

24 April 2019

CORPORATE UPDATE – NUMBER 3 (this is an update of the original version previously posted and dated 26 March 2019)

- **Board Determination that subject to business as usual and Shareholder Approval there will be a cash distribution of \$0.003 per share (\$521,000) to Shareholders on or about 28 May 2019.**
- **Actions Required by Shareholders to Optimize Participation – See Links to Forms.**

Dear Shareholders

Carbon Conscious Investments Ltd (**CCIL** or **Company**) is pleased to provide an update on the original Corporate Update Number 3 providing shareholders with more detail of recent determinations made by the Board.

1. Determining to Distribute Cash to Shareholders in May and November 2019

- Having considered: the Company minimum distribution policy; the Company's contractual obligations including repayment of a working capital loan and covenant to hold a minimum of \$500,000 cash at all times; and subject to 'business as usual' conditions, the Board has made a determination to pay a cash distribution to Shareholders of \$0.003 per share (about \$521,000) on or about **28 May 2019**.
- The May distribution would be a combination of a Franked Dividend and a Return of Capital.
- The **Record Date** for Shareholders participating in the Cash Distribution will be **23 May 2019**.
- Based on the obligations outlined above the Directors have also made a determination to pay a cash distribution to Shareholders of about \$0.003 per share (about \$521,000) in **November 2019**. Whether this will be a Return of Capital or Franked Dividend remains a work in progress.

2. Issues and Actions For/By Shareholders

- The proposed Return of Capital requires prior Shareholder approval to proceed via an ordinary resolution at a **General Meeting**. Further details of the proposed reductions of capital will be provided in a **Notice of Meeting** to be dispatched to shareholders shortly.
- The planned date of the General Meeting is 21 May and Shareholders on the registry as of 19 May will be eligible to vote at the meeting or lodge a Proxy Vote.
- The Directors have determined that the proposed distributions be made via electronic funds transfer and that the Company's share registry, Automic, will manage the distribution process.
- While the Notice of Meeting will include general commentary in relation to the taxation consequences of the proposed distributions, the Company notes the following:
 - a) Automic will send (via post or email) the appropriate Statement for Tax Purposes;
 - b) If Shareholders **have not registered their bank details** prior to the May distribution, their funds will be held on trust in accordance with the Company's constitution;
 - c) Shareholders should retain the Statement for Tax Purposes because the Return of Capital will result in a reduction in each Shareholders cost base and will likely have tax implications should Shareholders sell their shares in the Company;

- d) Shareholders should seek independent advice in relation to the tax implications, but the Company has been advised that the Return of Capital will not represent 'taxable income' and will be applied as a reduction to the cost base of your shares in the Company per "c" above;
- e) The above notwithstanding, Shareholders who have **NOT REGISTERED their Tax File Number** with Automic will have tax withheld and remitted to the ATO on their behalf.

SHAREHOLDER'S CAN REGISTER BANK DETAILS, EMAIL ADDRESS, & TAX FILE NUMBER DIRECTLY at AUTOMIC.COM.AU or by COMPLETING & RETURNING the FORMS on the COMPANY WEBSITE

3. Administration for Shareholders

The Company will be providing further updates in due course. Please be aware that these will almost exclusively be via the 'Investors page' on its web site at www.carbonconscious.com.au, and few updates will be posted or emailed to Shareholders directly.

To assist with reducing costs and improving communication speed;

- Shareholders are encouraged to go to <https://automic.com.au/> and use their SRN or HIN to edit their profile to provide their **BANKING AND TFN DETAILS**, and include an email address and phone number.
- Please note that while we refer to the Company by the abbreviation CCIL that the **company-code on the Automic site is "CCIU"**.

The Form to Receive Company Notifications by Email is at:

<https://carbonconscious.com.au/wp-content/uploads/2019/03/Shareholder-Form-Receive-Docs-By-Email.pdf>

The Form to lodge authorization and details so the Company can make payments to you is at:

<https://carbonconscious.com.au/wp-content/uploads/2019/03/Shareholder-Form-Authorise-Carbon-Conscious-to-Make-Payments.pdf>

The Form to lodge your Tax File Number (or exemption) is at:

<https://carbonconscious.com.au/wp-content/uploads/2019/03/Shareholder-Form-Provide-Tax-File-Number-Australian-Business-Number-or-Exemption-.pdf>

The Company welcomes communication from Shareholders and if you have any queries please send an email to admin@carbonconscious.com.au and as well as your question include: the name of the entity shares are held in; and a return phone number.

The Company will be forwarding a Notice of Meeting for the General Meeting to Shareholders in coming days.

Yours faithfully



Anthony Fitzgerald
Executive Director and Company Secretary