



CARBON STABLECOIN

MEMBERSHIP PROSPECTUS

Empowering a sustainable future

July 2019

Carbon Credits generated are distributed to Members
Carbon Credits registered in a new 'Stablecoin'
S&P Rated Capital Guarantee

Making a difference
doesn't have to mean
compromise.
Making a difference can
mean achieving more.



Dear Prospective Member

I am pleased to offer you this opportunity to be part of a new way to realise positive change and social impact through our innovative Carbon StableCoin Partner memberships.

It appears that the rule for investing in projects that make a difference is that you must sacrifice financial return in exchange for the 'feel good' factor of being a part of making that positive impact. And that when donating to a charity you are expected to part with your money without any certainty for how much of it will be applied to the promoted cause. It doesn't have to be this way.

Our approach enables us to make a difference while treating membership fees as if they were an investment by a partner in our future not as a gift from a concerned member of the public. In designing our projects and initiatives to be profitable, we can facilitate change, train our staff, build infrastructure, rehabilitate land, reduce the carbon intensity of the economy and share the benefits.

For our members, we share the Carbon Credits generated by our projects. These have a real value and to ensure that our members have direct control to surrender, hold or trade their Carbon Credits, we will issue them as a token in a blockchain – that's the same technology behind cryptocurrencies such as BitCoin. However, unlike cryptocurrencies, our 'coin' has a floor price. Each 'coin' represents one Gold Standard Carbon Credit and is backed by EUR€40 each in custody with Westpac, overseen by Perpetual Trustees and underwritten by Liberty Mutual. So, if a Member chooses to trade their Carbon Credits, they can do so in minutes and in doing so can realise what amounts to an effective return of well above 10% per annum on their membership fee.

Better yet in the event that something unforeseen happens, our members get their membership fees refunded. That is, your pledge enables the impact, or you get your money back. Even after the impact is being delivered, our Coin Partner members can still request their membership fee back and we return it in full, all guaranteed via underwriting by a Lloyds of London insurer.

climate change equity, Australia's and possibly the world's first solely climate change focused charity, is seeking to raise proceeds in excess of €75 million. This is a considerable sum, but when we are trying to transform urban transport or waste management, it is the right amount to ensure the goals can be achieved, the impact is realised, and the members gain their benefits.

This Prospectus sets out the details of our membership and I urge you to read it carefully. To get involved and join, you will need to fill out the Application Form at the back of the Prospectus. The Offer is open until the end of the year, but the Offer may close early so I strongly recommend that you lodge your Application early.

On behalf of the Board, I invite you to join us in making an Impact.

Yours faithfully



Kym Lennox
Chairman

Human behaviour makes us favour the do-nothing option. Yet to do nothing is to reinforce the mistakes of the past.



the Carbon StableCoin

Since the dawn of the industrial revolution, each improvement in our economic prosperity has had a corresponding increase in carbon emissions. In order to decouple this link there is a need for a significant shift in our approach to everyday activity. The Carbon StableCoin is key tool in enabling that shift.

climate change equity has a portfolio of projects and initiatives that offset or lower emissions from the status quo and in so doing generate Gold Standard Carbon Credits. Each project or initiative is developed to be a sustainable commercial business. Unlike most businesses that generate Carbon Credits, our businesses are profitable in their own right and don't require the sale of the Carbon Credits they generate to fund their on-going operation.

The Carbon Credits generated are surplus to operation and represent a benefit of our success that we are able to distribute to our members. Our members can then offset their emissions, or trade them to someone who will. Today, the process to offset your emissions is quite simple with many vendors are ready willing and able to sell you their Carbon Credits. In contrast, the process to access an emissions trading system so that you can sell a Carbon Credit that you have been given or purchased is forbidding.

Enter the Carbon StableCoin. The Carbon StableCoin empowers the holder of a Carbon Credit to securely and safely hold it, surrender it, or trade it. Each independently verified Carbon Credit generated is embedded into a blockchain token or Coin. Each Coin is audited for its one-to-one relationship with the Carbon Credit and the underwriting by an investment-grade treasury guarantees the floor price.

The treasury is a cash custody fund that is capital guaranteed by a Standard & Poors Long Term Rated 'A' underwriter with the fund having an independent security trustee. The governance and operation all based in Australia, a country with one of the strongest rules of law and the best records for economic stability.

We naturally hope that our members offset their emissions and surrender the Carbon Credits and we will be here to help our Members work out their emissions footprints. However, as the World Bank and others are forecasting that Carbon Credits will be two or even four times the floor price sometime in the mid-2020s, we understand if our members treat them as a store of value and an inflation fighting safe haven.

climate change equity

Objects

manmade

1. to be a leader in the response to anthropogenic climate change;
2. to develop and support methods for participation by individuals and organisations in avoiding the unmanageable impacts of anthropogenic climate change;
3. to develop and support methods for participation by individuals and organisations in managing the unavoidable impacts of climate change;
4. to pursue with governments, their agencies, and non-government organisations programmes, policies and actions to improve the framework for and otherwise encourage the response to climate change;
5. to educate, improve awareness of and support the debate in the actions of individuals and organisations leading to anthropogenic climate change;
6. to educate and promote inter-generational and intra-generational equity in the response to climate change;
7. to be leaders in the development, management and operation of economic developmental measures that address the causes of anthropogenic climate change;
8. to support and encourage best practice in climate trading regimes;
9. to promote, develop, finance, facilitate and undertake programmes or projects that can be registered and credited to climate trading exchanges;
10. to promote, finance and facilitate community and individual access, directly or indirectly, to climate trading exchanges; and
11. to promote, finance, facilitate, undertake and disseminate research and information relating to the economic developmental responses to climate change.



about climate change equity

Our vision is to be a leader in the response to climate change. Established in 2009, we are Australia's first charity focused on climate change. Founded in response to the clear and present danger written in the pages of the Intergovernmental Panel on Climate Change fourth assessment report in 2007.

The previous page is an extract from our constitution and lists the objects or purpose of climate change equity (we've marked it up to ensure the legalistic wording doesn't detract from the meaning). Everything we do does, will, and must link back to this purpose. climate change equity as a charity is not here to make a profit, even if our work does. Every dollar we are granted, given, paid or make is applied to this purpose.

This purpose, put simply is to not just educate or advocate, but to act by building the products and services that a carbon constrained economy needs to function. Everyday life in twenty or thirty years time will not include sitting behind a wheel to drive a car that needs a fossil fuel to power it. It will not include sending our waste thousands of kilometres away to be mismanaged so that it poisons the oceans. It will not include concrete for a floor or beam when an alternative will do the job better. Yet, today there is no other choice. The only way the change that we know will happen is through organisations offering the products and services that give us a choice.

We have developed projects that will create businesses that offer products and services that the world of twenty or thirty years time will treat as standard. We hope our model as a social enterprise will be copied as we can't enable all the change that is needed alone. We also can't enable the change we know we can get done without our members, and that means **you**.

Never before has there been an offer to make a difference where the money pledged isn't at risk and while that very difference is being made, you reap a reward for helping make it happen. We can't believe it has taken a decade to work this out, but real change is the product of many innovations and small un-obvious steps that until you are walking that journey you could never have predicted.

Join us and reap the rewards of making a difference.

our key people



Kym Lennox
Chairman & Founder

Commencing his career as an Investment Analyst, Kym assisted in the development of retail banking products for Citibank and pricing the successful bid for Australia's first privatisation of the electricity generator/retailers. Working in the public and private sectors, in Australia, Singapore, Europe and Japan, he has led transformation for IBM and Qantas, led the launch of new telecommunication and public transport services, and developed policy for land use and infrastructure. This broad experience afforded a early and deep engagement in the science, policy and solutions for climate change.

Kym founded climate change equity in recognition that the path to a sustainable future is beyond many uncommercial steps and will require a new type of social enterprise. In the intervening period, he has assisted in the development of the Greenhouse Gas Protocol, led the development of Carbon Economics and worked on the reports published by the United Nation's Intergovernmental Panel on Climate Change.

Leading the charity, he has directed the development of the various projects and fostered the relationships that enable their delivery. Not resting on his laurels, on realising the key role that holding and trading Carbon Credits will play in the development of action on climate change, he returned to his studies completing the Said Business School's Oxford Blockchain Strategy Certificate. The result, which he acknowledges is with the assistance of many, is the Carbon StableCoin.



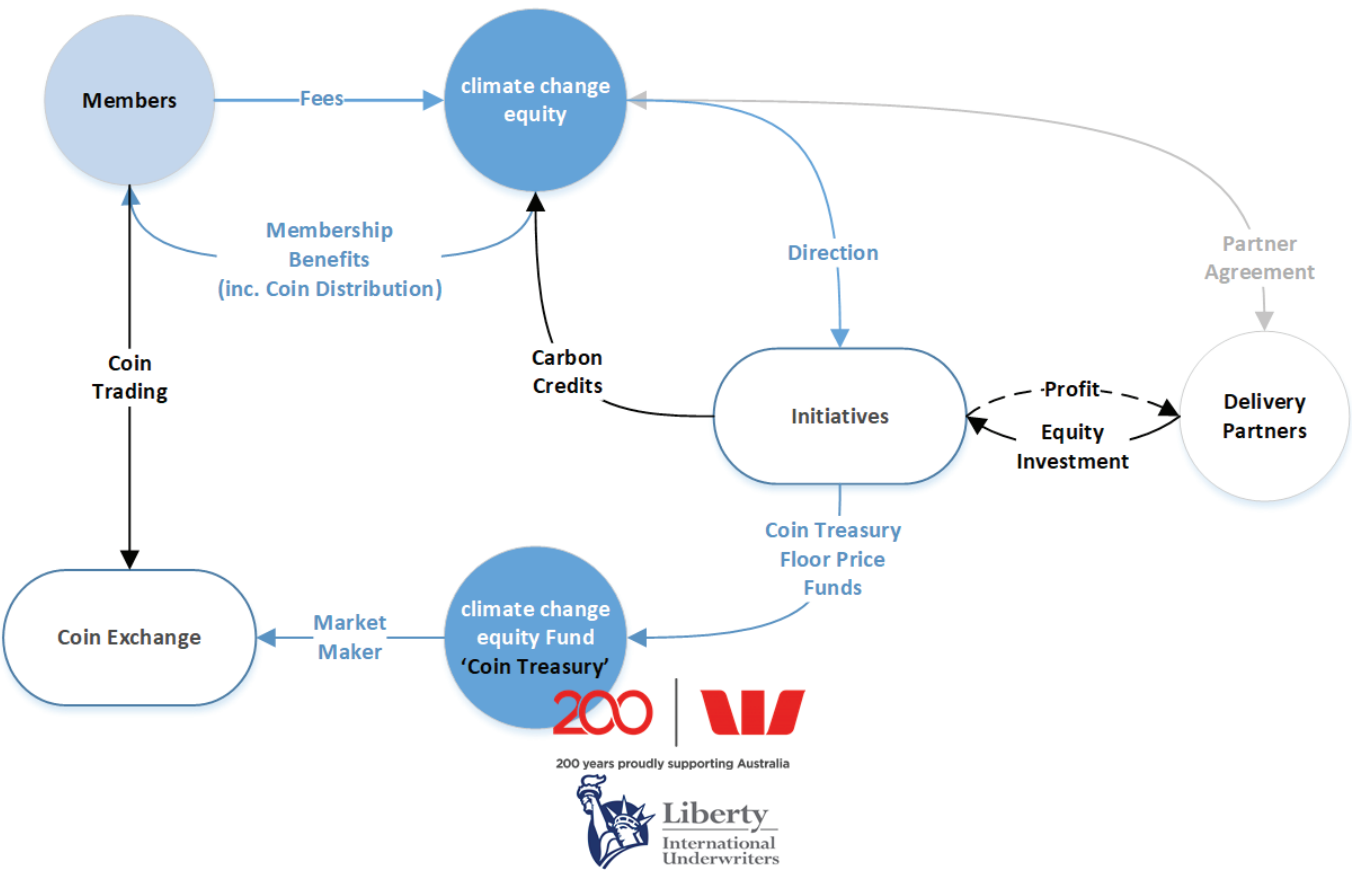
Denis Fernandez
CEO

A Town Planner by trade, Denis has been a key shaper of Sydney. Working at the NSW Department of Planning, he participated and led the formation of the land use policy and strategy for land release and urban renewal of Greater Metropolitan Sydney. Noticing the absence of purpose in the aged care sector, he worked within the private and not-for-profit developer-operators to bring about a step-change in the outcomes being achieved in liveability. Along the way Denis' work brought him in contact with Kym and when forming climate change equity, he accepted the invitation to join.

Today, in addition to his executive role with us, Denis is a Councillor at Willoughby Council and President of the Australia Timor-Leste Business Council. In giving to the community, both here and within one of our closest and poorest neighbours, he has gained a keen insight into the governance of purpose so as to improve equity and fairness for all. It is this insight that most adds to the capacity of climate change equity in resolving how to have the broad stakeholders our Initiatives engage to agree to take their first steps of making a difference.

A 21st century leader, he does not force, leverage or game those he works with. Climate change is disruptive and averting the avoidable costs is more so. Bringing everyone along for an equitable future beyond the disruption is only at the end of much consensus building. Denis leads so as to enable this consensus.

how the StableCoins are created





climate change equity develops Initiatives that generate Carbon Credits – a few of which are outlined in the following pages. Each Initiative is designed to be commercial and to generate Carbon Credits. This can be from sequestering carbon in the growth of timber, generating electricity from waste, and many many more. Our Initiative ensures its registration and compliance with the United Nation's standards and via independant verification, the sequestering or saving of carbon dioxide emissions become certified Gold Standard Carbon Credits.

The Carbon Credits as a measure of our impact are distributed to our Members. In order to do this in a practical and transparent fashion, the Carbon Credits are embedded into a Token of an implementation of Blockchain. The result of this technological sophistication is certainty for the Carbon Credit as the 'Coin', certainty for the owner of the Coin, and certainty for all the transactions dealing with the Coin.

One more step is required. To enable a Floor Price, the Initiatives place funds as one of its costs of doing business into the Coin Treasury. Each Carbon Credit that is distributed as a Coin to Members is underwritten with cash equal to the Floor Price in the Coin Treasury. The result is that when and if a Member elects to sell their StableCoins, if there are no other buyers at that time, the Coin Treasury has the cash and via the Smart Contract within the Coin the obligation to purchase the Coins at the Floor Price.



what are some of your initiatives?

The defining characteristics of our Initiatives are that they:

1. have a profitable business model based on conservative assumptions; and
2. that they introduce a service or deliver a product where it sequesters or offsets carbon emissions against the status quo.

The first criteria resolves that the product or service can form part of a broader commercial offering and the second resolves that it is in keeping with our objects and that it will generate the carbon credits we offer as a benefit. In many cases the Initiatives introduce what is already a functioning commercial business outside Australia. In others, it is to deliver an existing service or product where an input or supply is substituted. The balance of our Initiatives deliver product and service alternatives that target replacing the carbon-intensive default choice.

A selection of our Initiatives is covered in the following pages.



timor forestry initiative

The initiative, located predominately on the north coast of Timor-Leste is developed over three stages and within 5 years establishes a business with annual revenues in excess of AUD\$200 million. By the end of 2023, the initiative will be importing over 250,000 m³ of logs, exporting sawn timber and kiln processed wood products and have over 8,000ha in plantations for the future replacement of the log importation. By 2034, the initiative will have over 25,000ha in plantations producing 300,000 tonnes of sustainably forested hardwoods each year and manufacturing cross-laminated timber products for use in houses and commercial buildings across Australia.

In addition to the income and profits as illustrated below, the project once fully implemented generates over 300,000 carbon credits per annum through the sequestration of carbon into the timber as the trees grow and from the operation of a waste-to-energy facility using the sawdust and woodchip residue as fuel.

Timor Forestry Initiative Forecast Profit and Loss

	June 20	June 21	June 22	June 23	June 24	June 25
Sawn Timber Sales \$	2,548,000	\$ 19,321,000	\$ 78,266,000	\$ 80,223,000	\$ 82,231,000	\$ 84,290,000
Kiln Dried Timber Sales \$	2,863,000	\$ 20,282,000	\$ 117,133,000	\$ 120,062,000	\$ 123,067,000	\$ 126,148,000
Total Revenue \$	5,411,000	\$ 39,603,000	\$ 195,399,000	\$ 200,285,000	\$ 205,298,000	\$ 210,438,000
Capital Works (\$	8,105,000)	(\$ 8,266,000)	\$ -	\$ -	\$ -	\$ -
Capacity Expansion Works (\$	6,546,000)	(\$ 13,972,000)	\$ -	\$ -	\$ -	\$ -
Forestry Initiative Operational Costs (\$	4,503,000)	(\$ 28,373,000)	(\$ 37,572,000)	(\$ 39,263,000)	(\$ 41,031,000)	(\$ 42,881,000)
Ground Lease Fees \$	-	\$ -	(\$ 18,774,000)	(\$ 18,740,000)	(\$ 18,682,000)	(\$ 18,598,000)
PMO Fees \$	-	\$ -	(\$ 8,344,000)	(\$ 8,329,000)	(\$ 8,303,000)	(\$ 8,266,000)
Log Importation Costs (\$	4,709,000)	(\$ 20,440,000)	(\$ 48,286,000)	(\$ 50,459,000)	(\$ 52,733,000)	(\$ 55,110,000)
Marginal Sawmill Operational Costs (\$	154,000)	(\$ 1,236,000)	(\$ 3,915,000)	(\$ 4,091,000)	(\$ 4,275,000)	(\$ 4,468,000)
Marginal Kiln Operational Costs (\$	308,000)	(\$ 2,473,000)	(\$ 7,830,000)	(\$ 8,182,000)	(\$ 8,551,000)	(\$ 8,936,000)
Sawn Timber Shipment (\$	307,000)	(\$ 2,366,000)	(\$ 9,725,000)	(\$ 10,162,000)	(\$ 10,620,000)	(\$ 11,099,000)
Kiln Timber Shipment (\$	146,000)	(\$ 1,127,000)	(\$ 4,631,000)	(\$ 4,839,000)	(\$ 5,057,000)	(\$ 5,285,000)
Total Expenses (\$	24,778,000)	(\$ 78,253,000)	(\$ 139,077,000)	(\$ 144,065,000)	(\$ 149,252,000)	(\$ 154,643,000)
EBITA (\$	19,367,000)	(\$ 38,650,000)	\$ 56,322,000	\$ 56,220,000	\$ 56,046,000	\$ 55,795,000
Tax Installments (\$	19,000)	(\$ 126,000)	(\$ 975,000)	(\$ 999,000)	(\$ 1,024,000)	(\$ 1,050,000)
Tax Refund/(Payment) \$	-	\$ 19,000	\$ 126,000	(\$ 4,657,200)	(\$ 4,623,000)	(\$ 4,580,600)
Advisory & Management Fees (\$	1,707,000)	(\$ 3,706,000)	(\$ 1,313,000)	(\$ 1,313,000)	\$ -	\$ -
VC Accrual (\$	4,539,000)	(\$ 13,184,000)	(\$ 13,619,000)	(\$ 5,182,000)	\$ -	\$ -
Net Earnings (\$	25,632,000)	(\$ 55,647,000)	\$ 40,541,000	\$ 44,068,800	\$ 50,399,000	\$ 50,164,400
VC Investment/(Return) \$	25,000,000	\$ 50,000,000	(\$ 55,807,000)	(\$ 55,717,000)	\$ -	\$ -
Equity Distributions \$	-	\$ -	\$ -	\$ -	(\$ 54,900,000)	(\$ 54,700,000)
Carbon Credits Generated	329	9,956	38,397	63,845	89,281	114,705
Cash Balance \$	3,908,000	\$ 11,425,000	\$ 9,653,000	\$ 7,843,000	\$ 7,964,000	\$ 8,009,000

recycling initiative

Consisting of several components, the Initiative partners with Councils to address the failed market for recycling in Australia. Targeted to locally process waste the Initiative commercialises the various residue output streams and uses biodigestive and pyrolytic waste-to-energy technologies so as to eliminate the need to dump waste in landfill.

Waste management is a \$50+ billion industry in Australia and yet many approaches used in other advanced economies to reduce the cost and realise value from the recycling of the waste are not applied. Operating to replicate successful approaches in an Australian context, the components together will operate commercially and simultaneously lower the environmental footprint of our community's consumption.

Importantly for the Carbon StableCoin, the projects generate renewable energy and eliminate the methane emissions that occur in the decomposition of organic waste. Together these actions will generate 1.2 - 1.6 million carbon credits per annum depending on the mix of waste that is processed.

2/19/2019

Kerbside recycling to be sent to landfill as waste crisis unfolds

THE AGE

NATIONAL VICTORIA WASTE

Kerbside recycling to be sent to landfill as waste crisis unfolds

By [Benjamin Preiss](#)

February 17, 2019 – 3.58pm



Local councils across Melbourne face the growing prospect of dumping tonnes of household recyclable material in landfill this week after the environment watchdog ordered a major recycling company to stop accepting waste.

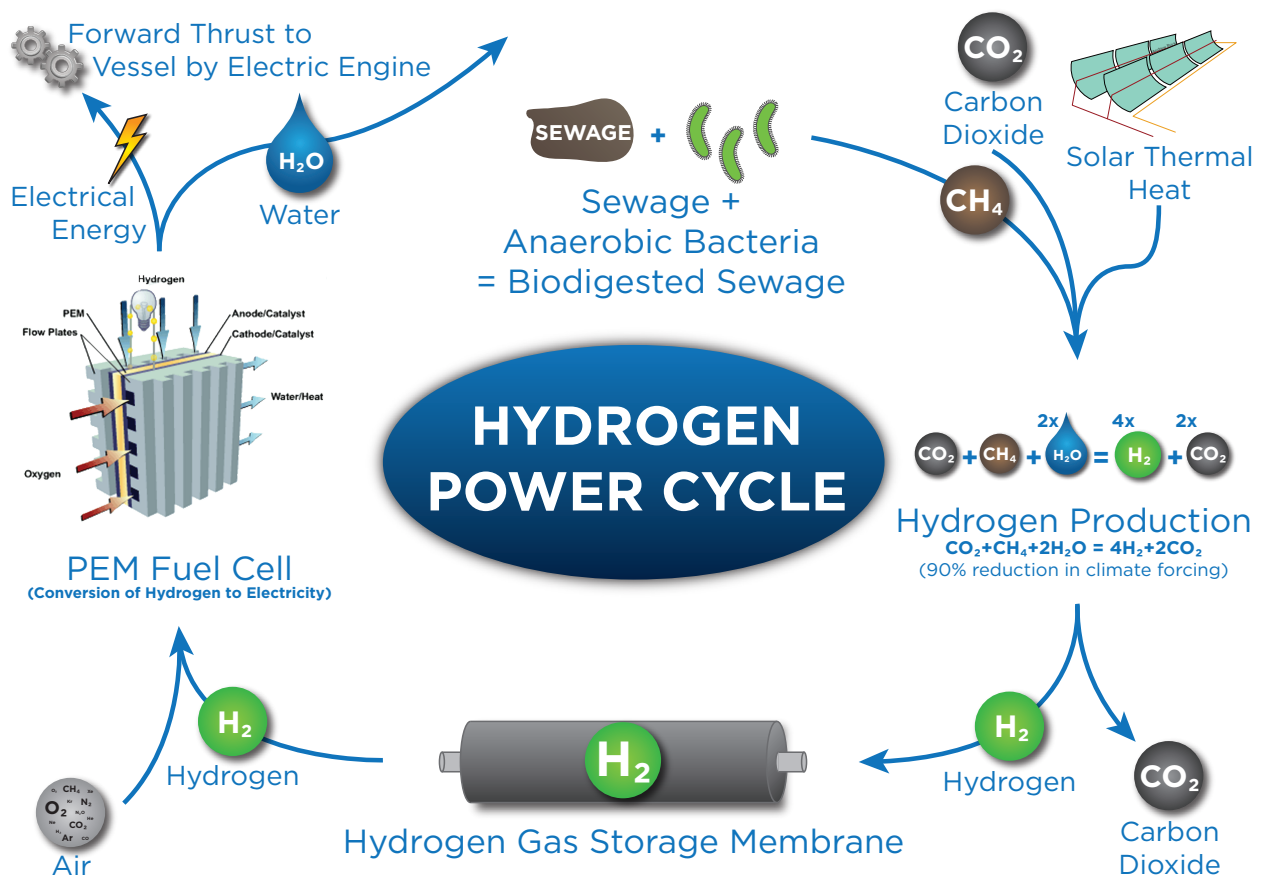
Despite the looming crisis, some local councils are urging residents to continue recycling in the hope a solution will be found soon.

hydrogen economy initiative

Nine years ago when we developed the illustration below for the Federal Government, it referred to a theoretical opportunity. Today, Australia has a National Hydrogen Roadmap, there is now a production car that runs on hydrogen sold in the Australian market and you can obtain pre-fabricated shipping containers that with some tweaking can produce the methane from organic waste and hydrogen from the methane.

Targeting the point-to-point transport sector, that is taxi and ride-sharing, the project offers a new service using a fleet of the hydrogen fuel-cell powered 'Nexo' vehicles from Hyundai. Using hydrogen sourced from processing organic waste, the fleet will carry passengers while saving carbon. Unlike electric cars which are dependent on our emission intensive grid electricity, the hydrogen fuel has a negative emission footprint.

Operating in a proven market with a lower cost of operation, this project will generate a profit and over 100,000 carbon credits per annum.



who is the underwriter?

The management of the Membership Fees and the Coin Treasury monies is underwritten by Liberty Mutual Insurance of Boston, Massachusetts in the United States. Liberty is a Fortune 100 company founded over 100 years ago with over \$50B in annual revenues and almost \$200B in assets. Liberty has a stable long term rating by Standard & Poor's of 'A' (Strong), equaling some of Australia's most stable and respected organisation including BHP and Macquarie Bank. It is the 3rd largest Lloyd's Syndicate and with offices in 31 countries, including Australia, Liberty is the best partner to enable our assurance of the capital pledged by our members.



who is the security trustee?

Perpetual Corporate Trust Limited as the Security Trustee. Founded in 1886, Perpetual is an award winning custody service provider with \$660B in assets under their care. A publicly listed company on the Australia Stock Exchange, Perpetual own revenues exceed \$500M per annum with a market capitalisation over \$2.5B. In business for the last 130+ years, Perpetual will be there to ensure that there will always be someone to oversee the financial management of the Coin Treasury.



who is the custodian?

The monies raised from the Membership Fees and in the Coin Treasury are held in a treasury account with Westpac Banking Corporation of Australia as custodian. Westpac was founded in 1817 and according to Forbes' 2018 rankings, is the world's 20th largest bank. Westpac has a 'AA-' (Very Strong) long term rating from Standard & Poor's making it one of the very few elite banking institutions. Westpac's treasury account management services as custodian of the money ensure that we can direct the appropriate use of the money without actually having access to it. A safeguard to provide peace of mind to our underwriter and more importantly our Members.



200 years proudly supporting Australia

We work with the
finance-sector institutions
to create a win for
every stakeholder

what are the member benefits?

Membership		Foundation Partner	Cornerstone Partner	Gold Coin Partner	Platinum Coin Partner
Fee		EUR€ 5,000	EUR€ 50,000	EUR€ 500,000	EUR€ 5,000,000
Quarterly Impact Distribution	(Credits)	7.5	80	375	4,500
	(Minimum Traded Value)	EUR€ 283	EUR€ 3,024	EUR€ 14,175	EUR€ 170,100
Returnable Fee		–	–	100%	100%
Refundable Fee		✓	✓	✓	✓

Like many, we do send a membership pack, we will issue a regular newsletter and we will invite our members to attend the annual dinner in recognition of their support. Unlike any that we know of, your membership as an enabler of our impact as a charity affords you a share in the impact – we distribute the Carbon Credits we generate.

Every quarter, our Members obtain a distribution of Certified Carbon Credits. The Credits will be issued as a ‘Coin’. The Coin may change in value in association with the price of Gold Standard Voluntary Emissions Reductions, but while this may give rise to prices higher than EUR€40 per Coin, regardless of how low the various Carbon Credit markets may trade, the Coin we issue has a floor price of EUR€40 each¹.

We recognise that this may be unfamiliar territory for many. So to keep it simple, we offer our members the option to either:

1. surrender the Carbon Credit to permanently offset the emissions they represent; or
2. have the Carbon StableCoin traded on their behalf and transfer the proceeds².

In addition, following the Commencement process of the Coin and the Treasury, members will be able to hold and/or trade their Coin for BitCoin₿ and EthereumΞ in addition to trading with the Coin Treasury to settle their Coin for AUD\$, USD\$, GBP£, EUR€, or CNY¥.

¹ The floor price will be indexed by the European Harmonised Index of Consumer Prices as reported in the quarter by the European Central Bank

² Settlement of the Carbon StableCoin to European Euros incurs a fee not greater than 5.5% inc. GST

benefits in more detail

Impact Distributions	<p>We share the Impact of our Projects and Initiatives by distributing the Carbon Credits generated. The Carbon Credits are issued as a new Token or 'Coin'.</p> <p>Each coin has a guaranteed minimum or floor price of EUR€40 backed by an independantly audited cash custody fund supporting the settlement of any sale by the Coin Treasury. The Treasury purchase price may rise above the floor price as the supply of Carbon Credits is reduced from the surrender of the Carbon Credits by thier owner as part of their voluntary offsetting of their carbon footprint.</p> <p>The market price may rise above the Floor Price as regulated markets for Carbon Credits seek supply of offsets to which Gold Standard Carbon Credits are interchangeably accepted.</p>
Returnable Fee	<p>If, after the Commencement Completion Date, the Member notifies that they no long wish to be a member and request their Membership Fee be returned, climate change equity will return the Membership Fee in full.</p>
Refundable Fee	<p>In the event that prior to the Treasury Commencement Date climate change equity elects to end the Carbon StableCoin Membership, the Membership Fee is refunded.</p>

The higher the membership
the greater your share of the
Impact Benefits

key dates

Opening date for the Membership Offer	1 July 2019
Closing date for the Membership Offer	31 December 2019
Carbon Credit Coin Issue Date	8 February 2020
Commencement Completion Date	10 September 2020
Treasury Commencement Date	8 February 2021
Membership Sunset Date	27 December 2024

In electing to trade rather than
surrender the Carbon Credits
distributed to Members,
Membership can secure
a capital guaranteed
return of 15% per annum



forecasted benefits

Membership		Foundation Partner	Cornerstone Partner	Gold Coin Partner	Platinum Coin Partner
Fee		EUR€ 5,000	EUR€ 50,000	EUR€ 500,000	EUR€ 5,000,000
1st Year Impact Distributions	Carbon Credits	30	320	1,500	18,000
	Minimum Trading Net Proceeds	EUR€ 1,134	EUR€ 12,096	EUR€ 56,700	EUR€ 680,400
	Effective Return	22.7%	24.2%	11.3%	13.6%
Value of Member Benefits to 21 December 2024 (5th year)	Carbon Credits	150	1,600	7,500	90,000
	Minimum Trading Net Proceeds	EUR€ 6,016	EUR€ 64,173	EUR€ 300,813	EUR€ 3,609,759
Full Term Benefits	Total Return Value	EUR€ 6,016	EUR€ 64,173	EUR€ 800,813	EUR€ 8,609,759
	Total Return	7.5%	10.3%	12.3%	15.0%

In distributing the Carbon Credits the project generates to our members, our Members obtain the option to trade their credits and secure what equates to a return up to 15% per annum¹. This is the base return from the impact from the project. Industry researchers predict that Carbon Credits will more than double in value in the coming decade, increasing the potential return above 20% per annum.

Of course, there is a chance the projects and initiatives don't achieve their goals. Our Members are pledging their Membership Fee to help us make a positive Impact. So if our best efforts don't achieve the Impact goals, we have made sure that you get your Membership Fee back.

¹ Effective Returns illustrated assume the Members exercise their right to the return of their Membership Fee

what are Carbon Credits?

Carbon Credits are one of many names for the measure of one tonne of carbon dioxide emissions (or its equivalent in other gases). The regulation in 52 countries require companies that emit carbon dioxide in their activities as a business must purchase Carbon Credits to offset those emissions. That is, the regulation dictates that if you can't reduce your actual emissions, you must sponsor others to offset them.

Our Initiatives will be sequestering carbon or enabling socio-economic development with less emissions than would otherwise occur. We have and will continue to develop the Initiatives to comply with the Gold Standard (www.goldstandard.org). As each Initiative completes the certification process the associated Carbon Credits will be Gold Standard.



what can I do with my Carbon Credits?

Today, a Gold Standard Certified Carbon Credit like the ones we will be generating are worth between EUR€9 and EUR€22 across the various voluntary carbon markets. Forecasts by the World Bank and others promote pricing to more than double by the mid-2020s. Our Carbon StableCoin is cash-backed to ensure a minimum price of EUR€40. So, as a holder of a Carbon Credit you can sell them. Our members can elect in the Application Form and by Notice thereafter to have their Carbon Credits traded for them and have the net proceeds of the sale transferred to their account.

Eventually, an owner of a Carbon Credit will surrender it. That is, they will seek to offset their emissions (either by regulation or voluntarily). Our members can elect in the Application Form and by Notice thereafter to have us surrender their Carbon Credits as they are distributed.

what is the Carbon StableCoin?

The Carbon StableCoin is the way we issue, and enable you to trade and surrender, your Carbon Credits. The technology enables a register for the Carbon Credits in a form that means you have certainty in the providence of the carbon emission, certainty of the ownership of the Carbon Credit, certainty for the transfer of ownership, and the ability to verify the surrender of the Carbon Credit to offset emissions. You may have heard a lot of news and possibly hype around BitCoin and cyptocurrencies. Our Carbon StableCoin uses the same technology (of distributed ledgers or blockchain) and will be able to be traded in much the same way, but unlike most cryptocurrencies, our Coin is the representation of the real world asset in the Carbon Credit.

We are enabling the issue of this Coin: to ensure that our Members have control of the Carbon Credits we distribute; to ensure that the providence of the associated Carbon Credits is independently verifiable and transparently accessible; and to ensure that there is a floor price for the Carbon Credit at EUR€40 per Carbon StableCoin¹.

This last characteristic is a key innovation. Each Carbon StableCoin is not only supported by its Gold Standard Verified Carbon Credit but also by the holding of EUR€40 in custody with Westpac for each coin issued. These monies are held in the Coin Treasury are Capital Guaranteed and audited and they underwrite the Treasury's market making function in ensure settlement of any StableCoin at the floor price.

climate change equity is a charity and not a technology company, to realise our Carbon Coin, climate change equity has become an Associate Member of Hyperledger (www.hyperledger.org), the alliance of some of the biggest corporations in the world along with some of the most brilliant software developers to establish the standards and tools to enable the technology behind BitCoin can add value to our everyday lives.



HYPERLEDGER
ASSOCIATE MEMBER

¹ The floor price will be indexed by the European Harmonised Index of Consumer Prices as reported in the quarter by the European Central Bank

how do I apply?

To apply, complete the Application Form at the back of this Prospectus and follow the instructions therein.

Our team will receive and review your completed Application Form, verify the receipt of the Membership Fee, issue the GST Invoice and complete the membership process. Once you are added to the membership register, you will receive a thank you and welcome notification. Then, not later than the 21st January 2020, you will receive your welcome pack.



What social enterprise is meant to look like.

what's the catch?

Why does there have to be one? What you see is what you get. The innovation is that as a charity we are not targeting more profit simply because we can. The novel benefit of our Membership is that a member secures from us the commitment and obligation to distribute the Carbon Credits that the projects generate simply because the projects are doing good for the planet. We are directly sharing the success of our impact.

The partners in the project still make their profits. climate change equity covers its costs and obtains additional money to progress other projects and pursue our objects. The communities we work in gain infrastructure, pride in work, training and a less resource intensive local industry. No one loses. The innovation is in the sharing the generated Carbon Credits with our members. This empowers our members to have the choice to make a financial gain or surrender them to offset their carbon footprint.

This point of difference comes from our being a charity achieving our objective through a profitable business. Generally speaking, charitable objectives require donations to be achieved. The reality is that if we take that approach for climate change, then the fight is already lost. Re-inventing our economy to honestly deal with the threat of climate change must be something people and business choose above the alternatives. Their choices will be, by and large, economically rational and thus a sustainable solution consists of the commercial delivery of new products and services.

Our Projects and Initiatives generate millions of Carbon Credits. The business that is generating these is already profitable, so they are economically sustainable without having to trade the Carbon Credits. We are a charity registered in Australia as a public company limited by guarantee. This may not mean much to most, but the important detail is that means we don't have shareholders and our purpose is not profit. This empowers innovative choices:

- We can choose, and have chosen, to distribute the core non-monetary product of the Projects and Initiatives to our Members; and
- We can deliver the Projects and Initiatives while the Membership Fees are held in custody enabling the capacity to offer a 'money-back guarantee'.

The missing piece is you. Social enterprise requires its members and we are no different. If your tired of having to ignore the ethics and absence of social conscience of our major institutions and companies. If you are tired of being treated as though you don't or can't make a difference. Then now you have a choice.

glossary

In this Membership Prospectus:

ACNC means the Australian Charity and Not-for-Profits Commission.

Application Form means the form at the back of this Membership Prospectus to be completed so as to become a member and that represents the agreement between the Member and the Charity for the Carbon StableCoin Membership.

BitCoin means the leading blockchain based cyptocurrency founded by Satoshi Nakamoto in 2009.

Blockchain means the database technology creating immutable records of transactions of tokens and/or information within tokens that supports the ability for such transactions to occur without reference to a trusted third party.

Business Day means Monday to Friday inclusive that is not a Public or Bank Holiday as designated in Sydney, New South Wales, Australia.

Capital Guarantee means the underwriting for the loss of capital by the Underwriter.

Carbon Credit Coin Issue Date means the date the first Carbon Credits are issued embedded in Carbon StableCoin currently planned for 8 February 2020 or otherwise as advised by the Coin Treasury.

Carbon Credit Distribution Date the 8th day of February, May, August and November of each year unless that day is not a Business Day in such case it is the next day that is a Business Day.

Carbon Credit means the independently certified measure for the saving or prevention of the emission of one tonne of carbon dioxide or its equivalent in other gases against business as usual.

Carbon Exchange means the facilitators of pricing and settlement of the trading in Carbon Credits as established within the 52 countries that have legislated obligations on industry to account and limit carbon emissions..

Carbon Footprint means the amount of greenhouse forcing atmospheric emissions an activity creates measured in tonnes of carbon dioxide.

Carbon StableCoin means the audited token embedded with the Carbon Credit within the blockchain issued by the Coin Treasury incorporating the Smart Contract to ensure any attempted settlement of the StableCoin below the Floor Price is settled at the Floor Price by the Coin Treasury.

Carbon StableCoin Membership means being a member of the charity with rights to the distribution of Carbon Credits as generated from the charity's projects and initiatives.

Charity means climate change equity.

climate change equity means the public company limited by guarantee with the Australian Business Number 13 137 106 088 established in 2009 and registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC) and the Australian Tax Office.

Coin Trading means the purchase and sale of Carbon Credits via the purchase or sale of the Carbon StableCoin.

Coin Treasury means the Treasury.

Commencement Completion Date means the date when one or more components of the Initiatives has achieved their initial impact milestone currently planned for 10 September 2020 or otherwise as advised by climate change equity.

Custodian means Westpac or other Australian Domestic Systemically Important Bank as defined by the Australian Prudential Regulation Authority with an S&P Rating of 'AA-' or better.

Ethereum means a second largest blockchain based cyptocurrency by market capitalisation founded by Vitalik Buterin in 2013.

Floor Price means EUR€40 as at 8 February 2020 and indexed thereafter at the quarterly inflation rate as most recently published by the European Central Bank prior to the Carbon Credit Distribution Date.

Gold Standard Carbon Credit means a Carbon Credit certified by the Gold Standard, the organisation established in 2003 by the World Wildlife Foundation and other international Non-Government Organisations to ensure projects that reduced carbon emissions under the United Nation's Clean Development Mechanism also contributed to sustainable development.

Gold Standard Voluntary Emission Reductions means the contracts for Carbon Credits accepted on Carbon Exchanges representing a parcel of Gold Standard Carbon Credits.

Hydrogen Economy Initiative means the suite of projects developed by climate change equity that foster the use of hydrogen as the vector of energy specifically targeting the replacement of fossil fuels.

Hyperledger means the organisation established by the Linux Foundation to create an enterprise grade platform for the application of blockchain in business, government and the community.

Impact Distributions means the issue of Carbon Credits to the Carbon StableCoin Members that, for the avoidance of doubt, is not dependent on the success of any specific Initiative or collection of Initiatives.

Initiatives means the suite of projects developed by climate change equity aligned with its purpose that can be commercially operated and that as a core attribute of their impact, generate Carbon Credits.

Investment Manager means Tipping Point Capital ABN 97 159 637 064 or other Australian entity appointed by the Charity that is accepted by the Underwriter.

Liberty Mutual means Liberty Mutual Insurance Company of Boston, MA in the United State trading as Liberty International Underwriters ABN 61 086 083 605 in Australia.

Membership Benefits means the various items provided to our members including, but not limited to, the Carbon Credits as generated by the Initiatives.



Membership Fees means the amount as identified on the GST invoice issued by the Charity payable by a prospective member to secure Membership.

Membership means being a member of the charity with rights to benefits in accordance with the specific type of membership and that, for the avoidance of doubt, does not represent an interest or right as may be afforded a member of the public company that is the Charity as defined in the Corporations Act 2001 (Cth).

Membership Offer means the offer for Membership as expressed in this Membership Prospectus.

Membership Pack means the documentation sent to new Members.

Membership Sunset Date means the end of the term for the Carbon StableCoin Membership being 27 December 2024 or otherwise as may be notified by the Charity.

Objects means the purpose of the Charity as defined in its constitution.

Perpetual means Perpetual Corporate Trust Limited AFSL 392673 ABN 99 000 341 533.

Prospectus means this document.

Recycling Initiative means the projects developed in partnership with the relevant stakeholders that establish a zero land-fill waste management service incorporating in-country management for the recycling of plastics and resource recovery of organic waste.

Refundable Fee means the money-back guarantee for the Membership Fee in the event that the impact targeted by the Initiatives are not achievable. The guarantee being supported with Underwriting by the Underwriter.

Registered Charity means an organisation suitably formed where no profits or assets of the company are available to the members, where its Directors can not be paid for their services, and it has defined within its constitution a purpose that is accepted by the ACNC as a charitable purpose that has applied and been accepted for registration and has since registration complied with the obligations of registration.

Returnable Fee means the guaranteed obligation of the Charity to return the Membership Fee to the member on request.

S&P means Standard and Poor's Financial Services LLC's subsidiary Standard and Poors Ratings Australia Pty Limited ABN 62 007 324 852.

S&P Rating means the score awarded by S&P representing their assessment of the risk for the rated creditor or product to default on its obligations on a scale whereby a nominally zero risk is 'AAA', investment grade risk is above 'BBB-', with lower ratings generically referred to as 'Junk'.

Security Trustee means the role fulfilled by Perpetual where in the event that the Charity or Investment Manager are unable to perform their obligations to the Members, the Security Trustee is empowered to step-in and ensure compliance by the Charity to its obligations as set out in this Prospectus and the Application Form for the Returnable Fee.

Smart Contract means the rules forming the implementation of a blockchain whereby the obligations of the parties involved are part of the technology implementation itself. In the case of the Carbon StableCoin, the core rule is the facilitation of the Floor Price. The trading system itself will automatically settle any open sale offer with the Treasury where it remains open for more than a specified amount of time, currently designed to be fifteen minutes, or where the open purchase offers from third parties is lower than the Floor Price. That is, the Coin will prevent any sale below the Floor Price and any attempt to do so will have the Coin automatically be traded with the Treasury at the Floor Price.

Surrender means the process to consume Carbon Credits so as to offset a Carbon Footprint. Once the Carbon Credit within the Carbon StableCoin is surrendered, the Coin can no longer be traded.

Timor Forestry Initiative means the projects developed in partnership with the Diocese of Timor-Leste, the Australian Timber Importers Association, African Mahogany Australia and the Timor-Leste Business Chamber that establishes a timber processing and forest plantation operation in Timor-Leste.

Token means the digital container of value and its ownership that blockchain holds the immutable record for the transactions that deal in it. For the Carbon StableCoin, it is the unique identifier for the Carbon Credit and the owner of that Carbon Credit.

Treasury Commencement Date means the date, currently the 8 February 2021, after which general trading of the Carbon StableCoin will be available. For the avoidance of doubt, the Coin Distributions will occur prior to this date on the Carbon Credit Distribution Dates and where the Member has elected for their Coins to be traded, the Treasury will settle the transaction and remit the funds to the Member.

Treasury means the climate change equity fund ABN 93 322 060 357 established as the market making settlement counterparty for the Carbon StableCoin whereby any open offer for sale of a Carbon StableCoin can be traded and settled at the Floor Price. The Treasury's settlement monies are held in a cash custody fund with Westpac, underwritten by the Underwriter and overseen by the Security Trustee and independently audited to have 100% cash backing of the Carbon StableCoins in circulation at the Floor Price or higher..

Treasury Services Manager means the Australian Financial Services Licensed service provider with administrative control of the Custody account as appointed by the Investment Manager.

Underwriter means Liberty Mutual or other Lloyds of London Syndicate underwriter with an Standard & Poors' 'A' Long Term rating or better as may be appointed by the Investment Manager..

Underwriting means the process of securing and managing the agreement between the Treasury and the Underwriter to bring about and maintain the Capital Guarantee.

Westpac means Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714.

Important Notice

You must read this notice before reading or making any use of this document or any information contained in this document Offer

The Offer contained in this Membership Prospectus ('Prospectus') is an invitation to apply for Membership of climate change equity (ABN 13 137 106 088) ('Charity'). The Charity is a public company limited by guarantee registered with the Australian Securities and Investments Commission and a registered charity with the Australian Charities and Not-for-profits Commission.

Note to Applicants

Membership of the Charity is not an investment. The information contained in this Prospectus is not investment or financial product advice and no consideration has been made of the financial situation, tax position or particular needs of any prospective or current member. All or part of the benefits of membership may be considered as income. You should seek professional guidance from your accountant, lawyer, financial adviser or other independent professional adviser.

About climate change equity

climate change equity (ABN 13 137 106 088) ('Charity') was founded in Australia in 2009 and is, to our knowledge, the world's first charity to focus solely on the challenge climate change represents to our quality of life. The Charity aims to reduce the carbon footprint and resource intensity of everyday activities in our economy.

Member Benefits

The Charity distributes the Membership Benefits in accordance with the tier of Membership of the Member on each Distribution Date to the Member as registered with the Charity at the last day of the penultimate month prior to each respective Distribution Date.

Membership Prospectus

This Prospectus is dated 1 July 2019. No memberships will be granted on the basis of this Prospectus after the expiry date of this Prospectus, being the 31 December 2019.

The content of the Prospectus has been determined on the basis that certain matters may reasonably be expected to be known to prospective and existing Members.

This Prospectus is issued pursuant to the Corporations Act 2001 (*Cth*) ('Act') in that the Charity is not offering a Managed Investment Scheme by way of it being a body corporate and that the offer is not an offer of securities. This Prospectus is not a prospectus or other disclosure document for the purposes of the Act. Neither this Prospectus nor any other disclosure document in relation to our Initiatives or the offered Membership has been, or will be, lodged with Australian Securities & Investments Commission ('ASIC'). This offer has not been, nor will be, examined or approved by ASIC.

Membership Sunset

The Members as registered forty (40) days prior to the Sunset Date will be notified not less than 10 days prior to the Sunset Date of the intent and procedure for the distribution of remaining Membership Benefits and Returnable Fee at the Sunset Date, if applicable. The Returnable Fee, if any, as requested and as quantified by the register of the Members will be paid directly into their nominated account which must be in the name of the Member.

Disclaimer

No person is authorised to give any information or make any representation in connection with the offer of membership which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Charity or any of their respective affiliates, Directors, officers, employees, advisers, agents, partners, consultants or representatives, or any person with a direct or indirect stakeholder interest in the Charity, or any other person in connection with this Prospectus. You should rely only on information in this Prospectus.

Applications

Applications may be made only during the Offer Period by completing an Application Form. By making an Application, you represent and warrant that you were given access to this Prospectus, together with an Application Form.

How to apply

To become a Member:

- read this Prospectus and the Application Form including the Membership Terms;
- complete and execute the Application Form;
- pay the Membership Fee appropriate for the tier of membership selected in your completed Application Form; and
- in the event that you have elected not to surrender the Carbon Credits in the Application Form, read, complete and execute the Carbon StableCoin Custody and Trading Agreement.

Taxation

Being a member may have tax consequences. Members will be assessed for tax on the taxable income that some of the Membership Benefits may be deemed to be. The Charity does not pay tax on behalf of its Members.



Forward-looking statements

This Prospectus contains forward-looking statements which are statements that may be identified by words such as “may”, “could”, “estimates”, “expects”, “intends”, “projects”, “anticipates”, “target”, “plan”, “propose”, “will”, “goals”, “aims”, “forecast”, “outlook”, “likely”, “should” and other similar words that reflect, involve or imply risks and uncertainties.

For the avoidance of doubt, the Capital Guarantee and the Membership Benefits are **not** subject to forward-looking statements and the performance of the Initiatives does not impact on any membership benefit.

Any forward-looking statements are based on an assessment of present economic and operating conditions and on a number of assumptions regarding future events and actions that are expected to take place.

No stakeholder of climate change equity nor climate change equity itself gives any assurance as to the reasonableness of any forward-looking statements contained in this Prospectus or that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur.

Privacy

By filling out an Application Form to apply for Membership, you are providing personal information to the Charity. The Charity may collect, hold and use that personal information in order to process your Application, service your needs as a member, provide facilities and services that you request and/or carry out appropriate administration.

Your personal information may also be provided to agents and service providers of the Charity on the basis that they deal with such information in accordance with the privacy policy of the Charity. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the registrar for ongoing administration of the register of Members and the Carbon StableCoin; and
- legal and accounting firms, auditors, contractors or consultants and other advisers for the purposes of administering, and advising on, the Membership, the Carbon StableCoin and for associated actions.

The information contained in the member registry must remain there even if a person ceases to be a Member.

Information contained in the member registry is also used to facilitate the distribution and provision of Member Benefits, member communications and compliance by the Charity with legal and regulatory requirements.

An Applicant, Member and prior Member has a right to access and correct the information that the Charity holds about that person, subject to certain exemptions under law.

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation to apply for membership in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus (including in electronic form) outside New South Wales, Australia may be restricted by law and any person who comes into possession of this Prospectus should seek advice and observe any such restrictions.

climate change equity's website

Any references to documents included on the Charity's website, www.climatechangeequity.org, are for convenience only, and none of the documents or other information available on the Charity's website form part of this Prospectus and are not interpreted as part of this Prospectus, or incorporated herein by reference.

Photographs

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Charity. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Logos

This Prospectus may contain trademarks and trade names of third parties, which are the property of their respective owners. Third party trademarks and trade names used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Charity.

Membership of climate change equity

Membership of the Charity as offered in this Prospectus is not membership of climate change equity as a public company. The cost of membership of the Charity, if any, along with any association of the membership with a specific Initiative is at the sole discretion of the Charity and as determined from time to time.

Inquiries and complaints

All member or prospective member inquiries and formal complaints should be directed to climate change equity in writing to PO Box 776, Broadway NSW 2007.

Registration of interest

All inquiries and registrations of interest in becoming a member should be directed to: membership@climatechangeequity.org.

Carbon StableCoin Membership Application Form

This Application Form accompanies the Membership Prospectus dated 1 July 2019 issued by climate change equity ABN 13 137 106 088 Charity Fundraising Authority CFN/25062. It is important that you read the Prospectus in full and the acknowledgments contained in this Application Form before applying for Membership. Unless otherwise defined, capitalised terms used in this Application Form and the Membership Terms have the same meaning given to them in the Prospectus.

Member Type

Company ☐Trust ☐Partnership ☐Personal ☐

Membership

I/We apply to be a Foundation ☐ / Cornerstone ☐ / Gold ☐ / Platinum ☐ Member.

I/We elect to ☐ surrender or ☐ **not** to surrender the Carbon Credits on issue.

Please complete the Carbon StableCoin Custody and Trading Agreement below if it has been elected to **not** surrender. For the avoidance of doubt, if you seek to be issued the Carbon StableCoins you must elect to **not** surrender the Carbon Credits.

Complete the section below where the Member is a natural person (otherwise continue to page 31)

Member Details (Personal Member)

Title

Given Name(s)

Surname

Date of Birth (DD/MM/YYYY)

Phone

Mobile

Residential Address (not a PO Box)

Suburb

State

Postcode

Country

Postal Address

Suburb

State

Postcode

Country

Email



Complete this page where the Member is not a natural person (otherwise continue to page 32)

Member Details (Company/Trust/Partnership Member)

Entity Name

ABN

Registered Address (not a PO Box)

Suburb

State

Postcode

Country

Postal Address

Suburb

State

Postcode

Country

Website

Member Representative Details

Title

Given Name

Surname

Job Title

Office Email

Office Phone

Alternate Phone

Complete the section below where Member communication should not be to addressed to the Member Representative.

Primary Contact Details

Title

Given Name

Surname

Job Title

Office Email

Office Phone

Alternate Phone

Membership Fee Payment

Electronic Funds Transfer or Direct Deposit

Bank: Westpac Banking Corporation
Reference: 'Last 5 letters of Surname' or 'Last 5 digits of ABN'
Account: climate change equity
BSB: 032000
Account Number: 683645

Date of Transfer

 / /

Reference Used

Amount Paid (EUR€)

Member Bank Account Details

Please provide account details for the credit of a Refundable Fee or Returnable Fee. By providing your nominated account details in this section you authorise the Charity to use these details for all future transactions until written notice is provided otherwise.

Bank

Branch

Account Name

BSB

Account Number



Declaration (Personal Member)

I have read and understood the Prospectus to which this Application Form applies and the terms of Membership as Schedule 'A' herein. I agree to the obligations of Membership and to enter into the Membership agreement to be a Carbon StableCoin Member of the Charity. I have read the information on privacy and personal information contained in the Prospectus and consent to my personal information being used and disclosed as set out in the Prospectus.

Signature

Date

 / /

Declaration (Company/Trust/Partnership Member)

I/We are authorised to represent the Member and enter it into this agreement to be a Carbon StableCoin Member of the Charity.

I/We declare that the authorisation from the Member has been provided after following the appropriate processes and procedures as defined by the constitution of the Member and any law or regulation relevant to the Member for such purpose and this has included the review and acceptance of the Prospectus to which this Application Form applies and the terms of Membership as Schedule 'A' herein.

I/We have read the information on privacy and personal information contained in the Prospectus and consent to our personal information being used and disclosed as set out in the Prospectus.

Signature (Director/Trustee/Partner)

Full Name

Date

 / /

Signature (Director/Partner)

Full Name

Date

 / /

Company Seal (if applicable)

Post

On completion, please send the Application Form (Pages 28 through 33 inclusive) to:

climate change equity
PO Box 776
Broadway NSW 2007
Australia

Schedule 'A' Membership Terms

A1 Term

The Term of this agreement will commence on the latest date of the Application Form and terminate at the earliest of:

- i. the eleventh day after the date of this agreement where the Membership Fee is not received on or before the tenth day after the commencement of this agreement;
- ii. forty (40) days after the date of receipt of a valid notice from the Member seeking to terminate their Membership;
- iii. the date of any breach of Clause A6, A7 or A8;
- iv. the date of the Refundable Fee Benefit; or
- v. forty two (42) days after the Membership Sunset Date.

A2 Minimum Term

The Minimum Term for the Membership of the Charity is one (1) year. Where this agreement is terminated by way of Clause A1(iii) or a Coin Partner Member provides notice to terminate this agreement prior to the Minimum Term, the Charity is not obligated to transfer the Returnable Fee before twenty (20) days after the end of the Minimum Term.

A3 Benefits

A3.1 Impact Distributions

In each Distribution, being the 8th day of February, May, August and November or where that is not a Business Day, the next Business Day, from 8 February 2020 to the end of the Term, the Charity must transfer to the Member the Carbon Credits equal to the amount appropriate to their Membership, being:

- i. 7.5 Carbon Credits for a Foundation Member;
- ii. 80 Carbon Credits for a Cornerstone Member;
- iii. 375 Carbon Credits for a Gold Coin Partner Member; and
- iv. 4,500 Carbon Credits per a Platinum Coin Partner Member.

A3.2 Election to Surrender

In the event that you, as the Member, have elected to Surrender their Carbon Credits. The Charity must provide to the Member within thirty (30) days of the Impact Distribution, a certificate identifying the Carbon StableCoins transferred to the Member and the surrender transaction of each.

A3.3 Election not to Surrender

In the event that you, as the Member, have elected not to Surrender their Carbon Credits. Unless, the Member has entered into the Carbon StableCoin Custody and Trading Agreement, the Charity will hold the Carbon Credits in trust for the Member.

A3.5 Refundable Fee

In the event that prior to the Commencement Completion Date, the Charity elects to terminate this agreement, following the provision of notice to this effect, the Charity must transfer to the Member their Membership Fee in full.

A3.6 Returnable Fee

In the event that following the Commencement Completion Date, a Coin Partner Member provides as part of their notice to terminate their Membership or otherwise in the forty (40) days prior to the Membership Sunset Date provides notice that they seek for their Membership Fee to be returned, the Charity must transfer to the Member their Membership Fee in full on or before the end of the Term of their Membership.

A4 Guarantee

A4.1 Underwriting

The Charity must obtain and maintain Underwriting to give effect to a capital guarantee of the Membership Fees.

A4.3 Use of monies

Coin Partner Membership Fees, and Foundation and Cornerstone Membership Fees until the Commencement Completion Date, net of the Costs must be held in cash with the Custodian. Access to the monies in custody must be via prudential controls of a service provider that in its ordinary business is a treasury account administrator in Australia holding the current licenses and insurances for such activity. For the avoidance of doubt, the monies held in custody are not a source of funds for the Charity's activities or any other costs or expenses beyond the Costs.

A4.4 Costs

The Charity will pay the following costs from the monies received in Membership Fees (plus GST where applicable):

- i. the Custody Service Entry Fee being 3.75% of monies being placed in custody; and
- ii. if applicable, the Minimum Term Break Fee being 21.25% of the monies withdrawn prior to the Minimum Term.

A5 Management of Charity

A5.1 Control of the Charity

Membership provides no control or rights to give effect of control on the management of the Charity.

A5.2 Representation

The Member must not represent to any party or act in a manner so as to imply as to having any position in respect of the management of the Charity.

Initial

Initial



A6 Restriction on Dealings

A Member must not:

- i. assign or otherwise deal in their right to a Membership Benefit or their right to the Returnable Fee;
- ii. procure finance or any other dealing that directly or indirectly provides a third party a right to place a caveat or other registration of interest or injunctive relief on the rights of the Membership; or
- iii. make a representation as defined in Clause A5.2.

A7 Media and Communications

A Member must not publish or bring about any release in the public domain their Membership of the Charity, and/or any aspect of Membership without the prior written authorisation and release by the Charity.

A8 Intellectual Property

The Charity in progressing its business has and will develop intellectual property for its sole benefit. The Member must not seek any assignment of nor use or reference the Charity's intellectual property without first obtaining permission in writing from the Charity.

A9 Warranty

The Member warrants that it has reviewed all the information provide by the Charity and sought any professional advice necessary to understand the risks of entering into this agreement and becoming a Member and release the Charity, its partner(s) and their associates and employees from any claim, however arising, in respect of the entering into this agreement.

A10 Notices

The Member must provide notices to the 'notices@climatechangeequity.org' email address where such notice is sent from the address provided in the Application Form. The Member should not deem a Notice to have been received by the Charity unless a confirmation email is provided in reply where this confirmation includes the original email.

A11 Jurisdiction

This Agreement is governed by the laws of New South Wales and each party irrevocably submits to the non-exclusive jurisdiction of the Courts of New South Wales.

Initial

Initial

Carbon StableCoin Custody and Trading Agreement

This Agreement between the Member and climate change equity fund LP ABN 93 322 060 357 ('Fund') accompanies the Membership Prospectus dated 1 July 2019 issued by climate change equity ABN 13 137 106 088. It is important that you read the Prospectus in full and the acknowledgments contained in this Agreement. Unless otherwise defined, capitalised terms used in this Agreement and the Terms have the same meaning given to them in the Prospectus.

Complete the section below where the Member is a natural person (otherwise continue to below)

Member Details (Personal Member)

Title Given Name(s)

Surname

Date of Birth (DD/MM/YYYY)
 / /

Tax File Number

Complete this page where the Member is not a natural person (otherwise continue below)

Member Details (Company/Trust/Partnership Member)

Entity Name

ABN

Tax File Number

Nominated Bank Account Details

Please provide account details for the credit of Proceeds from the trading of Carbon StableCoins. By providing your nominated account details in this section you authorise the Fund to use these details for all future transactions until written notice is provided otherwise.

Bank

Branch

Account Name

BSB

Account Number

Declaration (Personal Member)

I have read and understood the terms of this Agreement as Schedule 'B' herein. I agree to enter into this Agreement for the Fund to: accept and register the Carbon Credits as Carbon StableCoins as they are distributed to me as a Member of the Charity; and to trade the Carbon StableCoins on registration with the proceeds of the trade to be transferred to my Nominated Bank Account.

Signature

Date

 / /

Declaration (Company/Trust/Partnership Member)

I/We are authorised to represent the Member and enter it into this Agreement.

I/We declare that the authorisation from the Member has been provided after following the appropriate processes and procedures as defined by the constitution of the Member and any law or regulation relevant to the Member for such purpose and this has included the review and acceptance of the terms of this Agreement as Schedule 'B' herein.

The Member agrees to enter into this Agreement for the Fund to: accept and register the Carbon Credits as Carbon StableCoins as they are distributed to the Member as a Member of the Charity; and to trade the Carbon StableCoins on registration with the proceeds of the trade to be transferred to the Nominated Bank Account.

Signature (Director/Trustee/Partner)

Full Name

Date

 / /

Signature (Director/Partner)

Full Name

Date

 / /

Company Seal (if applicable)

Post

On completion, please send the Application Form (Pages 34 through 37 inclusive) to:

climate change equity fund
PO Box 776
Broadway NSW 2007
Australia

Schedule 'B' Terms

B1 Term

The Term of this agreement will commence on the latest date of the Agreement and terminate at the earliest of:

- i. forty (40) days after the date of receipt of a valid notice from the Member seeking to terminate this Agreement;
- ii. thirty (30) days after the date of the transfer of the Proceeds of the remaining balance of Carbon StableCoins held in Custody for the Member after the termination of the Member's membership in the Charity; or
- iii. the date of any breach of Clause B6, B7 or B8.

B2 Custody

B2.1 Appointment

The Member appoints the Fund as custodian of the Carbon Credits as distributed by the Charity to the Member as a benefit of their Membership of the Charity.

B2.2 Acceptance of Appointment

The Fund accepts the appointment by the Member.

B2.3 Duties of Custodian

The Fund must:

- i. hold the Carbon Credits and any documents evidencing title to the Carbon Credits on trust for the Member on the terms of this Agreement;
- ii. ensure that the Carbon Credits are clearly identified in its records as property of the Member;
- iii. act honestly;
- iv. subject to this Agreement, act in accordance with Instructions.

B2.3 Standing Instruction

The Member provides as the Instruction to the Fund that:

- i. the Carbon Credit may be Registered as a Carbon StableCoin;
- ii. on Registration, the Carbon StableCoin is to be traded at the prevailing market price;
- iii. the monies obtained from the trade net the Fees, being the Proceeds, are to be transferred to the Nominated Bank Account;

B2.4 Instructions

The Fund may provide notice to the Member of the option to provide an updated standing instruction. In the event that the Fund receives notice from the Member that elects for the Member to take up the option signed by the Member or Member's Representative as appropriate, the Fund is entitled to assume that the notice is valid and thereafter shall act according to the new standing instruction.

B3 Carbon StableCoin

B3.1 Registration

The Fund must maintain a Blockchain implementation as the register of Carbon Credits and, subject to the Standing Instruction, register Carbon Credits in custody on receipt. For the avoidance of doubt, the registered Carbon Credits within the Blockchain implementation are the Carbon StableCoins.

B3.2 Underwriting

The Fund must procure and maintain underwriting of the Carbon StableCoins so as at all material times there is cash or cash equivalents in custody equal to or more than the cumulative value of the unsurrendered Carbon StableCoins at the prevailing Floor Price.

B3.3 Market Maker

The Fund must maintain the Blockchain implementation of the Carbon StableCoin so that:

- i. any sell order made at a price below the Floor Price is settled by the Fund at the Floor Price;
- ii. any buy order made at a price below the Floor Price is not able to be settled;
- iii. any sell order at the Floor Price that is open for more than fifteen (15) minutes is settled by the Fund; and
- iv. to the extent that the Fund is holding Carbon StableCoins not held in custody, any buy order made at the Floor Price that is open for more than four (4) hours is settled by the Fund.

B3.4 Floor Price

The Fund must maintain, as the Floor Price, a price for the Carbon StableCoin that is forty (40) European Euros until 8 February 2020 and thereafter increases in accordance with the Consumer Price Index for the previous quarter as published by the European Central Bank.

B3.5 Market Participants

The Fund must on or before the Treasury Commencement Date establish, publish and facilitate standards, policies and procedures to permit the participation by persons that are not Members of the Charity in the surrender, holding and trading of Carbon StableCoins.

B3.6 Independent Verification

The Fund must procure and maintain the services of appropriately qualified service providers that include but may not be limited to, an auditor certified and insured to undertake audits of the financial accounts of public companies listed on the Australian Stock Exchange, so as to provide independent reporting on the Carbon StableCoin market, the certification of the Carbon Credits in the Carbon StableCoins and the underwriting of the Fund as the market maker.

Initial

Initial

B4 Fees

B4.1 Custody

The Fund will not charge a fee for the provision of the custody services.

B4.2 Sale from Custody

The Fund may charge a fee for the sale of Carbon StableCoins held in custody. The Fund must not charge more than the fee set at commencement of this Agreement. The fee at the commencement of this Agreement is 5% of the gross proceeds from the sale plus Goods and Services Tax if applicable.

B4.3 Purchase and Sale as Market Maker

The Fund may charge a fee for the purchase and/or sale of Carbon StableCoins in transactions arising from its compliance to Clause B3.3. The Fund must publish these fees thirty (30) days in advance of the Treasury Commencement Date and may vary them following thirty (30) days notice.

B5 Management of Fund

B5.1 Control of the Fund

Membership provides no control or rights to give effect of control on the management of the Fund.

B5.2 Representation

The Member must not represent to any party or act in a manner so as to imply as to having any position in respect of the management of the Fund.

B6 Restriction on Dealings

A Member must not:

- i. assign or otherwise deal in the Carbon StableCoins held in custody by the Fund;
- ii. procure finance or any other dealing that directly or indirectly provides a third party a right to place a caveat or other registration of interest on the Carbon StableCoins held in custody by the Fund or enable any injunctive relief against the Fund or its service providers; or
- iii. make a representation as defined in Clause A5.2.

B7 Confidentiality

The Member must keep any information in any form or medium that the Fund makes available to the Member, its employees or agents after the date of this Agreement, including all information relating to the personal or financial affairs, plans, business, clients, technology, partners, staff or other affairs of the Fund and its associates, strictly confidential, except where such information is already public.

B8 Intellectual Property

The Fund in progressing its business has and will develop intellectual property for its sole benefit. The Member must not seek any assignment of nor use or reference the Fund's intellectual property without first obtaining permission in writing from the Fund.

B9 Release

The Member releases all claim on the Fund in respect of the execution of the appointed as custodian.

B10 Liability Limited

The liability of the Fund in connection with this Agreement will not exceed the value of the maximum number of Carbon StableCoins held in custody at the Floor Price. The Fund is not liable for any indirect loss, to an agent of the Member, for any action taken in accordance with the Standing Instructions, or for actions that arise from any notice believed to be genuine.

B11 Taxes

The Fund does not pay tax on behalf of the Member. In the event that the Member does not provide a valid Tax File number or otherwise comply with the obligations for Market Participants after the Treasury Commencement Date, the Fund may be required by law, regulation or order of a Court or other relevant authority to withhold amounts from the Proceeds.

B12 Warranty

The Member warrants that it has reviewed all the information provide by the Fund and sought any professional advice necessary to understand the risks of entering into this Agreement and becoming a Member and release the Fund, its partner(s) and their associates and employees from any claim, however arising, in respect of the entering into this Agreement.

B13 Notices

The Member must provide notices to the 'notices@climatechangeequity.fund' email address where such notice is sent from the address provided in the Application Form. The Member should not deem a Notice to have been received and processed by the Fund unless a confirmation email is provided in reply where this confirmation includes the original email.

B14 Jurisdiction

This Agreement is governed by the laws of New South Wales and each party irrevocably submits to the non-exclusive jurisdiction of the Courts of New South Wales.

Initial

Initial

climate change equity

Australia's first climate change registered charity

