enforce the Trust Deed or Note Terms (unless so directed by a special resolution of Noteholders, it shall have been indemnified by the Noteholders, and it is not restricted or prohibited from taking such action by any order of any competent court or any applicable law);

(e) to delegate its functions; and

(f) amend the Trust Deed in certain circumstances without the approval of Noteholders.

Limited liability and indemnity of Trustee

The liability of the Trustee is limited in the manner set out in the Trust Deed.

6.4 Offer Management Agreement

CAM and Morgans Financial Limited, the Lead Manager have entered into the Offer Management Agreement dated 27 October 2021 pursuant to which the Lead Manager will manage and act as sole book runner for the Offer. CAM has also appointed Morgans Financial Limited as the Authorised Intermediary (for the purposes of section 911A(2)(b) of the Corporations Act) to make offers to arrange for the issue of the CAM Notes under the Offer.

Fees and expenses

In consideration for management services provided to the Company in relation to the Offer, the Company will pay the Lead Manager a fixed lead manager fee of $300,000 (excluding GST) on the Settlement Date of the Offer.

In addition, the Lead Manager will be paid an Application Fee of 1.25% (inclusive of GST) of the total proceeds of the Broker Firm Offer raised by the Lead Manager and its Participating Brokers from participating Wholesale and Sophisticated Clients and Retail Clients.

The Company has agreed to pay or reimburse the Lead Manager for all reasonable legal costs and expenses incurred by it in connection with the Offer, of up to $15,000 (exclusive of GST and disbursements), as well as other additional out of pocket expenses.

Retail Clients who participate in the Broker Firm Offer will be rebated the Application Fee paid in respect of their allocation by their Broker. The Lead Manager has given undertakings to the

Company that it will rebate, and ensure that its associated Brokers rebate, the equivalent amount in full of Application Fees paid in respect of Retail Clients, without set-off as soon as practicable and within 3 months of receipt. To find out more about this rebate, including whether you are eligible contact your Broker.

The Lead Manager has sole responsibility to pay all commissions and fees payable to any co-managers or brokers appointed by the Lead Manager in connection with the Offer.

No additional fee is payable to the Authorised Intermediary.

Representations and warranties, undertakings and other terms

The Offer Management Agreement contains certain standard representations and warranties and undertakings by CAM to the Lead Manager (as well as various standard conditions precedent).

The representations and warranties given by CAM relate to matters such as the power to enter into the Offer Management Agreement, corporate approvals, authorities and licences, information in this Prospectus, the conduct of the due diligence process and ongoing due diligence, litigation, the conduct of the Offer, information provided to the Lead Manager, compliance with laws, the Listing Rules and other legally binding requirements, the Trust Deed and the financial position of CAM. CAM also provides additional representations and warranties in connection with matters including in relation to its securities, compliance with continuous disclosure obligations and eligibility of the CAM Notes for quotation on ASX.

CAM's undertakings include that it will not, during the period following the date of the Offer Management Agreement until 180 days after CAM Notes have been issued under the Offer, vary any term of the Trust Deed (other than in accordance with the Noteholder Resolutions), issue any equity securities or vary its capital structure without the prior written consent of the Lead Manager, subject to certain exceptions. CAM has also undertaken, not before the issue of the CAM Notes under the Offer, to vary the composition of its board or its executive team without the prior written consent of the Lead Manager, which consent is not to be unreasonably withheld or delayed.

Termination events

The Lead Manager may terminate the Offer Management Agreement prior to Completion, without cost or liability to the Lead Manager, by giving a written notice to the Company if any of the following events occurs:

(a) **(withdrawal)** CAM withdraws the Prospectus, any supplementary prospectus, the Offer or any part of the Offer, or indicates that it intends to do any of those things.

(b) **(no confirmation certificate)** CAM does not provide the Confirmation Certificates (as defined in the Offer Management Agreement) in the manner required by the Offer Management Agreement.

(c) **(quotation)** ASX makes an official statement to CAM or the Lead Manager that it will not approve the granting of official quotation to the CAM Notes or that it will impose conditions which are not customary or reasonably satisfactory to CAM and the Lead Manager, before 5:00pm on the Business Day immediately preceding the Settlement Date.

(d) **(prospectus / disclosure documents)** any of the following occurs:

(i) there is a material omission from the Prospectus, or any other document issued or published by CAM or on behalf of CAM in respect of the Offer, (including the Company's Target Market Determination (**Disclosure Document**) of information required by the Corporations Act or any other applicable law or requirement;

(ii) the Prospectus or any other Disclosure Document contains a misleading or deceptive statement;

(iii) a statement in the Prospectus or any other Disclosure Document becomes misleading or deceptive; or

(iv) a Disclosure Document does not comply with any other applicable law or the Listing Rules.

(e) **(investigation)** any person makes an application for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Disclosure Documents or ASIC of a governmental authority commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Disclosure Documents, except where such investigation, proceeding or hearing does not become publicly known and is withdrawn within two Business Days of being made (or if it is made within two Business Days prior to the Settlement Date it has been withdrawn prior to the Settlement Date).

(f) **(Corporations Act)** any of the following occur in respect of the Prospectus or the Offer:

(i) ASIC applies for an order under section 1324B of the Corporations Act and the application is not dismissed or withdrawn before the Broker Firm Offer Closing Date;

(ii) ASIC gives notice of intention to hold a hearing, or makes an interim order or any other order under section 1020E of the Corporations Act, except where such hearing does not become publicly known and is withdrawn within two Business Days of being made (or if it is made within two Business Days prior to the Settlement Date it has been withdrawn prior to the Settlement Date); or

(iii) an application is made by ASIC for an order under Part 9.5 of the Corporations Act or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth), except where such investigation or hearing does not become publicly known and is withdrawn within two Business Days of being made (or if it is made within two Business Days prior to the Settlement Date it has been withdrawn prior to the Settlement Date).

(g) **(insolvency event)** an 'Insolvency Event' (as defined in the Offer Management Agreement) occurs or there is an act or omission which is likely to result in an Insolvency Event occurring with respect to CAM, the Investment Manager, or the Trustee.

(h) **(repayment of application monies)** any circumstance arising after lodgement of the Prospectus that results in CAM being required, by ASIC or under any applicable law, to either:

(i) repay the funds received from Applicants for CAM Notes under the Offer; or

(ii) give Applicants under the Offer an opportunity to withdraw their Applications for CAM Notes and be repaid their Application Monies.

(i) **(consent)** any person (other than the Lead Manager) whose consent to the issue of the Prospectus is required by the Corporations Act who has previously consented to the issue of the Prospectus withdraws such consent, or any person otherwise named in the Prospectus with their consent (other than the Lead Manager) withdraws such consent.

(j) **(supplementary prospectus)** a supplementary prospectus must, in the reasonable opinion of the Lead Manager, be lodged with ASIC under the Corporations Act or CAM lodges a supplementary prospectus (other than in accordance with the Offer Management Agreement) in a form that has not been approved by the Lead Manager.

(k) **(director)** a Director of CAM:

(i) is charged with an indictable offence or any regulatory body commences any public action against the Director in his or her capacity as a Director of CAM or announces that it intends to take any such action;

(ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act or under any law of any jurisdiction; or

(iii) otherwise engages in any fraudulent conduct or activity.

(l) **(prosecution)** a member of the Investment Manager's executive team or the investment team responsible for CAM is charged with an indictable offence or engages in any fraudulent conduct or activity.

(m) **(market fall)** between the date of the Offer Management Agreement and the date prior to the Settlement Date, the S&P ASX All Ordinaries Index at any time falls to a level 12.5% or more below the closing level on the day prior to execution of the Offer Management Agreement for two consecutive trading days, or on the trading day immediately prior to the Settlement Date.

(n) **(no issue)** CAM is or becomes unable, for any reason, to issue or allot the CAM Notes within the time required by the timetable for the Offer (**Timetable**), the Disclosure Documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, or an order of a court of competent jurisdiction or a governmental agency.

(o) **(key personnel)** either John Abernethy or Ronni Chalmers is removed from office by CAM or otherwise ceases to act in their current role.

(p) **(illegality)** there is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Lead Manager to satisfy an obligation under the Offer Management Agreement, or to market, promote or settle the Offer in accordance with the Offer Management Agreement.

(q) **(fraud)** CAM or the Investment Manager engages in any fraudulent conduct or activity whether or not in connection with the Offer.

(r) **(timetable)** the Offer is not conducted in accordance with the Timetable, or any event specified in the Timetable is delayed for more than two Business Days without the prior written consent of the Lead Manager.

(s) **(material contract)** any of the following occurs:

(i) the Trust Deed, the Offer Management Agreement or the Investment Management Agreement is terminated;

(ii) an event occurs which entitles a party to terminate the Trust Deed, the Offer Management Agreement or the Investment Management Agreement;

(iii) there is a material breach of the Trust Deed, the Offer Management Agreement or the Investment Management Agreement; or

(iv) other than in accordance with the Noteholder Resolutions, the Trust Deed or the Investment Management Agreement is amended in a material respect without the Lead Manager's prior written consent.

Termination events subject to materiality

In addition, the Lead Manager may terminate the Offer Management Agreement prior to the issue of the CAM Notes under the Offer, without cost or liability to the Lead Manager, by giving a written notice to CAM if any of the following occurs, but only if the Lead Manager has reasonable grounds to believe that event has, or is likely to have, a materially adverse effect on the Offer, Completion or the willingness of investors to pay the Issue Price for the CAM Notes, or will lead to or is reasonably likely to lead to a liability for the Lead Manager under the Corporations Act or any other applicable law or regulation (including a contravention of the Corporations Act or any other applicable law or regulation):

(a) **(adverse change)** there is or is expected to be, individually or in aggregate with a separate event, a material adverse change or effect on the general affairs, business, reputation, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, shareholder's equity, or results of CAM (taken as a whole) occurs, other than as publicly disclosed by CAM to ASX prior to the date of the Offer Management Agreement.

(b) **(certificate incorrect)** a statement in a Confirmation Certificate (as defined in the Offer Management Agreement) is untrue, incorrect or misleading or deceptive.

(c) **(change in law)** in Australia:

(i) a law or regulation is introduced or there is a public announcement of a proposal to introduce a law or regulation; or

(ii) a new government policy is adopted or there is a public announcement of a proposal to adopt a new government policy,

other than a law, regulation or policy which has been announced before the date of the Offer Management Agreement, which will, or will likely, prohibit or otherwise regulate or affect the Offer, capital issues by CAM, the implementation of CAM's investment strategy on the terms set out in this Prospectus or the taxation treatment of the CAM Notes or CAM.

(d) **(political or economic conditions)** any adverse change or disruption occurs in the existing financial markets, political or economic conditions currency exchange rates or controls or financial markets in Australia or New Zealand or any development that arises involving a prospective adverse change in political, financial or economic conditions in either country, in each case from that existing in those countries as at the date of the Offer Management Agreement.

(e) **(moratorium)** a general moratorium on commercial banking activities in Australia or New Zealand is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.

(f) **(market disruption)** trading in all securities quoted or listed on ASX or the New Zealand Exchange is suspended or limited in a material respect for 1 trading day (or a substantial part of 1 trading day), aside from technological issues.

(g) **(default)** CAM is in default of any of the terms or conditions of the Offer Management Agreement or breaches any warranty, undertaking or covenant given or made by it under this agreement (including any conditions precedent).

(h) **(charge)** other than as disclosed, CAM charges or agrees to charge, the whole, or a substantial part of the assets of CAM.

(i) **(representations and warranties)** any representation or warranty contained in the Offer Management Agreement on the part of CAM is breached or becomes false, misleading or incorrect.

(j) **(prescribed occurrence)** except as contemplated by this Prospectus, a Prescribed Occurrence (as described in the Offer Management Agreement) occurs in respect of CAM.

(k) **(disclosures in due diligence report)** the Due Diligence Report or Verification Material (as defined in the Offer Management Agreement) or any other information supplied by or on behalf of CAM to the Lead Manager in relation to CAM or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission.

(l) (**AFSL and other permits**) any Australian financial services licence, or other licence, approval or permit required to perform the Issuer's business is terminated, rescinded, revoked or withdrawn or otherwise amended or varied in a manner that impedes CAM's ability to discharge its obligations under the Offer Management Agreement.

Indemnity

Subject to certain exclusions relating to, among other things, the fraud, willful misconduct or gross negligence of an indemnified party, CAM has agreed in the Offer Management Agreement to keep the Lead Manager and its affiliated parties indemnified from losses suffered in connection with the Offer.

6.5 Constitution

Refer to Section 6.6 for a broad summary of the rights which attach to the Shares as contained in the Constitution. The following is a summary of some of the other provisions of the Company's Constitution which relate to meeting procedures, Director appointments and Director remuneration:

(a) **Meeting procedures**

Each Shareholder, the Directors, the ASX and the auditor of the Company are entitled to receive notice of any general meeting of the Company. The Company is obliged to convene and hold an annual general meeting once every year within 5 months of the end of the Company's financial year.

(b) **Directors' remuneration**

As set out in the Company's Notice of Annual General Meeting released to the ASX on 18 October 2021, Shareholder approval is being sought at the Annual General Meeting to amend the Constitution by removing the right of Directors to appoint alternate Directors. The Board considers that the appointment of alternate Directors should not be needed and that the proposed amendments will enhance the accountability of Directors and are considered to reflect better corporate governance practice. The proposed amendments will not affect any rights or liabilities attaching to the Shares.

The Directors are to be paid out of the funds of the Company as remuneration for their services as directors such amount as the Company in general meeting of Shareholders determines, to be divided among them as they agree or in default of agreement equally among the Directors. The Directors' remuneration may not be increased except without the prior approval of Shareholders at a general meeting of Shareholders. The remuneration of the chairperson may be determined by the Directors.

Shareholder approval is also being sought at the Annual General Meeting to approve for the purposes of Listing Rule 10.17 and the Constitution, an increase from $180,000 to $200,000 (inclusive of statutory entitlements) in the aggregate amount of fees that may be paid per annum to Non-Executive Directors as a whole (with effect from the date of passage of the resolution).

Any Director with the concurrence of the Directors performs extra services or makes any special exertions for the benefit of the Company, or who otherwise performs services which in the

opinion of the Board are outside the scope of the ordinary duties of a director, or who at the request of the Board engages in any journey on the business of the Company, may be paid extra remuneration as determined by the Board having regard to the value to the Company of the extra services or special exertions and subject to applicable law.

Any Director may be paid a retirement benefit as consideration for or in connection with retirement, as determined by the Board, in accordance with the Law and the Listing Rules.

Subject to Shareholders approving the proposed amendments to the Constitution at the Annual General Meeting, a copy of the amended Constitution will be released on the ASX and Company's website after the date of the Annual General Meeting of Shareholders.

6.6 Rights attaching to CAM Notes and the Shares

Rights attaching to CAM Notes

The rights attaching to the CAM Notes are contained in the CAM Note Terms, which are contained in Section 9.

Rights attaching to Shares

The shares issued on conversion of the Notes will be fully paid ordinary shares (**Shares or Ordinary Shares**) and will rank equally with all existing Shares on issue in all respects, except that they will not be entitled to any dividend or any other distribution or entitlement that has not been paid as at the Conversion Date but for which the record date was prior to the Conversion Date. The rights attaching to the Shares are set out in the Constitution and the Corporations Act. A copy of the Constitution is available free of charge from the Company to any person who requests a copy during the Offer period in relation to this Prospectus. To obtain a copy of the Constitution contact the Company office on (02) 8917 2100 or alternatively email info@clime.com.au.

The following is a broad summary of the rights which attach to the Shares. It is not intended to be an exhaustive or definitive summary of the rights attaching to the Shares.

Rights of Shareholders

Each Shareholder has the right to receive notices of and to attend general meetings of the Company.

All Shares rank, in a winding up of the Company and entitlement to dividends, equally with each other in proportion to the amount paid up or deemed to be paid up on the Shares.

Voting rights

Subject to restrictions under applicable law on voting from time to time affecting any particular Shareholder or any class of shares and subject to any contrary provisions of the Constitution, at a meeting of Shareholders, each Shareholder entitled to vote may vote in person or by proxy or attorney or, being a corporation, by a duly authorised representative, and has one vote on a show of hands and one vote per Share on a poll for each fully paid Share held, and for each partly paid Share held, a vote having the same proportionate value as the proportion to which the Shares have been paid up. Voting may be in person or by proxy, attorney or representative.

Dividends

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors may determine that a dividend is payable on Shares. The Directors may fix the amount of the dividend, whether the dividend is franked, the franking percentage and the franking class, the time for determining entitlements to the dividend, the time for payment and the method of payment of a dividend. The method of payment may include any or all of the payment of cash, the issue of shares or other securities, the grant of options and the transfer of assets. The Company is not required to pay any interest on a dividend. Subject to any rights

or restrictions attached to a class of shares, the person entitled to a dividend on a share is entitled to:

(a) if the share is fully paid (whether the issue price of the share was paid or credited or both) the entire dividend; and

(b) if the share is partly paid, a proportion of that dividend equal to the proportion which the amount paid (excluding amounts credited) on that share is of the total amounts paid or payable (excluding amounts credited) on that share.

Dividends must only be paid in accordance with applicable laws and the Constitution. CAM is restricted under the Corporations Act from paying dividends unless:

(a) CAM's assets exceed its liabilities immediately before the dividend is determined and the excess is sufficient for the payment of the dividend;

(b) The payment of the dividend is fair and reasonable to Shareholders as a whole; and

(c) The payment of the dividend does not materially prejudice CAM's ability to pay its creditors.

Transfer

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules, Shares are freely transferable. The Directors may refuse to register a transfer of Shares or apply a holding lock to prevent a transfer of Shares where the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rule permits the Company to do so.

Winding-up

Subject to the preferential entitlement of preference shareholders, on a winding up of the Company:

(a) any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the Shares of all Shareholders; and

(b) the liquidator may, with the sanction of a special resolution of the Shareholders, distribute among the Shareholders the whole or any party of the property of the Company and decide how to distribute the property as between the Shareholders or different classes of Shareholders.

At present the Company has no preference shares or shares with preferential rights on issue and has no current plans to create further classes of shares.

Variation of rights

At present, the Company only has Ordinary Shares on issue and has no current plans to create further classes of shares.

Subject to the Corporations Act and the terms of issue of shares in a particular class, the rights attaching to any class of shares such as the Shares can only be varied if the variation is approved in writing by holders of that class of shares holding at least 75% of the total number of issued shares of that class, or by a special resolution passed at a separate meeting of shareholders holding shares in that class.

Issue of further Ordinary Shares

Subject to Shareholder approvals required under the listing Rules, the Directors control the issue of Ordinary Shares. Subject to the Corporations Act, the Constitution and the Listing Rules,

the Directors may issue further Ordinary Shares, preference shares, other securities and grant options over Ordinary Shares, on such terms and conditions as the Directors determine.

7 ADDITIONAL INFORMATION

7.1 Shareholder Approval being sought at the 2021 AGM

Shareholder Approval of the issue of up to $35 million worth of CAM Notes is being sought at the Annual General Meeting of Shareholders, convened to be held on 18 November 2021. The Notice of Annual General Meeting of Shareholders was despatched on 18 October 2021.

As noted above, Shareholder Approval under Listing Rule 7.1 is being sought at the Company's Annual General Meeting of Shareholders. However, the Offer is not conditional on CAM obtaining Shareholder Approval under Listing Rule 7.1.

Listing Rule 7.1 prohibits, subject to certain exceptions, a company from issuing or agreeing to issue equity securities that would represent more than 15% of the company's ordinary securities on issue 12 months prior to the date of issue (or agreement to issue) of such securities, without prior approval of a company's shareholders (**Listing Rule 7.1 Capacity**). CAM Notes are equity securities for the purposes of the Listing Rules.

If Shareholder Approval under Listing Rule 7.1 is obtained, the issue of the CAM Notes (and Ordinary Shares issued on Conversion of the CAM Notes) will be excluded from the calculation of CAM's Listing Rule 7.1 Capacity. If Shareholder Approval under Listing Rule 7.1 is obtained then CAM will have flexibility to issue up to $35 Million worth of CAM Notes under the Offer. Shareholder Approval under Listing Rule 7.1 would also provide CAM with flexibility to issue further securities in the next 12 months, if the Board considers it is in the interests of the Company and its Shareholders to do so.

However, if Shareholder Approval under Listing Rule 7.1 is not obtained, CAM will still proceed with the Offer, although the number of CAM Notes issued under the Offer will be scaled-back to ensure the Company remains within its Listing Rule 7.1 Capacity. In such case, the number of CAM Notes the Company will be able to issue within its Listing Rule 7.1 Capacity will depend on the number of existing Notes that are Converted into Ordinary Shares prior to 1 December 2021 and the number of existing Notes that continue to remain outstanding as Notes as at 1 December 2021. If Shareholder Approval under Listing Rule 7.1 is not obtained, and Applications are scaled-back by the Company, the relevant proportion of scaled-back Application Monies will be returned to Applicants without interest.

7.2 No breaches of loan covenants or debt obligations

CAM has not breached any loan covenants or capital market debt obligations in the two years prior to the date of this Prospectus.

7.3 Compliance with chapter 2M and section 674 of the Corporations Act

As at the date of this Prospectus, CAM has complied with the provisions of Chapter 2M of the Corporations Act as they apply to CAM and with section 674 of the Corporations Act.

7.4 Continuous reporting and disclosure obligations

This Prospectus is a transaction specific prospectus issued by CAM in accordance with the applicable provisions of the Corporations Act for a prospectus for continuously quoted securities. It has been prepared in accordance with section 713 of the Corporations Act and ASIC Corporations (Offers of Convertibles) Instrument 2016/83.

In general terms, a transaction specific prospectus is only required to contain information about the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information about all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Company is subject to regular reporting and disclosure obligations because it is a 'disclosing entity' for the purposes of the Corporations Act. These obligations require that CAM prepare both yearly and half-yearly financial statements and a report on the operations of CAM during the relevant accounting period together with an audit or review report by its auditor. Copies of these documents and other documents lodged with ASIC by CAM may be obtained from, or inspected at, an ASIC office.

Additionally, as a listed company, the Company is subject to the Listing Rules which require disclosure to ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of CAM's securities unless exceptions from disclosure apply under the Listing Rules.

Section 713 of the Corporations Act (as modified by ASIC Corporations (Offers of Convertibles) Instrument 2016/83) enables a company to issue a transaction specific prospectus where the securities offered are continuously quoted securities (within the meaning of that term in the Corporations Act) or securities convertible into continuously quoted securities. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 3 months before the date of the prospectus and that, during the 12 months before the date of the prospectus, the issuing company was not exempted from the continuous disclosure regime and disclosing entity requirements provided for under the Corporations Act and the Listing Rules.

The content requirements for a transaction specific prospectus under Section 713 of the Corporations Act require that the prospectus contain:

(a) information regarding the effect of the Offer on CAM;

(b) information regarding the rights and liabilities attaching to the CAM Notes and the Ordinary Shares (underlying securities that the CAM Notes may be converted into);

(c) statements detailing that, as a disclosing entity, CAM is subject to regular reporting and disclosure obligations, and that copies of documents lodged with ASIC in relation to CAM may be obtained from, or inspected at, an ASIC office; and

(d) a statement informing people of their right to obtain a copy of certain financial documents and continuous disclosure notices and noting that copies will be provided free of charge if requested during the application period for the prospectus.

CAM believes, after having made reasonable enquiry, that it has complied in full with, and has not been exempted from, the general and specific requirements of ASX (as applicable throughout the 12-month period prior to the date of this Prospectus) which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by ASX.

To meet the specific disclosure requirements for a transaction specific prospectus set out in section 713(5) of the Corporations Act, the prospectus must also incorporate information if such information:

(a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and

(b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:

    (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and

    (ii) the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus.

In addition, CAM has committed to publish on its website at the end of each quarter, a copy of each 283BF Report lodged with ASIC (as soon as practicable after providing it to the Trustee).

ASX maintains records of company announcements for all companies listed in ASX. CAM's announcements may be viewed on ASX's website. Copies of ASX announcements are available on the ASX website (www.asx.com.au) or the Company's website at www.clime.com.au.

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodgment of the Company's annual report for the financial year ended 30 June 2021 with ASX on 17 August 2021 to the date of this Prospectus:

Date	Announcements
17 August 2021	Preliminary Final Report and Annual Report
17 August 2021	Corporate Governance Statement 2021
17 August 2021	Appendix 4G
17 August 2021	Dividend/Distribution - CAM
17 August 2021	Special Dividend and Record Profit for FY21
23 August 2021	Net Tangible Asset Backing - 20 August 2021
24 August 2021	Conversion of CAMG into CAM for September Quarter Dividend
30 August 2021	Net Tangible Asset Backing - 27 August 2021
6 September 2021	Net Tangible Asset Backing - 3 September 2021
6 September 2021	Application for quotation of securities - CAM
8 September 2021	Daily share buy-back notice - Appendix 3E
13 September 2021	Net Tangible Asset Backing - 10 September 2021
14 September 2021	Net Tangible Asset Backing - 31 August 2021
20 September 2021	Net Tangible Asset Backing – 17 September 2021
22 September 2021	Notice of 2021 AGM and Director Nomination Closing Date
22 September 2021	Conversion of CAMG for September Quarter Dividend
23 September 2021	Daily share buy-back notice – Appendix 3E
27 September 2021	Net Tangible Asset Backing – 24 September 2021
28 September 2021	Quarterly Report to Trustee and ASIC
5 October 2021	Net Tangible Asset Backing – 1 October 2021
5 October 2021	Notification of cessation of securities - CAM
5 October 2021	Notification of cessation of securities - CAM
7 October 2021	Application for quotation of securities - CAM

11 October 2021	Net Tangible Asset Backing – 8 October 2021
14 October 2021	Proposed Restructure of CAM Convertible Redeemable Notes
14 October 2021	Net Tangible Asset Backing – 30 September 2021
18 October 2021	Net Tangible Asset Backing – 15 October 2021
18 October 2021	Notice of Annual General Meeting/Proxy Form
21 October 2021	Update – Dividend / Distribution - CAM
25 October 2021	Net Tangible Asset Backing – 22 October 2021

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The information in the Annual Report and the ASX announcements described in the table above may be of interest to investors and their financial advisers as these documents contain information regarding the Company's financial position and operations that investors may consider relevant to any decision to apply for CAM Notes under the Offer.

The Directors rely upon section 712(3) of the Corporations Act with the inclusion by reference of:

(a) the Annual Report; and

(b) the Company's ASX announcements since 17 August 2021 set out in the table above,

for the purposes of section 711 of the Corporations Act.

The Company will give free of charge, to any person who requests it during the Offer period, a copy of the Annual Report and any continuous disclosure notices lodged by the Company from 17 August 2021 (when the Company lodged its Annual Report with ASIC) to the date of this Prospectus.

7.5 Existing Options

As at the date of this Prospectus, the Company has no options on issue.

7.6 Litigation

To the best of the Directors' knowledge and belief, no litigation, mediation, conciliation or administrative proceeding is taking place, pending or threatened against the Company.

7.7 Consents and disclaimers of responsibility

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and the statement included in this Prospectus with the consent of that party, as specified below.

Morgans Financial Limited has given, and has not withdrawn, its written consent to be named as Lead Manager to the Offer in the form and context in which it is named.

Mont Lawyers Pty Ltd has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

Boardroom Pty Limited has given, and not withdrawn, its written consent to be named as Note Registrar and share Registry in the form and context in which it is named.

Equity Trustees Limited has given, and not withdrawn, its written consent to be named as Trustee in the form and context in which it is named.

PPNSW Services Pty Limited has given, and not withdrawn, its written consent to be named as tax adviser in the form and context in which it is named.

Pitcher Partners Sydney Partnership has given, and not withdrawn, its written consent to be named as auditor of the Company in the form and context in which it is named.

7.8 Interests of Lead Manager

Other than as set out elsewhere in this Prospectus:

(a) the Lead Manager has not, and has not had in the two years before lodgement of this Prospectus, any interest in:

  (i) the formation or promotion of the Company;

  (ii) the offer of the CAM Notes; or

  (iii) any property proposed to be acquired by the Company in connection with the formation or promotion of CAM or the offer of the CAM Notes; and

(b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to the Lead Manager for services rendered by it in connection with the formation or promotion of the Company or the offer of the CAM Notes.

7.9 Interests of experts and advisers

Except as set out in this Prospectus:

(a) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has any interest or has had any interest during the last two years:

  (i) in the formation or promotion of the Company;

  (ii) in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of the CAM Notes; or

  (iii) the offer of the CAM Notes; and

(b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus in connection with the services provided by the person in connection with the:

  (i) formation or promotion of the Company, or

  (ii) offer of the CAM Notes.

Morgans Financial Limited has acted as Lead Manager to the Offer. Morgans Financial Limited will be paid fees, details of which are disclosed in Section 6.4 of this Prospectus.

Mont Lawyers has acted as legal adviser to the Company for the Offer and has undertaken due diligence enquiries and provided legal advice on the Offer. Mont Lawyers will be paid an amount of $70,000 for these services.

7.10 Substantial Holders of Shares

As at the date of this Prospectus, there are a total of 139,874,179 Shares on issue[5].

As at 3 August 2021, the substantial holders in the Company were as set out below (based on voting interest in fully paid ordinary shares):

Name	No. of Shares	Percentage interest (%) of issued shares
Clime Investment Management Limited - Direct	5,741,212	4.10%
Clime Investment Management Limited - Indirect	4,636,092	3.31%

7.11 Effect of Offer on control of the Company

Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if the acquisition would result in that person or someone else's Voting Power increasing:

(a) from 20% or below to more than 20%; or

(b) from a starting point that is above 20% and below 90%.

The Directors will not issue CAM Notes under the Priority Offer to a Shareholder or a Noteholder, who on a fully diluted basis would be entitled to convert Notes into issued voting shares of the Company that would result in a contravention of section 606 of the Corporations Act.

The Offer is not expected to have any effect on the control of the Company whether all existing Notes are Converted or not Converted. After completion of the Offer the Company will continue to be managed by the Investment Manager and subject to the re-election of John Abernethy as a Director at the Annual General Meeting of the Company, the composition of the Board will not change.

7.12 Interests of Directors

Other than as set out above or elsewhere in this Prospectus:

(a) no Director or proposed Director of the Company has, or has had in the two years before lodgement of this Prospectus, any interest in:

[5] The number of Ordinary Shares does not include 330,555 Shares which will be allotted on 28 October 2021 under the Dividend Reinvestment Plan in respect of the dividend for the quarter ended 30 September 2021.

(i) the formation or promotion of the Company;

(ii) any property acquired or proposed to be acquired by the Company in connection with the formation or promotion or the offer of the CAM Notes; or

(iii) the offer of the CAM Notes; and

(b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of the Company either:

(i) to induce him to become, or to qualify him or her as, a Director; or

(ii) otherwise for services rendered by him in connection with the formation or promotion of the Company or the offer of the CAM Notes.

Shareholdings and Noteholdings

The Directors or their Associates have a beneficial interest in the following securities at the date of this Prospectus:

Director	Shareholder	Existing Shares	Existing Notes
Mr John Abernethy	Double Pty Limited and Abernethy Super Fund	1,540,000	2,850
Mr Ronni Chalmers	Ronni David Chalmers and Savoir Superannuation Pty Limited as Trustee for Locope Superannuation Fund	719,042	805,000
Mr Julian J Gosse	N/a	-	-
Mr Marc Ariel Schwartz	Marc Ariel Schwartz	17,000	-

Transactions with related parties

Except as set out below, no Directors or their associated entities will receive any fees or other financial benefit in connection with the Offer.

Management and performance fees are payable by the Company to the Investment Manager in accordance with the Investment Management Agreement. Both Mr. John Abernethy and Mr. Ronni Chalmers, as directors and shareholders of Clime Investment Management Limited (**CIW**), the parent entity of the Investment Manager, will indirectly benefit from any fees paid to the Investment Manager in accordance with the Investment Management Agreement. Details of the fees payable under the Investment Management Agreement are included in Section 6.2. However, the Offer does not result in any change to the terms of the Investment Management Agreement.

7.13 Expenses of the Offer

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, offer management fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be $800,000.

7.14 Remuneration of Trustee

Equity Trustees Limited has agreed to act as trustee of the CAM Note Trust in respect of the CAM Notes. The Trustee will be paid by way of a fee for its services such amounts as may be agreed between CAM and the Trustee from time to time. In this regard, the parties have agreed to a minimum annual ongoing trustee fee of $30,000 (excluding GST).

7.15 ASX waivers and approvals

CAM has received ASX confirmations in relation to the CAM Note Terms and the Offer that the CAM Note Terms are appropriate and equitable for the purposes of Listing Rule 6.1. No further ASX waivers or confirmations are required.

7.16 Other foreign jurisdictions

No action has been taken to register or qualify the CAM Notes or the Offer, or to otherwise permit a public offering of the CAM Notes, in any jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus (including an electronic copy) in jurisdictions outside Australia or New Zealand may be restricted by law. If you come into possession of this Prospectus in jurisdictions outside Australia, then you should seek advice on, and observe, any such restrictions. If you fail to comply with such restrictions, that failure may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation to apply for CAM Notes in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In New Zealand, this Prospectus is being distributed only to persons who are wholesale investors within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act.

Both the Priority Offer and the Broker Firm Offer may be made to wholesale investors within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act.

This Prospectus may not be distributed to, or relied upon by, persons in the United States of America (**USA**) The CAM Notes have not been and will not be registered under the U.S Securities Act and may not be offered or sold in the USA or to US Persons except in transactions exempt from, or not subject to, registration under the U.S Securities Act and applicable USA state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the CAM Notes in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

7.17 Electronic Prospectus

This Prospectus is available in electronic form at https://clime.com.au/invest-with-us/clime-capital-limited/. Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by the Company free of charge until the Closing Date.

The Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus before completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered in any way.

While the Company believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be altered in any way, the Company cannot give any absolute assurance that this will not occur. Any investor in doubt about the validity or integrity

of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or a Financial Adviser.

7.18 Privacy

Investors may be asked to give personal information to the Company directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the Registrar collect, hold and use that personal information to provide facilities and services to Eligible Shareholders and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the *Privacy Act 1988* (Cth). The Company's privacy policy sets out how Shareholders and Noteholders may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Shareholders and Noteholders can complain about privacy related matters and how the Company responds to complaints.

8 HOW TO APPLY

8.1 Obtaining a prospectus and Application Form

During the Offer Period, an electronic version of this Prospectus with an Application Form will be available at https://clime.com.au/invest-with-us/clime-capital-limited/ and may be available through your Participating Broker.

This Prospectus is available to you electronically only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia. If you access this Prospectus electronically, you must download the entire Prospectus.

Applications pursuant to the Broker Firm Offer must be made through your Participating Broker. Please contact your Participating Broker for further information on the application process.

Investors may, during the Offer Period, request a paper copy of this Prospectus and an Application Form free of charge by contacting CAM on 1300 788 568 (Monday to Friday 8.30am to 5.30pm, Sydney time). However, Eligible Participants (for the purposes of participation in the Priority Offer) should note that Applications under the Priority Offer can only be made by completing the online Application Form and making a BPAY® payment in respect of the required application payment (see section 8.3).

Applications will only be considered where Applicants have applied pursuant to an Application Form (either electronic or paper) that was attached to, or accompanied by, a copy of this Prospectus, and have provided the Application Monies. You cannot withdraw your online Application once it has been lodged, except as permitted under the Corporations Act.

8.2 Applying for CAM Notes

The Offer is comprised of:

(a) the Priority Offer (see section 8.3); or

(b) the Broker Firm Offer (see section 8.4).

Applications for CAM Notes pursuant to the Broker Firm Offer must be made through your Participating Broker. Please contact your Participating Broker for further information on the application process.

8.3 Priority Offer applications and who is an Eligible Participant

The Priority Offer opens on 18 November 2021. The Closing Date for the Priority Offer is expected to be 24 November 2021.

The Priority Offer is open to Eligible Participants.

An Eligible Participant is an eligible person who has a registered address in Australia or New Zealand and who:

(a) is a current Shareholder in CAM or a Noteholder of CAM; or

(b) is any past Shareholder or Noteholder of CAM as determined by the Board in its absolute discretion; or

(c) any other person as determined by the Board in its absolute discretion to be eligible to participate in the Priority Offer,

and in respect of a person in New Zealand is wholesale investors within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act.

The Board intends to give priority under the Priority Offer to persons who were Noteholders and Shareholders as at 13 October 2021. The Priority Offer is up to $5 million[6].

Applications for the Priority Offer must be made online. If you are an Eligible Participant, you can apply at https://clime.com.au/invest-with-us/clime-capital-limited/cam-notes/.

Instructions on how to complete the Application Form are provided online. As part of your application, you will be asked to provide your Priority Code which is contained within the Priority Offer email you will have received. Once you have completed your online Application Form, you will be required to complete your Application by making a BPAY® payment. You will be given a BPAY® biller code and unique Customer Reference Number for your Application. Follow the BPAY® instructions to complete your Application. If you do not make a BPAY® payment, your Application will be incomplete and will not be accepted by CAM.

Your completed online Application Form and Application Monies must be received by the Registrar by the Closing Date of the Priority Offer, which is expected to be 5.00pm on 24 November 2021.

8.4 Broker Firm Offer applications

The Broker Firm Offer opens on 18 November 2021. The Closing Date for the Broker Firm Offer is expected to be 26 November 2021.

The Broker Firm Offer is open to Australian and New Zealand clients of the Lead Manager and Participating Brokers who are participating Wholesale and Sophisticated Clients and Australian Retail Clients.

Wholesale and Sophisticated Clients means a person:

(a) with a registered address in Australia who is either a 'professional investor' or 'sophisticated investor' within the meaning of sections 708(11) and 708(8) of the Corporations Act; or

(b) a person with a registered address in New Zealand who is a wholesale investor within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act.

If you are a client of a Participating Broker, you must contact your broker directly for instructions as to how to participate in the Broker Firm Offer. You must contact your Participating Broker for their specific instructions on how to submit your Application Form and your Application Monies to your Participating Broker. Your Participating Broker must have received your completed Application Form and your Application Monies (as applicable) in time to arrange settlement on your behalf by the relevant closing date for the Broker Firm Offer. Your

[6] This may be changed by the Company and the Lead Manager in consultation.

Participating Broker will act as your agent in processing your Application Form and providing your Application details and Application Monies to CAM.

8.5 Brokerage, commission and stamp duty

Applicants under the Broker Firm Offer may pay brokerage or other fees to their Broker in relation to their Application. Any such fees will be on terms agreed between the applicant and their Broker.

No brokerage, commission or stamp duty is payable by you on your Application under the Priority Offer. However, you may be required to pay brokerage if you sell CAM Notes on ASX after CAM Notes have been quoted on ASX.

8.6 Refunds

Applicants who are not allotted any CAM Notes or are allotted fewer CAM Notes than the number applied and paid for as a result of a scale-back, will have all or some of their Application Monies (as applicable) refunded (without interest) as soon as practicable after the Issue Date.

8.7 Minimum applications

Applications for CAM Notes must be for a minimum of 2,000 CAM Notes (being $2,000). If your Application is for more than 2,000 CAM Notes, you must apply in multiples of 100 CAM Notes (being $100) thereafter.

8.8 Allocation policy

The basis of the allocations of CAM Notes between the Priority Offer and Broker Firm Offer will be determined by CAM, in agreement with the Lead Manager. The Priority Offer is up to $5 million[7].

CAM will seek to provide Applicants under the Priority Offer with an allocation of at least 2,000 CAM Notes (where such Applicants have applied for 2,000 or more CAM Notes) on a reasonable endeavours basis. CAM does not guarantee any minimum allocation and the extent of any allocation will ultimately depend on the number of Applicants under the Priority Offer and total level of Applications under the Offer.

The allocation of CAM Notes within the Broker Firm Offer will be determined by CAM, in agreement with the Lead Manager.

Allocations to Broker Firm Applicants by a Participating Broker are at the discretion of that Participating Broker.

The Directors will not issue CAM Notes under the Priority Offer to a Shareholder or a Noteholder, who on a fully diluted basis would be entitled to convert Notes into issued voting shares of the Company that would result in a contravention of section 606 of the Corporations Act.

If Shareholder Approval under Listing Rule 7.1 is not obtained, CAM may still proceed with the Offer, although the number of CAM Notes issued under the Offer will be scaled-back to ensure the Company remains within its Listing Rule 7.1 Capacity. The Company may also decide to re-evaluate the issue of the convertible notes at the relevant time, having regard to all relevant factors at that time.

8.9 Underwriting

The Offer is not underwritten.

[7] This may be changed by the Company and the Lead Manager in consultation.

8.10 Application to ASX for quotation of CAM Notes

CAM will apply to ASX for CAM Notes to be quoted on ASX under the code 'CAMG'.

If ASX does not grant permission for CAM Notes to be quoted by the Issue Date, CAM Notes will not be issued, and all application payments will be refunded (without interest) to Applicants as soon as practicable.

8.11 CHESS and issuer sponsored holdings

CAM will apply for CAM Notes to participate in CHESS. No certificates will be issued for CAM Notes. CAM expects that Holding Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to Successful Applicants by 8 December 2021.

8.12 Provision of TFN and/or ABN

When your Holding Statement is mailed to you, you will also be sent a welcome letter instructing you to go to Boardroom's InvestorServe website to update your personal details, including communication preferences and banking details. The collection and quotation of TFNs and ABNs are authorised, and their use and disclosure is strictly regulated, by tax laws and the *Privacy Act 1988* (Cth).

9 CAM NOTE TERMS – TERMS OF ISSUE

1. FORM OF NOTES

1.1 Form

The Notes are redeemable, convertible notes of the Issuer issued under the Trust Deed. Noteholders are entitled to the benefit of and are bound by the provisions of the Transaction Documents and these Note Terms.

1.2 Face Value and Issue Price

(a) The Notes are each issued fully paid with a Face Value of $1.00 (**Face Value**).

(b) Each Note will be issued by the Issuer at an issue price of $1.00 (**Issue Price**). The Issue Price must be paid in full on application.

1.3 Currency

The Notes are denominated in Australian dollars.

1.4 Clearing System

For such time as the Notes are quoted on ASX, the rights of a person holding an interest in the Notes are subject to the rules and regulations of the Clearing System.

1.5 No certificates

No certificates will be issued to Noteholders unless the Issuer determines that certificates should be available or are required by any applicable law.

1.6 ASX quotation of Notes

The Issuer must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure that the Notes are, and until Redeemed or Converted remain, quoted on ASX.

1.7 Participating in the new issues

To the maximum extent permitted by the Corporations Act, the ASX Listing Rules and any other applicable laws, Noteholders will be eligible to participate in any future rights on the basis of Notes held at the time of any rights issue. This eligibility to participate in any rights issues is in addition to a right for a Noteholder to participate in any rights issue on the basis of Shares in the Issuer also held by a Noteholder.

1.8 No other rights

The Notes confer no rights on a Noteholder:

(a) to vote at any meeting of members of the Issuer; or

(b) to otherwise participate in the profits or property of the Issuer, except as set out in these Note Terms or the Transaction Documents.

2. INTEREST

2.1 Interest

(a) Each Note bears interest on its Face Value from (and including) its Issue Date to (but excluding) its Maturity Date, Conversion Date or Redemption Date at the Interest Rate.

(b) Interest is payable in arrears on each Interest Payment Date.

3. GENERAL PROVISIONS APPLICABLE TO INTEREST

3.1 Calculation of Interest Rate and Interest payable

(a) The Issuer must, as soon as practicable in each Interest Period, calculate the amount of interest payable for that Interest Period in respect of the Face Value of each Note.

(b) The amount of interest payable on each Note for an Interest Period is calculated according to the following formula:

$$\text{Interest Payable} = \frac{Interest\ Rate\ x\ Face\ Value \times \text{N}}{365}$$

Where:

N means, in respect of:

(A) the first Interest Payment Date in respect of a Note, the number of days from (and including) its Issue Date to (but excluding) that first Interest Payment Date; and

(B) each subsequent Interest Payment Date, the number of days from (and including) the preceding Interest Payment Date to (but excluding) that Interest Payment Date or, as the case may be, the Maturity Date, Conversion Date or Redemption Date.

3.2 Notification of Interest Rate, Interest payable and other items

(a) The Issuer must notify the Trustee and ASX (and any other stock exchange or other relevant authority on which the Notes are quoted) of:

(i) for each Interest Period, the amount of interest payable; and

(ii) any amendment to the amount referred to in subparagraph (A) arising from any extension or reduction in any Interest Period or calculation period.

(b) The Issuer must give notice under this clause 3.2 of the amount of interest on each Note for the Interest Period by no later than the 10th Business Day of that Interest Period.

(c) The Issuer may amend its calculation or determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Trustee and ASX (and any other stock exchange or other relevant authority on which the Notes are quoted) promptly after doing so.

3.3 **Default Interest**

If an amount is not paid under these Note Terms on or before the due date, interest accrues on the unpaid amount at eight per cent per annum from (and including) the due date to (but excluding) the date on which payment is made to the Noteholder of the full unpaid amount.

3.4 **Determination final**

The determination by the Issuer of all amounts, rates and dates falling to be calculated or determined by it under these Note Terms is, in the absence of manifest or proven error, final and binding on the Issuer, the Trustee and each Noteholder.

3.5 **Calculations**

For the purposes of any calculations required under these Note Terms:

(a) all figures must be rounded to three decimal places (with 0.0005 being rounded up to 0.001); and

(b) all amounts that are due and payable must be rounded to the nearest one Australian cent (with 0.5 of a cent being rounded up to 1 cent).

4. **CONVERSION**

4.1 **Notes are Convertible**

Subject to these Note Terms and the ASX Listing Rules, the Noteholder has the right (**Conversion Right**), in accordance with this clause 4, to convert some or all of its Notes into a number of Shares determined by application of the following formula:

$\frac{A}{B}$ where:

A = the Conversion Amount; and

B = the Conversion Price.

4.2 **Conversion at the Noteholder's election**

(a) Subject to paragraph 4.2(b)(ii), a Noteholder may elect in its absolute discretion to convert some or all of its Notes into Shares by giving the Registrar notice in writing of its intention to convert some or all of its Notes (**Conversion Notice**).

(b) In order to convert any Notes into Shares, either:

(i) the Face Value of the Notes the subject of a Conversion Right must be at least the lesser of $2,000; or

(ii) the Noteholder must convert the entire balance of their holding of Notes.

4.3 **Conversion Notice**

(a) A Conversion Notice must:

(i) be in writing (in such form as the Issuer may accept or as is required by the ASX Listing Rules);

(ii) specify the number of Notes to be converted; and

(iii) be signed by the Noteholder or an authorised representative or officer of the Noteholder.

(b) Once a Conversion Notice has been given:

(i) the notice cannot be withdrawn without the written consent of the Issuer;

(ii) the Noteholder must not deal with, transfer, dispose of or otherwise encumber any Notes the subject of the Conversion Notice; and

(iii) the Noteholder must provide such evidence of title to the Notes the subject of the Conversion Notice as may be reasonably required by the Issuer and the Registrar.

(c) Despite receipt by a Noteholder of a notice issued under clause 8.3, a Noteholder may still give a Conversion Notice provided the notice is given not less than five Business Days before the Redemption Date specified in the notice issued under clause 8.3.

(d) A Conversion Notice given to the Issuer five or more Business Days before an Interest Payment Date will be effective on such date as may be determined by the Issuer (in its absolute discretion), provided that date is not later than the next Interest Payment Date following the date the notice is given.

(e) If a Conversion Notice is given to the Issuer less than five Business Days before an Interest Payment Date (**Date 1**), the Conversion Notice will be effective on such date as may be determined by the Issuer (in its absolute discretion), provided that date is not later than the next Interest Payment Date following Date 1.

(f) A Conversion Notice will not be effective if it is given less than five Business Days before the Maturity Date.

4.4 **Effect of Conversion**

On the Conversion Date:

(a) the Noteholder's Notes which are the subject of a Conversion Notice will be Redeemed for the Conversion Amount, and the Noteholder will be taken to have agreed to pay the Conversion Amount to the Issuer by way of subscription for new Shares (**Conversion Shares**) at an issue price per Conversion Share that is equal to the Conversion Price, with each obligation to pay the Conversion Amount to be satisfied by way of mutual set-off;

(b) the Issuer will issue to the Noteholder, and must register the Noteholder as the holder of, the Conversion Shares;

(c) the Noteholder agrees to be registered as the holder of the Conversion Shares in the register of Members;

(d) a holding notice in respect of the Conversion Shares is to be sent to the Noteholder at its registered address in respect of the relevant Notes;

(e) the Issuer must use all reasonable endeavours to procure and maintain quotation of the Conversion Shares on ASX; and

(f) upon issue of the Conversion Shares, all other rights conferred, or restrictions imposed by the Note under these Note Terms will no longer have effect.

4.5 **Ranking of Shares**

Shares issued on conversion of the Notes will be fully paid and will in all respects rank *pari passu* with all other fully paid Shares on issue on the relevant Conversion Date, except that they will not be entitled to any dividend or any other distribution or entitlement that has not been paid as at the Conversion Date but for which the record date was prior to the Conversion Date.

4.6 **No fractional shares**

No fractional Shares will be issued on conversion of a Note. If the calculation under this clause results in an entitlement to a number of Shares which includes a fraction of a Share, the fraction will be disregarded.

4.7 **Adjustments for reorganisation of capital**

Subject to the ASX Listing Rules, if there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Issuer, the basis for conversion of the Notes will be reconstructed in the same proportion as the issued capital of the Issuer is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholders which are not conferred on Shareholders (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Notes will remain unchanged.

5. **REDEMPTION**

5.1 **Scheduled redemption on Maturity Date**

Each Note is Redeemable by the Issuer on the Maturity Date at its Face Value unless:

(a) the Note has been previously Converted;

(b) the Note has been previously Redeemed; or

(c) the Note has been purchased by the Issuer and cancelled.

5.2 **Purchase**

Subject to compliance with any applicable law or requirement of ASX (and any stock exchange or other relevant authority on which the Notes are quoted):

(i) the Issuer and any of its Related Bodies Corporate (or any third party nominated by the Issuer) may, at any time, purchase Notes in the open market or otherwise and at any price;

(ii) if purchases are made by tender for the Notes by the Issuer or any of its Related Bodies Corporate, tenders must be available to all Noteholders alike; and

(iii) Notes purchased under this clause 5.2 may be held, resold or cancelled at the discretion of the purchaser (and, if the Notes are to be cancelled, the Issuer).

6. STATUS, SECURITY AND RANKING

6.1 Status

The Notes at all times constitute unsecured debt obligations of the Issuer.

6.2 No Security

The Notes are unsecured.

6.3 Ranking of Notes

(a) Each Note ranks for payment in a Winding Up of the Issuer:

(i) equally with each other Note;

(ii) equally with all present and future unsubordinated and unsecured debt obligations of the Issuer (subject to the laws and principles of equity affecting creditor rights or obligations preferred by mandatory provisions of applicable law); and

(iii) ahead of all Shares.

(b) Without in any way limiting the Issuer's obligations to Redeem the Notes as set out herein, in order to give effect to the ranking specified in clause 6.3, in any Winding Up of the Issuer, the Noteholders agree that their claims are limited to the extent necessary to ensure that Noteholders of the Notes receive payments on a pro-rata basis.

(c) Without in any way limiting the Issuer's obligations to Redeem the Notes as set out herein, neither the Trustee nor any Noteholder has any right to prove in a Winding Up of the Issuer in respect of the Notes, except on the basis set out in clauses 6.1 and 6.2.

(d) Neither the Trustee nor any Noteholder may exercise voting rights as a creditor in respect of the Notes in a Winding Up of the Issuer to defeat the subordination in this clause.

(e) The ranking of Notes is not affected by the date of registration of any Noteholder in the Register.

7. NEGATIVE COVENANTS

For so long as any of the Notes remain outstanding, the Issuer must not, without the approval of an Ordinary Resolution, incur any indebtedness that would cause the Issuer's total indebtedness to exceed 40% of the Issuer's total assets.

8. EVENTS OF DEFAULT

8.1 Events of Default

An Event of Default occurs in relation to the Notes if:

(a) (**non-issue of Shares**) the Issuer fails to issue Shares on Conversion in accordance with these Note Terms within 10 Business Days after the date on which such issue is to be made;

(b) (**non-payment**) the Issuer fails to pay any amount payable by it under the Note Terms and such default is not remedied within 3 Business Days;

(c) (**breach of Negative Covenants**) the Issuer fails to comply with clause 7 and such failure remains unremedied for a period of 10 Business Days;

(d) (**breach of other obligations**) the Issuer fails to comply with any of its other obligations under the Note Terms or the Transaction Documents and such failure remains unremedied for a period of 10 Business Days after the earlier of (A) the Issuer receiving written notice from the Trustee in respect of the failure to comply and (B) the Issuer becoming aware of the failure to comply;

(e) (**insolvency**) an Insolvency Event occurs in respect of the Issuer;

(f) (**delisting**) a Delisting Event occurs in respect of the Issuer;

(g) (**cessation of business**) the Issuer ceases or suspends (or threatens to cease or suspend) the conduct of all of its business or a substantial part of its business;

(h) (**unlawfulness**) at any time, it is unlawful for the Issuer to perform any of its payment obligations under the Notes;

(i) (**Government Agency**) all or substantially all of the assets of the Issuer are resumed, or compulsory acquired by any Government Agency; or

(j) (**vitiation**) all or any rights or obligations of the Issuer, Noteholders or the Trustee under the Trust Deed or the Note Terms are terminated or are or become void, illegal, invalid, unenforceable or of limited force and effect.

8.2 **Notification**

If an Event of Default occurs, the Issuer must, promptly after becoming aware of it but in any event no later than two Business Days after the Event of Default occurs, notify the Trustee of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to promptly notify the Noteholders and ASX (and any other stock exchange or other relevant authority on which the Notes are quoted) of the occurrence of the Event of Default. The Trustee is taken not to have knowledge of the occurrence of an Event of Default unless the Trustee has received written notice from the Issuer or a Noteholder stating that an Event of Default has occurred and describing it. Nothing contained in the Trust Deed imposes on the Trustee an obligation to inform any Noteholder of any breach by the Issuer of any provision of the Trust Deed.

8.3 **Consequences of an Event of Default**

(a) If an Event of Default occurs and is continuing in relation to the Notes, the Trustee may:

(i) declare by notice to the Issuer (with a copy to the Noteholders and the Registrar) that all the Notes are to be Redeemed at their Face Value (together with any accrued Interest) immediately (but not earlier than 10 Business Days after the date the Trustee gives notice under this clause) or on such other date specified in that notice; or

(ii) take enforcement action against the Issuer in relation to the Event of Default in accordance with the Transaction Documents.

(b) The Trustee shall not be bound to take the action referred to in paragraph (i) above to enforce the obligations of the Issuer in respect of the Notes or any other proceedings or action pursuant to or in connection with the Transaction Documents unless:

(i) it shall have been so directed by a Special Resolution of the Noteholders of the relevant Notes;

(ii) it is indemnified, to its satisfaction, against all costs, charges, liabilities and expenses which may be incurred by it (including legal costs on a solicitor and own client basis) in connection with that action;

(iii) it is first placed in funds sufficient to cover the costs that it may incur as a result of doing so; and

(iv) it is not restricted or prohibited from taking such action by any order of any competent court or any applicable law.

If the Trustee forms the view that such action is or could be inconsistent with these Note Terms, the Transaction Documents or the Corporations Act or any applicable law, it must take steps to seek (and, if the court so determines, to obtain) as soon as reasonably practicable a court direction or order to set aside or vary the direction given by Special Resolution, and, while those steps are underway, the Trustee is not obliged to take any action or proceedings it has been directed to take by Special Resolution.

8.4 **No enforcement by Noteholders**

Unless the Trustee, having become obliged to take action to enforce the rights of the Noteholders under the Transaction Documents and these Note Terms, fails to do so within 20 Business Days of being obliged to do so and such failure is continuing, the rights of each Noteholder to enforce the obligations of the Issuer under the Notes are limited to the exercise of its rights to enforce and seek due administration by the Trustee of the Trust Deed. In particular, unless the Trustee, having become obliged to take action to enforce the rights of the Noteholders under the Transaction Documents and these Note Terms, fails to do so within 20 Business Days of being obliged to do so and such failure is continuing, no Noteholder may, with respect to payment of any amount due under the Notes held by it:

(a) sue the Issuer;

(b) obtain judgment against the Issuer; or

(c) apply for or seek Winding Up of the Issuer.

9. **TITLE AND TRANSFER OF NOTES**

9.1 **Title**

Title to a Note passes when details of the transfer are entered in the Register.

9.2 **Effect of entries in Register**

Each entry in the Register in respect of a Note constitutes:

(a) an unconditional and irrevocable undertaking by the Issuer to the Noteholder to pay principal, interest and any other amount in accordance with these Note Terms; and

(b) an entitlement to the other benefits given to Noteholders under these Note Terms and the Transaction Documents in respect of the Note.

For the avoidance of doubt, an entry in the Register does not make the Noteholder a Member of the Issuer or confer rights on a Noteholder to attend or vote at meetings of Members of the Issuer.

9.3 **Register conclusive as to ownership**

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note, subject to correction for fraud or manifest error.

9.4 **Non-recognition of interests**

Except as required by law, the Issuer, the Trustee and the Registrar must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This clause 9.4 applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

9.5 **Joint holders**

Where two or more persons are entered in the Register as the joint holders of a Note, then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of any Note.

9.6 **Transfers in whole**

The Notes may be transferred in whole but not in part.

9.7 **Transfer**

A Noteholder may, subject to this clause 9, transfer any Notes:

(a) by a proper ASTC transfer according to the ASX Settlement Operating Rules;

(b) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act;

(c) under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside Australia on which the Notes are quoted; or

(d) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

The Issuer must not charge any fee on the transfer of a Note.

9.8 **Market obligations**

The Issuer must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of a Note.

9.9 **Issuer may request holding lock or refuse to register transfer**

If the Notes are quoted on ASX, and if permitted to do so by the ASX Listing Rules and the Corporations Act, the Issuer may:

(a) request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Notes approved by and registered on the CS

Facility's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be; or

(b) refuse to register a transfer of Notes.

9.10 **Issuer must request holding lock or refuse to register transfer**

(a) The Issuer must request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Notes approved by and registered on the CS Facility's electronic sub-register or Notes registered on an issuer-sponsored sub- register, as the case may be, if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.

(b) The Issuer must refuse to register any transfer of Notes if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.

(c) During a breach of the ASX Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the Noteholder of the Restricted Securities is not entitled to any Interest (or other distribution on), or voting rights in respect of, the Restricted Securities.

9.11 **Notice of holding lock and refusal to register transfer**

If, in the exercise of its rights under clauses 9.9 and 9.10, the Issuer requests the application of a holding lock to prevent a transfer of Notes or refuses to register a transfer of Notes, it must, within five Business Days after the date the holding lock is requested or the refusal to register a transfer, give written notice of the request or refusal to the Noteholder, to the transferee and the broker lodging the transfer, if any. Failure to give such notice does not, however, invalidate the decision of the Issuer.

9.12 **Delivery of instrument**

If an instrument is used to transfer the Notes according to clause 9.7, it must be delivered to the Registrar, together with such evidence (if any) as the Issuer and/or the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Notes.

9.13 **Transferor to remain Noteholder until registration**

A transferor of a Note remains the Noteholder in respect of that Note until the transfer is registered, and the name of the transferee is entered in the Register.

9.14 **Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Transaction Documents and the Note Terms in respect of the transferred Notes and the transferee becomes so entitled in accordance with clause 9.2.

9.15 **Estates**

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

9.16 **Transfer of unidentified Notes**

Where the transferor executes a transfer of less than all the Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate of the Face Value of all the Notes registered as having been transferred equals the aggregate of the Face Value of all the Notes expressed to be transferred in the transfer.

10. **PAYMENTS**

(a) **Summary of payment provisions**

Payments in respect of the Notes will be made in accordance with this clause 10.

(b) **Record Date**

All payments under or in respect of a Note will be made only to those persons registered as the holder of that Note at the nominated time on the relevant Record Date.

(c) **Payments subject to law**

All payments are subject to applicable law, but without prejudice to the provisions of clause 11.

(d) **Payments on Business Days**

If a payment:

(i) is due on a Note on a day which is not a Business Day then the due date for payment will be postponed to the first following day that is a Business Day; or

(ii) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and, in either case, the Noteholder is not entitled to any additional payment in respect of that delay.

(e) **Payments to accounts**

Moneys payable by the Issuer to a Noteholder may be paid in any manner the Issuer decides, including by direct credit into a nominated account of the Noteholder at an Australian branch of a financial institution.

(f) **Payments by cheque**

(i) The Issuer may decide that payments in respect of the Notes will be made by cheque sent by prepaid post on the payment date to the Noteholder (or to the first named joint holder of the Notes) at its address appearing in the Register.

(ii) Cheques sent to the nominated address of a Noteholder will be at the risk of the registered Noteholder and will be taken to have been received by the Noteholder on the payment date and, no further amount will be

payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

(g) **Unsuccessful attempts to pay**

Subject to applicable law and the ASX Listing Rules, where the Issuer:

(i) decides that an amount is to be paid to a Noteholder by a method of direct credit and the Noteholder has not nominated an account to which amounts are to be paid by that method;

(ii) attempts to pay an amount to a Noteholder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful;

(iii) has made reasonable efforts to locate a Noteholder but is unable to do so; or

(iv) has issued a cheque which has not been presented within six months of its date and, as a consequence, the Issuer has cancelled such cheque,

then, in each case:

(v) the amount will be taken to have been duly paid to the Noteholder and will not bear Interest; and

(vi) the amount will be held by the Issuer for the Noteholder in a non-interest-bearing deposit with a bank selected by the Issuer until the Noteholder (or any legal personal representative of the Noteholder) nominates an account for payment or otherwise claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

(h) **Payment to joint Noteholders**

A payment to any one of the joint Noteholders of a Note will discharge the Issuer's liability in respect of the payment.

11. **DEDUCTIONS**

(a) **No set-off, counterclaim or deductions**

All payments in respect of the Notes must be made in full without set-off or counterclaim, and without any withholding or deduction for or in respect of Taxes, unless such withholding or deduction is required by law.

(b) **Withholding and other taxes**

(i) The Issuer may withhold or deduct from any amount payable to a Noteholder in respect of the Notes an amount in respect of any Tax which a qualified legal or taxation advisor advises that it is required by law to withhold or deduct from that payment.

(ii) The Issuer must pay the full amount required to be withheld or deducted to the relevant revenue authority within the time allowed for such payment (without incurring penalty under the applicable law) and must, if required by a Noteholder, deliver to that Noteholder a copy of the relevant receipt issued by the relevant revenue authority without unreasonable delay after it is received by the Issuer.

(iii) If an amount is deducted or withheld under clause 11(b)(i) from a payment to a Noteholder in respect of any Tax, the full amount payable to the Noteholder will be deemed to have been duly paid and satisfied by the Issuer, and the Issuer will have no obligation to pay any additional amount to the Noteholder on account of the deduction or withholding.

12. AMENDMENT OF THE NOTE TERMS

12.1 Amendment without the approval of the Noteholders

At any time, and from time to time, the Note Terms (which, for the avoidance of doubt include this clause) may be modified, altered, cancelled, amended or added to (collectively **Modified**), without the consent of the Noteholders, if:

(a) such modification, alteration, cancellation, amendment or addition (collectively Modification) is:

(i) of a formal or technical nature or made to cure any ambiguity or correct any manifest error;

(ii) necessary or expedient for the purpose of listing the Notes on ASX or to comply with the applicable ASX Listing Rules or the listing or quotation requirements of any other any securities exchange on which the Issuer may propose to seek a listing of the Notes;

(iii) necessary or expedient for the purpose of enabling the Notes to be offered for issue or for sale under the laws for the time being in force in any place;

(iv) necessary or expedient to comply with the provisions of any law or regulation or the requirements of any statutory authority; or

(v) necessary or advisable following the introduction of, or any amendment to, clarification of, or change (including any announced prospective change) in, any law or regulation of the Commonwealth of Australia or an announcement, action or decision or a proposal to introduce, amend, clarify or change any such law or regulation or any official administrative pronouncement or action or judicial decision interpreting or applying any such law or regulation which is likely to cause the Notes to cease to be treated as debt for tax or accounting purposes; and

(vi) in respect of a Modification sought by a party in reliance on:

(A) any one of clauses 12.1(a)(i) to 12.1(a)(iv) above - the Issuer and the Trustee have either jointly or separately obtained a legal opinion from legal advisers of recognised standing in New South Wales, which opinion is in a form satisfactory to the Issuer and the Trustee, as applicable (each acting reasonably) and is addressed to or is otherwise able to be relied on by each of the Issuer and the Trustee, as applicable, to the effect that such Modification (taken as a whole and in conjunction with all other Modifications) is:

(aa) a Modification within the scope of any one or more of clauses 12.1(a)(i) to 12.1(a)(iv); and

(bb) not materially prejudicial to the interests of Noteholders of the Notes (taken as a whole); or

(B) clause 12.1(a)(v) above - the Issuer and the Trustee have either jointly or separately obtained an opinion from an accountancy or taxation adviser of recognised standing in New South Wales, which opinion is in a form satisfactory to the Issuer and the Trustee, as applicable (each acting reasonably) and is addressed to or is otherwise able to be relied on by each of the Issuer and the Trustee, as applicable, to the effect that such Modification (taken as a whole and in conjunction with all other Modifications) is:

(aa) a Modification within the scope of clause 12.1(a)(v); and

(bb) not materially prejudicial to the interests of Noteholders of the Notes (taken as a whole).

12.2 **Amendment with the approval of the Noteholders**

(a) At any time, and from time to time, but subject to clauses 12.2(b), 12.2(c) and 12.3 of the Note Terms, the Note Terms (which, for the avoidance of doubt, includes this clause) may be Modified if such Modification is authorised by an Ordinary Resolution.

(b) If the Trustee considers the Modification will materially and adversely affect the rights of all Noteholders, then the Modification must be authorised by a Special Resolution.

(c) If a clause in the Note Terms provides for Noteholders to give a direction to the Trustee by a Special Resolution, then that clause may only be Modified if such Modification is authorised by a Special Resolution.

12.3 **Amendment with the approval of the Noteholders but not the Trustee**

If a Modification to the Note Terms (which, for the avoidance of doubt includes this clause) is proposed by the Issuer under clause 12.2 and the Trustee will not consent to the Modification, the Note Terms may be Modified in the manner proposed by the Issuer if such Modification is authorised by a Special Resolution, provided that such amendment does not adversely affect the rights and obligations of the Trustee.

13. **GENERAL**

13.1 **Reporting**

In addition to any requirements of the Corporations Act and the ASX Listing Rules, each Noteholder (if requested by that Noteholder) will be provided with copies of all annual and half-yearly reports and financial statements provided to holders of Shares.

13.2 **Time limit for claims**

A claim against the Issuer for a payment under a Note is void unless made within 5 years from the date on which payment first became due.

13.3 **Voting**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests including certain variations of these Note Terms which require the consent of the Noteholders.

13.4 **Notices**

The Trust Deed contains provisions for the giving of notices.

13.5 **Further documents**

The Issuer may require the Trustee to execute, on behalf of all Noteholders, such documents as the Issuer considers necessary or desirable (provided that the Trustee is indemnified to its satisfaction, acting reasonably, against any Taxes, fees, costs, charges, expenses or liabilities (including solicitor and client as well as party and party costs) which it may suffer or incur as a result of doing so, and provided that the Trustee will only be required to execute such documents if the Noteholders give a direction to the Trustee by a Special Resolution passed in favour of such execution to do so).

13.6 **Governing law and jurisdiction**

(a) The Note Terms and the Notes are governed by the laws of New South Wales.

(b) The Issuer and each Noteholder submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales in connection with matters concerning the Notes or these Note Terms.

(c) The Issuer and each Noteholder waives any right they have to object to an action being brought in those courts, or to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

14. **INTERPRETATION AND DEFINITIONS**

14.1 **Interpretation**

In these Note Terms, except where the context otherwise requires:

(a) if there is inconsistency between the Note Terms and, the Trust Deed, then, to the maximum extent permitted by law, the Note Terms will prevail;

(b) a reference to a clause or paragraph is to a clause or paragraph of the Note Terms;

(c) the Directors may exercise all powers of the Issuer under these Note Terms as are not, by the Corporations Act or by the Constitution of the Issuer required to be exercised by the Issuer in a general meeting;

(d) if a calculation is required under these Note Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places;

(e) calculations, elections and determinations made by the Issuer under these Note Terms are binding on Noteholders in the absence of manifest error;

(f) if an event under these Note Terms must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day;

(g) the singular word includes the plural, and vice versa;

(h) a word which suggests one gender includes the other genders;

(i) if a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning;

(j) if an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing;

(k) a reference to "**dollars**", or "**$**" is to an amount in Australian currency;

14.2 **Non-Business Days**

If the day on or by which a person must do something under this document is not a Business Day:

(a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and

(b) in any other case, the person must do it on or by the previous Business Day.

14.3 **Definitions**

Terms defined in the Trust Deed have the same meanings in these Note Terms. The following terms used in the Note Terms set out in this section are defined in the Trust Deed: ASTC, ASX Settlement Operating Rules, ASX, ASX Listing Rules, Business Day, Clearing System, Corporations Act, Government Agency, Insolvency Event, Register, Registrar, Subsidiary, Tax and Winding Up.

In addition, the following terms have the following meanings unless the contrary intention appears:

Applicable Regulations means such provisions of the ASX Listing Rules, the ASX Settlement Operating Rules, the Corporations Act and any regulations or rules pursuant under or pursuant to any such provisions as may be applicable to the transfer of a Note.

Change of Control Event means each of:

(a) a takeover bid is made to acquire all of the Shares and the offer under the takeover bid is, or becomes, unconditional and:

(i) the bidder has acquired at any time during the offer period a relevant interest in more than 50% of the Shares on issue; or

(ii) the Directors of the Issuer unanimously recommend acceptance of the offer under the takeover bid, and acceptance of that offer would result in the bidder having a relevant interest in 100% of the Shares on issue; or

(b) a court approves a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in 100 per cent of the Shares on issue.

Constitution means the constitution of the Issuer, as amended from time to time.

Conversion means the conversion of a Note in accordance with clause 4 of the Note Terms and the words Convert, Convertible, Converting and Converted bear a corresponding meaning.

Conversion Amount means the aggregate Face Value of the total number of Notes the subject of the relevant Conversion Notice plus, at the option of the Issuer, such amount of the Interest accrued but unpaid on those Notes (as determined by the Issuer) on the Conversion Date.

Conversion Date means the date (determined by the Issuer (in its absolute discretion) in accordance with the Note Terms) on which Shares will be issued to the Noteholder on conversion of the Notes under clause 4 of the Note Terms.

Conversion Notice means a notice of conversion given in accordance with clauses 4.2 and 4.3 of the Note Terms and in the form prescribed in Schedule 3 of the Trust Deed.

Conversion Price means an amount equal to the Face Value of the Note.

CS Facility has the same meaning as 'prescribed CS Facility' in the *Corporations Act*.

CS Facility Operator means the operator of a CS Facility.

Delisting Event will occur if:

(a) the Shares cease to be quoted on ASX;

(b) the Notes cease to be quoted on ASX; or

(c) trading of the Shares or Notes on the ASX is suspended for a period of more than 20 consecutive Business Days.

Directors means some or all of the directors of the Issuer acting as a board.

Event of Default means the happening of any event set out in clause 8.

Face Value means the nominal principal amount of each Note, being $1.00.

Interest means the interest payable from time to time in respect of a Note, including interest payable under clause 3.1 and, as applicable, default interest payable under clause 3.3 of the Note Terms.

Interest Payment Date means, in respect of a Note:

(a) 10th Business Day following the quarterly periods ending 28 February, 31 May, 31 August and 30 November;

(b) the Conversion Date (if the Issuer elects not to include the Interest accrued but unpaid on the Note in the Conversion Amount);

(c) the Maturity Date; and

(d) any Redemption Date.

Interest Period means, for a Note, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

(a) the first Interest Period commences on (and includes) its Issue Date; and

(b) the final Interest Period ends on (but excludes) the Maturity Date, Conversion Date or the Redemption Date.

Interest Rate means, in respect of an Interest Period for a Note, 5.25% per annum.

Issue Date means, in respect of a Note, the date on which that Note is issued.

Issue Price means the issue price of each Note, being $1.00.

Issuer means Clime Capital Limited ACN 106 282 777**.**

Maturity Date means 30 November 2025.

Meeting Provisions means the rules relating to meetings of Noteholders contained in Schedule 2 to the Trust Deed.

Member or Shareholder means a person entered in the register of members as a member, for the time being, of the Issuer.

Note means a debt obligation denominated in Australian dollars and issued, or to be issued, by the Issuer, which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register.

Note Terms means, in relation to a Note, the terms and conditions of issue of that Note (as set out in Schedule 1 to the Trust Deed and as referred to in this Section 9).

Noteholder means, in respect of a Note, the person from time to time whose name is entered on the Register as the holder of that Note.

Ordinary Resolution means:

(a) a resolution passed at a meeting of the Noteholders duly called and held under the Meeting Provisions:

  (i) by at least 50 per cent of the persons voting on a show of hands (unless paragraph (ii) below applies); or

  (ii) if a poll is duly demanded, then by a majority consisting of at least 50 per cent of the votes cast; or

(b) a resolution passed by postal ballot or circular written resolution by Noteholders representing (in aggregate) at least 50 per cent of the principal amount then outstanding of all of the Notes.

Record Date means, in relation to any payment to be made under or in respect of the Notes:

(a) subject to sub-paragraphs (b) and (c), the date which is eight calendar days before the applicable due date for payment; or

(b) such other date as is determined by the Issuer in its absolute discretion, and communicated to ASX not less than eight calendar days before the record date which would have been determined under paragraph (a) above; or

(c) such other date as may be required by, or agreed with, ASX.

Redemption means the redemption of a Note in accordance with clause 5 of the Note Terms and the words Redeem, Redeemable and Redeemed bear their corresponding meanings.

Redemption Date means, in respect of a Note, the date, other than the Maturity Date, on which the Note is Redeemed.

Restriction Agreement means an agreement which is required to be concluded under Chapter 9 of the ASX Listing Rules or in voluntarily concluded between the Issuer and one or more Noteholders.

Restricted Securities has the same meaning as in the ASX Listing Rules and extends to Notes which are subject to voluntary restrictions by agreement between the Issuer and one or more Noteholders.

Shares means an ordinary share in the capital of the Issuer.

Special Resolution means:

(a) a resolution passed at a meeting of the Noteholders duly called and held under the Meeting Provisions:

(i) by at least 75% of the persons voting on a show of hands (unless paragraph (ii) below applies); or

(ii) if a poll is duly demanded, then by a majority consisting of at least 75% of the votes cast; or

(b) a resolution passed by postal ballot or circular written resolution by Noteholders representing (in aggregate) at least 75% of the principal amount then outstanding of all of the Notes.

Transaction Documents means:

(a) the Trust Deed (including the Note Terms); and

(b) each Note.

Trustee means the person from time to time acting as the trustee of the trust constituted by the Trust Deed (acting in that capacity), currently being Equity Trustees Limited ABN 46 004 031 298.

Trust Deed means the trust deed entitled 'Convertible Notes Trust Deed' between the Issuer and the Trustee and dated 17 November 2017, as amended from time to time.

VWAP means the average of the daily volume weighted average sale prices of the Shares sold on ASX during the period specified in these Note Terms, excluding any transaction defined in the ASX Settlement Operating Rules as 'special', crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises, subject to the following adjustments:

(a) where, on some or all of the Business Days in the relevant period, Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement which is not extended to the Noteholder, and the Notes will convert into Ordinary Shares after the date those Shares no longer carry that entitlement, then the VWAP on the Business Days on which those shares have been quoted cum dividend, or cum any other distribution or entitlement shall be reduced by an amount (**Cum Value**) equal to:

(b) in the case of a dividend or other distribution, the amount of that dividend or distribution (with no value included for any franking credits);

(c) in the case of an entitlement which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the relevant period on the Business Days on which those entitlements were traded; or

(d) in the case of an entitlement not traded on ASX during the relevant period, the value of the entitlement as reasonably determined by the Directors; and

(e) where, on some or all of the Business Days in the relevant period, Shares have been quoted ex dividend, ex distribution or ex entitlement, and Notes will convert into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Shares have been quoted ex dividend, ex distribution or ex entitlement shall be increased by the Cum Value.

10 AUTHORISATION

10.1 Authorisation

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated 27 October 2021

John Abernethy
Chairman

11 GLOSSARY

In this document:

Annual General Meeting of Shareholders	means the annual general meeting of CAM Shareholders scheduled for 10am on 18 November 2021, which has been convened by notice dated 18 October 2021.
Annual Report	means the annual report of the Company for the financial year ended 30 June 2021 which includes audited financial statements for the financial year ended 30 June 2021 and the auditor's report, which was lodged with ASX and ASIC on 17 August 2021.
Applicant	means a person or entity who submits an Application.
Application	means an application made to acquire CAM Notes under this Prospectus.
Application Form	means the application form referred to in, and accompanied by a copy of, this Prospectus.
Application Monies	means the monies submitted by Applicants in respect of their Applications.
ASIC	means the Australian Securities and Investments Commission.
ASTC	means the ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Listing Rules	means the listing rules of ASX.
ASX Settlement Operating Rules	ASX Settlement Operating Rules means the settlement rules of ASTC as amended or replaced from time to time.
Authorisation	means: (a) an authorisation, consent, declaration, exemption, notarisation, or waiver, however it is described; and (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken, including any renewal or amendment.
Authorised Intermediary	means Morgans Financial Limited ACN 010 669 726.
Board	means the board of directors of the Company.
Broker Firm Offer	means the Offer of CAM Notes under this Prospectus to Australian and New Zealand clients of the Lead Manager and Participating Brokers who are participating Wholesale and Sophisticated Clients and Australian Retail Clients.
Broker Firm Offer Closing Date	means the date on which the Broker Firm Offer closes, being 5.00pm on 26 November 2021, or another date nominated by the Company, in consultation with the Lead Manager, subject to the Listing Rules.
Business Day	means a day which is a business day within the meaning of the ASX Listing Rules.

CAM Note Terms	means the terms of issue of the CAM Notes as detailed in Section 9.
CAM Note Trust	means the trust named the 'CAM Convertible Note Trust' established under clause 2.2 of the Trust Deed.
CAM Notes or CAM Note or Note	means the unsecured, redeemable, convertible Notes offered by CAM under this Prospectus.
CAM Note Terms	means the CAM Note Terms as detailed in Section 9.
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Company, CAM or Issuer	means Clime Capital Limited ACN 106 282 777.
Constitution	means the constitution of CAM, as amended from time to time.
Conversion	means the conversion of a CAM Note in accordance with the CAM Note Terms and the words Convert, Convertible, Converting and Converted bear a corresponding meaning.
Conversion Amount	means the aggregate Face Value of the total number of Notes the subject of the relevant Conversion Notice plus, at the option of the Company, such amount of the Interest accrued but unpaid on those Notes (as determined by the Company) on the Conversion Date.
Conversion Date	means the date (determined by the Issuer (in its absolute discretion) in accordance with the Note Terms) on which Shares will be issued to the Noteholder on conversion of the Notes under clause 4 of the CAM Note Terms.
Conversion Notice	means a notice of conversion given in accordance with clauses 4.2 and 4.3 of the CAM Note Terms.
Conversion Price	means an amount equal to the Face Value of the Note.
Corporations Act	means *Corporations Act 2001* (Cth).
Delisting Event	will occur if: (a) the Shares cease to be quoted on ASX; (b) the Notes cease to be quoted on ASX; or (c) trading of the Shares or Notes on the ASX is suspended for a period of more than 20 consecutive Business Days.
Directors	means the directors of the Company.

Eligible Participant	means any eligible person who has a registered address in Australia or New Zealand and who: (a) is a current Shareholder in CAM or a current Noteholder of CAM; or (b) is any past Shareholder or Noteholder of CAM as determined by the Board in its absolute discretion; or (c) any other person as determined by the Board in its absolute discretion to be eligible to participate in the Priority Offer and in respect of a person in New Zealand is a wholesale investor within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act.
Event of Default	means the happening of any event set out in clause 8 of the CAM Note Terms.
Face Value or Issue Price	means the nominal principal amount of each Note, being $1.00.
Financial Markets Conduct Act	means the New Zealand Financial Markets Conduct Act 2013.
Government Agency	means: (a) a government or government department or other body; (b) a government, semi-governmental or judicial person including a statutory corporation; or (c) a person (whether autonomous or not) who is charged with the administration of a law.
Holding Statement	means a statement issued to Noteholders by the Registrar which sets out the number of CAM Notes issued to that Noteholder.
Insolvency Event	occurs in relation to a body corporate if: (a) it is (or states that it is) insolvent (as defined in the Corporations Act); or (b) it has a controller (as defined in the Corporations Act) appointed, or is in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration or wound up or has had a receiver appointed to any part of its property; or (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute, dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the creditors); or (d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or (e) it is taken (under section 459(F)(1) of the Corporations Act) to have failed to comply with a statutory demand; or (f) it is otherwise unable to pay its debts when they fall due; or (g) something having a substantially similar effect to (a) to (f) happens in connection with it under the law of any jurisdiction.

Interest	means the interest payable from time to time in respect of a Note.
Interest Payment Date	means, in respect of a Note: (a) 10th Business Day following the quarterly periods ending 28 February, 31 May, 31 August and 30 November; (b) the Conversion Date (if the Issuer elects not to include the Interest accrued but unpaid on the Note in the Conversion Amount); (c) the Maturity Date; and (d) any Redemption Date.
Interest Period	means, for a Note, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However: (a) the first Interest Period commences on (and includes) its Issue Date; and (b) the final Interest Period ends on (but excludes) the Maturity Date, Conversion Date or the Redemption Date.
Interest Rate	means, in respect of an Interest Period for a Note, 5.25% per annum.
Investment Management Agreement	means the investment management agreement dated 12 November 2003 between the Company and the Investment Manager.
Investment Manager	means Clime Asset Management Pty Limited ACN 098 420 770.
Issue Date	means, in respect of a Note, the date on which that Note is issued.
Lead Manager	means Morgans Financial Limited ABN 49 010 669 726, (AFSL 235410).
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Maturity Date	means 30 November 2025.
Meeting Provisions	means the rules relating to meetings of Noteholders contained in Schedule 2 to the Trust Deed.
Member or Shareholder	means a person entered in the register of members as a member, for the time being, of the Company.
Moneys Owing	means, without double counting, the aggregate of all moneys owing (whether presently, contingently or prospectively) from time to time by the Company to any of the Trustee and the Noteholders under the Trust Deed and the Notes and, in relation to a Noteholder means the foregoing to the extent that it is owing to or relates to that Noteholder.
Note or CAM Note	means a debt obligation denominated in Australian dollars and issued, or to be issued, by CAM which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register.
Noteholder	means, in relation to a Note, the terms and conditions of issue of that Note (as set out in Schedule 1 to the Trust Deed).
Noteholder Meeting	means the meeting of Noteholders convened to be held on 18 November 2021 to consider the Noteholder Resolutions.

Noteholder Resolutions	means the first Special Resolution of Noteholders to approve amendments to the terms of the existing Notes and Trust Deed and subject to the foregoing resolution being passed, the second Special Resolution to approve the consolidation of the existing Notes as at midnight on 30 November 2021 (on the basis that 25 Notes are consolidated to become 24 Notes), to be considered and voted upon at the Noteholder Meeting.
Offer	means the offer to subscribe for CAM Notes under this Prospectus at the Offer price of $1.00 under this Prospectus, comprising the Priority Offer and the Broker Firm Offer.
Offer Management Agreement	means the offer management agreement dated 27 October 2021 between the Company and the Lead Manager.
Ordinary Resolution	means: (a) a resolution passed at a meeting of the Noteholders duly called and held under the Meeting Provisions: (i) by at least 50 per cent of the persons voting on a show of hands (unless paragraph (ii) below applies); or (ii) if a poll is duly demanded, then by a majority consisting of at least 50 per cent of the votes cast; or (b) a resolution passed by postal ballot or circular written resolution by Noteholders representing (in aggregate) at least 50 per cent of the principal amount then outstanding of all of the Notes.
Ordinary Shares or Shares	means fully paid ordinary shares in CAM.
Participating Broker	means any participating organisation of ASX selected by CAM in agreement with the Lead Manager to participate in the Broker Firm Offer.
Power	means any right, power, authority, discretion or remedy of, or conferred on, the Trustee or a Noteholder, an attorney or a controller by the trust Deed or any applicable law.
Priority Offer	means the Offer of CAM Notes under this Prospectus to Eligible Participants and any other party as determined by the Board in its discretion to be eligible to participate in the Priority Offer.
Priority Offer Closing Date	means the date on which the Priority Offer closes, being 5.00pm on 24 November 2021, or another date nominated by the Company, in consultation with the Lead Manager, subject to the Listing Rules.
Prospectus	means this prospectus and any supplementary or replacement prospectus.
Recovered Money	means (subject to the Trust Deed), the net proceeds of all money received or recovered by the Trustee under the Trust Deed and Chapter 2L of the Corporations Act whether by enforcement or otherwise (after deduction of fees, costs, charges, expenses and other amounts paid or incurred in accordance with the Trust Deed and Chapter 2L of the Corporations Act).
Redemption	means the redemption of a CAM Note in accordance with the CAM Note Terms and the words Redeem, Redeemable and Redeemed bear their corresponding meanings.
Redemption Date	means, in respect of a Note, the date, other than the Maturity Date, on which the Note is Redeemed.

Register	means the register of Noteholders (established and maintained under clause 6 of the Trust Deed) and, where appropriate, the term Register includes: (a) a sub-register maintained by or for the Issuer under the Corporations Act, the Listing Rules or ASX Settlement Operating Rules; and (b) any branch register.
Registrar	means Boardroom Pty Limited (ABN 14 003 209 836) or any other person appointed by CAM to maintain the Register and perform any payment and other duties as specified in that agreement.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Retail Client	means a person who is not a Wholesale and Sophisticated Client.
Shareholders	means shareholders in the Company.
Shareholder Approval	means the approval by Shareholders being sought at the Annual General Meeting of Shareholders of the issue of a maximum of $35 Million worth of CAM Notes for the purposes of Listing Rule 7.1 (being sought as resolution numbered 4 in the notice of Annual General Meeting).
Special Resolution	means: (a) a resolution passed at a meeting of the Noteholders duly called and held under the Meeting Provisions: (i) by at least 75% of the persons voting on a show of hands (unless paragraph (ii) below applies); or (ii) if a poll is duly demanded, then by a majority consisting of at least 75% of the votes cast; or (b) a resolution passed by postal ballot or circular written resolution by Noteholders representing (in aggregate) at least 75% of the principal amount then outstanding of all of the Notes.
Successful Applicant	means an Applicant who is allocated CAM Notes under the Offer.
Target Market Determination	means the target market determination required under section 994B of the Corporations Act in connection with the Offer.
Tax	means any tax, levy, impost, charge, rate, withholding or duty (including stamp and transaction duties) levied or imposed by any Government Agency together with any related interest, penalties, fines and expenses in connection with them. It includes GST.
Timetable	means the key dates for the Offer set out on page 12.
Trustee	means the person from time to time acting as the trustee of the trust constituted by the Trust Deed (acting in that capacity), currently being Equity Trustees Limited.
Trust Deed	means the trust deed entitled 'Convertible Notes Trust Deed' between the Company and the Trustee and dated 17 November 2017, as amended from time to time.

Trust Fund	means (with none of the following limiting any other): (a) the sum of $10 referred to in the Trust Deed; (b) all right, title and interest vested in the Trustee in, to and under the Trust Deed, including all rights and benefits under them; (c) the benefit of all undertakings, covenants, agreements, representations and warranties made or given or agreed to or in favour of, or granted to or for the benefit of, the Trustee under the Trust Deed; (d) the right to enforce the Company's duty to repay the Moneys Owing; (e) the right to enforce any other duties that the Company has under the Note Terms, the Trust Deed and Chapter 2L of the Corporations Act; (f) all money paid to the Trustee under the Trust Deed in its capacity as trustee of the Trust (other than, for the avoidance of doubt, those amounts which are paid to the Trustee in its personal capacity); (g) all Recovered Money; (h) the benefit of all claims, actions and demands arising in respect of the Powers; and (i) all other property acquired by the Trustee and intended to be held for the benefit of the Noteholders or the Trustee from time to time on the trusts of the Trust Deed.
Us or we	means the Company.
Wholesale and Sophisticated Clients	means a person: (a) with a registered address in Australia who is either a 'professional investor' or 'sophisticated investor' within the meaning of sections 708(11) and 708(8) of the Corporations Act; or (b) a person with a registered address in New Zealand who is a wholesale investor within the meaning of clauses 3(2) and 3(3)(a) of schedule 1 of the New Zealand Financial Markets Conduct Act.
Winding Up	means in respect of a person the appointment of a liquidator or provisional liquidator of that person (and where the appointment is made by a court, by a court of competent jurisdiction in Australia).
You	means the investors under this Prospectus.

CORPORATE DIRECTORY

Company

Clime Capital Limited ACN 106 282 777

Level 12, 20 Hunter Street,

Sydney NSW 2000

www.clime.com.au

Directors

Mr. John Abernethy

Mr. Ronni Chalmers

Mr. Julian J Gosse

Mr. Marc Ariel Schwartz

Company Secretary

Mr. Biju Vikraman

Share Registry and Note Registry

Boardroom Pty Limited

Level 12, 225 George Street

SYDNEY NSW 2000

www.boardroomlimited.com.au

Lead Manager to the Offer

Morgans Financial Limited

Level 29 Riverside Centre

123 Eagle Street

BRISBANE QLD 4000

www.morgans.com.au

Auditor

Pitcher Partners Sydney Partnership

Level 16, Tower 2 Darling Park, 201 Sussex Street, Sydney NSW 2000

www.pitcher.com.au

Australian Lawyers to the Offer

Mont Lawyers Pty Limited

Suite 18/50, Stanley Street,

Darlinghurst NSW 2010

www.montlawyers.com

Trustee

Equity Trustees Limited

Level 19, 56 Pitt Street,

SYDNEY NSW 2000

www.eqt.com.au

morgans

Stockbroking | Wealth Management | Corporate Advice

Financial Services Guide

A guide to our relationship with you and others

July 2021

A guide to our relationship with you and others

Please refer to our website www.morgans.com.au for the most up to date version of our FSG.

This Financial Services Guide (FSG) is an important document for retail investors. It provides you with information about Morgans Financial Limited (ABN 49 010 669 726; AFSL 235410) ('Morgans', 'we', 'us' or 'our') to help you to fully understand the financial services we offer.

This guide contains important information about:

- The services we offer you
- How we and our associates are paid
- Any potential conflict of interest we may have
- Our internal and external dispute resolution procedures and how you can access them.

Not Independent

Disclosure of Lack of Independence required under 942B(2)(fa) of the Corporations Act

Morgans Financial Limited ('Morgans') and its representatives are not independent, impartial or unbiased (which are restricted words or expressions under the Corporations Act) in relation to the provision of personal advice to retail clients because Morgans Financial Limited ('Morgans') its representatives and its associates and affiliates may receive monetary benefits in connection with that advice.

For further information regarding how Morgans Financial Limited ('Morgans') is remunerated, please refer to the section titled with What will Morgans be paid for providing financial services and how are any commissions, fees or other benefits calculated on pages 3 through to 6.

It's important to understand that disclosing our lack of independence and detailing our remuneration structure does not reduce our obligation to act in your best interests. If you are a retail client and we give personal advice, we have a duty to act in your best interests when providing personal advice and are obliged to provide you with appropriate advice.

This FSG relates only to financial services provided by Authorised Representatives of Morgans Financial Limited to retail investors. Morgans Financial Planning Pty Ltd has its own FSG.

If we provide personal Financial product advice about a product (other than securities such as listed shares) or if we offer or arrange to issue a financial product, we will generally provide you with a Product Disclosure Statement (PDS) or other disclosure document in relation to the financial product. The PDS will contain information about the particular product including the features, benefits, fees and risk associated with that product to assist you in making an informed decision.

Who is responsible for the financial services provided?

Our advisers are Authorised Representatives of Morgans Financial Limited (ABN 49 010 669 726; AFSL 235410), which trades as Morgans. Morgans is responsible for the financial services provided to you. Details of your individual adviser are included in the adviser profile.

Morgans has an Australian Financial Services Licence (AFSL) and is a Participant of ASX Group (ASX), Chi-X Australia Pty Limited (Chi-X), a Broker Participant in the CHESS system operated by ASX Settlement (a group company of ASX), a Clearing Participant of ASX Clear, and a Professional Partner of the Financial Planning Association of Australia Limited. Morgans is also a Participant of the National Stock Exchange of Australia Ltd (NSXA). As a Participant of ASX Group, Chi-X and NSXA, all transactions are issued subject to the ASIC Market Integrity Rules (Securities Markets) and the Rules, directions, decisions and requirements of ASX, Chi-X, NSXA, the Clearing Rules and the Settlement Rules.

Morgans Financial Limited is licensed to provide financial services under the Corporations Act 2001. You should also note that Morgans is obligated under the Anti-Money Laundering and Counter Terrorism Financing Act not to execute any trades for a client unless the client has been properly identified and verified to our satisfaction.

What financial services and products do we offer?

Morgans is authorised under its AFSL to provide the following financial services:

- Financial Products advice, both general and personal
- Deal in financial products by issuing securities
- Underwriting securities
- Deal in Financial Products on behalf of others

Morgans and its related companies are committed to providing advice appropriate to your personal circumstances and based on our comprehensive market and financial knowledge. Our aim is to work with you to determine, develop and maintain a tailored personal investment strategy.

We offer a comprehensive range of products and services to assist you to achieve your financial goals. These include:

- Strategic planning advice, including consideration of social security, estate planning, insurance, wealth protection, taxation and superannuation issues
- Stockbroking services, including quality research on a wide range of Australian companies and access to corporate issues
- Equity finance (margin lending) advice
- Advice on the use of derivatives (such as options and warrants) within your overall investment strategy
- Advice in relation to managed investment products, structured products, cash deposits and fixed interest investments, including government bonds, debentures and stocks
- A managed portfolio service (Wealth+) that provides effective, efficient and timely reports (including taxation reports) and qualifies participants to reduced brokerage rates.

A guide to our relationship with you and others

Morgans offers a Managed Discretionary Account ("MDA") service to a limited number of approved clients. Such clients will be mandatory enrolled in Wealth+ and agree on an investment strategy, any exclusions, operating fees etc as part of the discretionary agreement. Refer to a separate section later in this FSG.

Morgans is also authorised to deal in foreign exchange in order to facilitate settlement of international transactions and to provide a custodial or depository service for its nominee company services, which is operated as part of its stockbroking business.

Best Execution Policy

There are multiple exchange markets operating in Australia. As a market participant, we must take reasonable steps when handling and executing an order in equity market products to obtain the best outcome for our clients. We have a Best Execution Policy that outlines how we will execute and deal with orders to ensure that we adhere to our best execution obligation. This policy is publicly available on our website.

What information should you provide to receive personalised advice?

You need to provide us with details of your personal objectives, risk profile, your current financial situation and any other relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to provide this information. However, if you choose not to provide any or all of the information requested, the advice you receive from us will be limited accordingly and may not be appropriate to your needs, objectives and financial situation.

In these circumstances you should consider the appropriateness of our advice in the light of your own objectives, financial situation or needs prior to making any investment decision. If the advice relates to the acquisition of an unlisted Financial Product, you should consider the relevant Product Disclosure Statement before making a decision.

Statement of Advice

Whenever we provide you with any personal financial advice, you may be entitled to receive a Statement of Advice (SOA) from us. The SOA will tell you:

- The advice
- The basis on which the advice has been provided
- Our fees and commissions
- The basis of the remuneration received by your adviser
- Any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you.

Further Advice

However, whenever we provide you with further advice, which takes into account your relevant personal circumstances, a SOA generally will not be provided. In these circumstances, we will maintain brief details of the basis of advice and you may request, for a period of seven (7) years from when the advice is provided, a copy of the record of advice.

A record of your 'relevant personal circumstances' will be maintained and a SOA, detailing these personal circumstances and any agreed investment strategy and advice, will be provided to new retail clients. Thereafter, a new SOA will only be provided if you advise that your circumstances have changed materially.

Product Disclosure Statement

If we recommend to you a particular Financial Product (other than securities such as listed shares), we will provide you with information about the particular Financial Product in a Product Disclosure Statement to help you make an informed decision about the Financial Product.

The Morgans Network

All Morgans advisers are Authorised Representatives of Morgans under our AFSL. Morgans has a network of offices around Australia which are operated in one of two ways. Each office is either:

- An 'Owned Office' where the staff and Authorised Representatives are all employees of Morgans Holdings (Australia) Limited. Morgans Financial Limited is the operating company and a wholly owned subsidiary of Morgans Holdings (Australia) Limited.
- A 'Managed Office' where a service entity has entered into a Management Agreement with Morgans to manage the office of Morgans in a geographical location. The service entity employs all staff including Authorised Representatives for that office.

What will Morgans be paid for providing financial services and how are any commissions, fees or other benefits calculated?

Generally the payment we receive will be based on the amount you pay. It may vary from one Financial Product Issuer to another. Details of the payment we receive are contained in the Product Disclosure Statements for most Financial Product Issuers available from your adviser.

We will advise you about any commissions, fees and any other benefits, where possible, in actual dollar amounts prior to the transaction. This information will be provided verbally and/or, where a SOA is issued, in the written SOA or confirmation.

When personal advice is given, if the remuneration (including commission) or other benefits are not calculable at that time, the manner in which the remuneration (including commission) or other benefits are to be calculated will be disclosed at the time the personal advice is given or as soon as practicable after that time.

There are a number of ways we may be remunerated for our services depending on the type of advice you receive.

Payments you make to us

- Brokerage is payable by you when we buy or sell securities, such as shares, warrants and options, on an authorised market. The amount of brokerage you pay will be determined in consultation with your adviser. A minimum charge may also apply to transactions. You will also have to pay GST on brokerage.

A guide to our relationship with you and others

- We may charge you a fee, depending on the time we spend developing your plan, or depending on the value of funds you invest. This fee will be determined in consultation with your adviser but would normally be based on an hourly rate.
- We may charge you a management fee annually or in instalments, based on the value of your portfolio. This fee will normally be based on the amount under management.
- We may charge you administrative or miscellaneous fees covering (not fully inclusive) off market transfers, cancellations & rebooking, nominee fees, international custody, SRN enquiries, fail fees, late settlement or early settlement, bond custody and settlement etc.

Payments and other benefits we may receive from Financial Product Issuers (including GST)

- We may receive a payment called commission which is paid to us by the Financial Product Issuer(s) (e.g. fund manager, CMA provider, or life insurance company). This can be paid in the following manner:
  - We may receive a one off payment from the Financial Product Issuer at the time you invest or contract. These generally are calculated as a percentage of the amount you have invested, typically between 0% and 5.5%, and are deducted from the amount invested. Life insurance company first year commissions (upfront) range between 0% and 121%.
  - We may receive ongoing payments, called trailing commissions, from a Financial Product Issuer during the time you hold an investment product. On investment products these trails typically range between 0% and 1.1%.
- Renewal commissions on life insurance products range between 0% and 33%.
- Example – If you invested $10,000 in an unlisted investment product and we charged you an initial commission of 1.65% and received an ongoing commission of 0.55% from the Financial Product issuer, then
  - Morgans would receive $165 as an initial commission; and
  - Morgans would receive $55 per annum as an ongoing commission for the period you continue to own the product.
- We do not charge clients any brokerage in connection with subscriptions for shares in IPOs. We may, however, receive a fee from the issuer for handling the application as disclosed in the relevant prospectus and/or allocation letter.
- In connection with on-market warrant purchases from warrant issuers, we may receive incentive fee payments from those warrant issuers as disclosed in the relevant Issuer Offering Circulars. As a guide these fees may range between 1.1% and 2.2% of the on-market transaction value.
- Morgans does not provide its own margin lending facilities. Where clients borrow through margin lending arrangements facilitated by our business connections, we may receive a trailing commission of up to 0.275%, and potentially an 'override commission' of up to 15 basis points, of the outstanding balance of such loans. As members of the financial services industry, staff members of Morgans are entitled to receive a discount on personal margin loans they may hold from such suppliers. These discounts (depending on the issuer) may vary between 50 and 100 basis points and are not related to any client business.
- On cash deposit products we will receive a commission which is distributed to the service entity and the adviser as per the following example:
  - If we receive a commission of $100, the service entity may receive $85 from Morgans. Out of the amount the service entity receives, an adviser remunerated by commission will receive a share which is typically around 35%, or $35.
- We may receive fees, normally determined as a percentage of revenue, from external parties where we have referred you to them for expert advice (eg insurance or mortgage agent/ broker).
- We may receive payments or benefits from Financial Product Issuers to assist in training of advisers or marketing of their products.
- We may be paid volume bonuses and other incentives directly from Financial Product Issuers, although the amount or percentage will vary from Issuer to Issuer.
- We may earn interest, at prevailing bank deposit rates, on the aggregate balance of any funds retained within our trust account.

Schedule of Fees (including GST)

Equities and Warrants brokerage

Depending on volume and size of orders, flat rates may be negotiated with your adviser, but as a guide minimum rates are (selling/buying per transaction).

Up to $1,800	Minimum small transaction rate*
Over $1,800	$5.50 plus
	2.75% on first $5,000*
	2.20% on next $10,000
	1.65% on next $35,000
	1.10% on the remainder

*Minimum small transaction brokerage rates may vary on an office by office basis. Clients should check with their adviser. As a guide the minimum rate may range from $55 to $110 per transaction. Brokerage is payable on or before the settlement date referred to in the confirmation.

Option brokerage and charges

When you trade an option, the value of the trade is generally lower than if you were to trade the same number of the underlying shares.

Because of this, options are generally a cost efficient way to trade your view of a stock or an index. The costs involved in trading an option are:

Brokerage

Brokerage is payable by you when Morgans buy or sell exchange traded options on your behalf on a sliding scale subject to a minimum of $75:

Premium Value Brokerage
$0 – $5,000 2.75%
$5,001 – $15,000 2.20%
$15,001 + 1.75%

A guide to our relationship with you and others

The brokerage charged by Morgans for LEPO's is 0.5% of the Premium Value subject to a minimum of $75.

A different rate of brokerage may be negotiated with your adviser. Consideration will be given to a negotiated rate and could for instance, be dependent on the volume and size of option transactions that occur on your account. All brokerage charges are shown on your Trade Confirmation / Contract Note.

ASX Clear (AC) – Fees (Effective 1 June 2021)

AC charges a tiered transaction fee for Exchange Traded Options (ETO) ranging from $0.05 up to $0.31 (excluding GST) per ETO contract. For option contracts being $0.01 or lower the AC fee will be zero. The AC fees are applied across five (5) Tiers and are subject to a six (6) monthly review. If you are exercised or assigned a share option, AC charges an exercise fee of $0.55 per contract and in the case of Index options, AC charges $0.50 per contract, including GST, for both the transaction fee and exercise fee.
Note: these fees are subject to change at any time by the AC.

Fixed Interest Products

Our remuneration depends on the duration and value of the investment and is usually without charge to the client.

For fixed term and short term money market investments arranged on behalf of clients, Morgans may receive a commission payment from the deposit taker of up to 0.44% which does not reduce the interest received by the client or the principal investment. In addition, some money market providers pay Morgans an 'override commission' of up to 15 basis points which may be volume related and may be partly distributed to the management entity employing the Authorised Representative.

Financial Planning Fees

Transaction based services

Entry Fees, including commissions	0%-5.5%
Ongoing commission	0%-1.1%

Clients may choose to have all entry fees / commissions rebated and pay for services on a fee basis.

Fee Based Services

Initial consultation	Nil or as agreed at interview
Written report	Negotiated fee**
Ongoing portfolio service	Negotiated fee**
Administration services	Negotiated fee**

Private superannuation Services
Written investment strategy up to a maximum of $550

**Quoted in Statement of Advice

Hourly rates for professional time in attendance vary and will depend on the seniority and experience of the adviser and will be quoted in the Statement of Advice or other written report.

International Investments and Custody Fees (incl. gst where applicable) (Effective 1 June 2021)

Morgans, in conjunction with the relationships it has with international brokers, can enable its clients to access approximately 22 select exchanges including in North America, Europe, Asia and New Zealand. For clients already holding International Investments, Morgans can also offer a Custody service to assist in managing those holdings. International stocks are held within the custodial services of Morgans Financial Limited. Morgans as the custodian establishes broker, global- and sub-custodial and nominee relationships with various parties in their respective jurisdictions as required to facilitate trading and safekeeping. All stock held within Morgans custody is held in an omnibus structure for and on behalf of the beneficial owners. Morgans maintains a sub-register of clients and holdings reflected on the client's portfolios.

Outlined below is a summary of the International transaction and custody related fees associated with these services which may be charged, in conjunction with the standard brokerage charges outlined earlier in the FSG. The fees outlined below are negotiable with your adviser, taking into account factors like the value of your overall portfolio, existing international holdings and / or frequency of international transactions.

Please note: majority of the fees outlined below are subject to change due to exchange rate fluctuations and / or at the discretion of international exchanges and brokers.

Transaction related fees

Overseas Agent brokerage charge: Between 0.12% - 0.8% of the value of the transaction, based on the exchange.

Foreign Exchange Costs: up to 1% over the spot rate, charged by Morgans on the day of the trade.

Native Currency Settlement Fee: AUD$100

International Exchange market fees/taxes: vary from exchange but will be passed on where applicable.

Custody related Fees

Security Transfer Fees:	min. AUD$55.00
Certificate Lodgement:	min. AUD$82.50
Invalid Certificate Lodgement:	min. AUD$100
Request to Certificate Holding:	min. AUD$150

Bond Custody Fees: min. fee of $550 up to $2,750 including GST, where Bond portfolio value around $2million. Fees are negotiable if Bond portfolio above $2million.

Annual Custody fee: Morgans also reserves the right to charge an annual custody fee.

Taxation: Different taxation rules apply in international markets, as such, you may be required to complete additional forms to avoid additional taxes being applied (e.g. W-8BEN form for US investments to avoid withholding taxes). W-8BEN Fee: Morgans reserves the right to charge a W-8BEN processing fee. New Form processing: AUD$214.50, Renewal: AUD$143.00.

Where applicable, any additional fees charged by the company or registry will be passed on to the client.

A guide to our relationship with you and others

Managed Portfolio Service (Wealth+)

Wealth+ is offered under a fee-for-service arrangement. The Wealth+ fee structure is determined in consultation with your adviser to ensure that a cost effective, total solution is tailored to your specific requirements and may be dependent on many factors such as the level of service required, type and number of investments held as well as the nature and cost of other services you require.

The fee structure for the Wealth+ service will be clearly detailed in a personalised Statement of Advice (where personal advice is provided) and confirmed in your Wealth+ Client Agreement.

As a guide the minimum annual fees (incorporating the administration and adviser fees) will be:

- 1.32% on the first $250,000 of portfolio value
- 0.66% on the next $250,000 of portfolio value
- 0.44% on the value of the portfolio exceeding $500,000.

These fees are inclusive of GST and are charged to your account in arrears. In most cases the fees are tax deductible. A minimum annual fee, establishment fee and/or exit fees may also apply and will be negotiated with your adviser.

Please note that brokerage and other fees may also apply.

Life Insurance Products

When we arrange Life Insurance products on your behalf we will receive commission on the placement of these products. The commission we receive on these products will vary between different insurance companies. Commission paid in the first year will vary between 0% to 121% of the first year's premium depending on the type of product recommended. Upon renewal of your insurance in subsequent years we receive commission between 0% to 33% of the yearly premium.

If you have any queries regarding remuneration, fees or charges, you may request from your adviser full details of the calculation of a particular commission, fee or other benefit for providing a specific financial service.

How are our service entities, advisers and referral sources paid?

Service Entities

For our Managed Offices, the service entities are paid monthly in accordance with the Management Agreement between Morgans and the service entity. The amount that the service entity is paid depends on the various products, volume levels, agreed commission distribution, and fixed costs associated with the business written by advisers at the relevant managed office. For example, on a brokerage charge to the client of $100, the service entity may receive around $85 from Morgans. Out of the amount the service entity receives, the service entity will then pay its fixed costs and remunerate its employees in accordance with their employment contracts.

If your adviser is employed by a service entity, this manner of calculation will be disclosed at the time that personal advice is given to you or as soon as practicable afterwards.

Advisers

Advisers are remunerated by their employer by way of salary and/ or a percentage share of commissions earned by Morgans from business written by the adviser (ranging from 33 1/3% to 55% depending on the products and volume levels) and/or a share of any profits of the service entity or Morgans Holdings (Australia) Limited where the adviser is a shareholder or unit holder of such entity. Advisers may also earn bonus payments based on the individual and the company's performance.

Referral Services

If a third person such as a financial planner or an accountant has referred you to us, we may pay to that person a part of any fees or commissions we receive from you. This will be disclosed to you at the time of transacting business.

What information do you hold on my file and can I access it?

We maintain a record of your personal and other information including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you and details of specific transactions.

We are committed to implementing and promoting a Privacy Policy, which will ensure the privacy and security of your personal information. A copy of our Privacy Policy is available from your adviser and on our website. If you wish to examine your file please ask us. We will make arrangements for you to do so.

Managed Discretionary Accounts ('MDA') Only

For select clients we may offer the ability to access our MDA service. You must first enter into an MDA Agreement ("the MDA Agreement") with us before we can provide those services to you. Before entering into the MDA Agreement it is essential that you consider the significance of the risks associated with investing through the MDA service. The MDA Agreement can be terminated by providing written instructions within the required time frame outined in the agreement.

Risks

Generally, there are a number of inherent risks associated with any investment in the stock market. These include, but are not limited to, movements in domestic and international markets, the current and future economic environment, company liquidity, investor sentiment, interest rates and market volatility. As a consequence of these risks, a MDA client should be prepared for falls in the market and the possibility of a negative return on their investment.

Please note that Morgans does not guarantee the maintenance of capital or a specific rate of return on any MDA portfolio or any other products, including those in an MDA portfolio.

Our obligations to MDA clients

As an MDA client we will provide you with the following:

- The manner in which you may give instructions to us on how rights relating to your portfolio are to be exercised

A guide to our relationship with you and others

- An investment program or SOA prepared in accordance with the Corporations Act 2001. This program will include the following:
  - Information about the nature and scope of the discretions you will authorise and require us to exercise on your behalf
  - Any significant risks associated with the MDA
  - The basis on which the MDA is considered to be suitable for your relevant circumstances
  - Any warnings that the investment program may not be suitable for you if you have provided us with limited or inaccurate information about your personal circumstances, and
  - A warning that the investment program may cease to be suitable for you if your relevant personal circumstances change
- An Annual review of the investment program/strategy for the MDA by your adviser(s), and
- In regards to corporate actions and other rights (including voting rights), you can elect to provide verbal or written instructions to your adviser in respect of such rights. In the event your adviser doesn't receive any instructions, they can use their discretion under the MDA to take any action they deem suitable.
- If the Investment Program / strategy includes investing in or utilising non-limited recourse products, you will be advised of the: type of product, key features and risks associated, potential degree of leverage and maximum liability, Morgans policy for communicating / satisfying margin calls and for closing positions.

What should you do if you have a complaint?

If you are not happy with the service you receive from us you are entitled to complain. We have established procedures in place to ensure that all enquiries and complaints are properly dealt with. Our internal dispute resolution process is free to all complainants.

To save yourself valuable time, gather all the facts and documents about the complaint, think about the questions you want answered and decide what action you want us to take.

The following process has been established to address your concerns as quickly as possible:

- Contact your adviser or their immediate superior and explain the problem. Most issues can be resolved quickly in this way.
- If you are unable to resolve the issue within three (3)days, please contact the Complaints Officer on (07) 3334 4888 or send your details in writing to:

  GPO Box 202,
  Brisbane QLD 4001.

- If we are unable to resolve the matter to your satisfaction, you can refer your case to a free and independent complaint handling body.

  Morgans is a member (Member No 10690) of
  Australian Financial Complaints Authority (AFCA)
  GPO Box 3,
  Melbourne VIC 3001.

  AFCA can be contacted on 1800 931 678

  For complaints above the AFCA monetary limit contact

  ASX Complaints Officer
  (PO Box H224, Australia Square, 1215) or; Australian Securities and Investment Commission (ASIC) operates an infoline on
  1300 300 630.

- Please notify us if you require assistance with making a complaint because of a disability or language barrier.

  若因残障或语言障碍需要投诉帮助，敬请通知我们。

  يوغل قئاع كىدل أو ةقاعإب كتباصإ ببسب ىوكش مىدقت يف ةدعاسمللة جاحب
  تنك إذا انمالعإ ىجرى

  若您要投訴，但因殘障或語言問題需要協助，請知會我們。

  Vui lòng thôn g báo cho chúng tôi biết nếu quý vị cần trợ giúp để khiếu nại vì tình trạn g khuyết tật của mình hoặc vì bất đồn g ngôn ngữ.

What compensation arrangements do we have?

We are required by the Corporations Act 2001, ASX Operating Rules and Chi-X Operating Rules to have adequate compensation arrangements in place. Morgans Holdings (Australia) Limited has a comprehensive Professional Indemnity insurance policy to cover claims in relation to the conduct of Authorised Representatives/employees at the time of the relative incident that gave rise to the claim. This professional indemnity policy includes Morgans.

Any questions?

Please contact your adviser if you have any further questions about the financial services we provide. This document should be retained for your future reference.

morgans

Stockbroking | Wealth Management | Corporate Advice

Queensland

Brisbane Stockbroking, Corporate Advice, Wealth Management	+61 7 3334 4888
Brisbane Edward Street	+61 7 3121 5677
Brisbane Tynan Partners	+61 7 3152 0600
Brisbane North Quay	+61 7 3245 5466
Bundaberg	+61 7 4153 1050
Cairns	+61 7 4222 0555
Caloundra	+61 7 5491 5422
Gladstone	+61 7 4972 8000
Gold Coast	+61 7 5581 5777
Holland Park	+61 7 3151 8300
Kedron	+61 7 3350 9000
Mackay	+61 7 4957 3033
Milton	+61 7 3114 8600
Newstead	+61 7 3151 4151
Noosa	+61 7 5449 9511
Redcliffe	+61 7 3897 3999
Rockhampton	+61 7 4922 5855
Springfield-Ipswich	+61 7 3202 3995
Spring Hill	+61 7 3833 9333
Sunshine Coast	+61 7 5479 2757
Toowoomba	+61 7 4639 1277
Townsville	+61 7 4725 5787

Northern Territory

Darwin	+61 8 8981 9555

New South Wales

Sydney Stockbroking, Corporate Advice, Wealth Management	+61 2 9043 7900
Sydney Grosvenor Place	+61 2 8215 5000
Sydney Reynolds Securities	+61 2 9373 4452
Sydney Currency House	+61 2 8216 5111
Armidale	+61 2 6770 3300
Ballina	+61 2 6686 4144
Balmain	+61 2 8755 3333
Bowral	+61 2 4851 5555
Chatswood	+61 2 8116 1700
Coffs Harbour	+61 2 6651 5700
Gosford	+61 2 4325 0884
Hurstville	+61 2 8215 5079
Merimbula	+61 2 6495 2869
Mona Vale	+61 2 9998 4200
Neutral Bay	+61 2 8969 7500
Newcastle	+61 2 4926 4044
Orange	+61 2 6361 9166
Port Macquarie	+61 2 6583 1735
Scone	+61 2 6544 3144
Wollongong	+61 2 4227 3022

Australian Capital Territory

Canberra	+61 2 6232 4999

Victoria

Melbourne Stockbroking, Corporate Advice, Wealth Management	+61 3 9947 4111
Brighton	+61 3 9519 3555
Camberwell	+61 3 9813 2945
Domain	+61 3 9066 3200
Geelong	+61 3 5222 5128
Richmond	+61 3 9916 4000
South Yarra	+61 3 9006 9955
Southbank	+61 3 9037 9444
Traralgon	+61 3 5176 6055
Warrnambool	+61 3 5559 1500

Western Australia

West Perth Stockbroking, Corporate Advice, Wealth Management	+61 8 6160 8700
Perth	+61 8 6462 1999

South Australia

Adelaide Stockbroking, Corporate Advice, Wealth Management	+61 8 8464 5000
Exchange Place	+61 8 7325 9200
Norwood	+61 8 8461 2800
Unley	+61 8 8155 4300

Tasmania

Hobart	+61 3 6236 9000

Get in touch:

morgans.com.au

1800 777 946

info@morgans.com.au

Morgans Financial Limited ABN 49 010 669 726 AFSL 235410 Level 29 123 Eagle Street Brisbane QLD 4000 Australia | A Participant of ASX Group.
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