



25 February 2019

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**Electronic Lodgement**

**AMCIL Limited  
Letter to Shareholders**

Dear Sir / Madam

Please find attached correspondence concerning the details of a shareholder telephone briefing, shareholder meeting and a shareholder survey being sent to shareholders today.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'M Rowe', written in a cursive style.

Matthew Rowe  
Company Secretary

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Dear Shareholder

### Shareholder Telephone Briefing and Meetings

The Company will be holding a telephone briefing for shareholders to have the opportunity to hear directly from us about the Company's performance for the half-year ended 31 December 2018 and our expectations going forward.

We are therefore inviting you to participate in a telephone briefing, the details of which are:

**Date:** Tuesday 26 March 2019  
**Time:** 3.30pm (AEDT)  
**Telephone:** 1 800 558 698 (free call within Australia)  
 +61 2 9007 3187 (outside Australia)  
**Conference ID:** AMCIL

On calling the number you will be greeted by an operator. Quote "AMCIL" and you will be connected to the briefing. The operator will also outline the process for asking questions.

The Company will also hold an informal meeting in Melbourne to give shareholders the opportunity to ask us questions in person. The details of these meetings are set out below:

Melbourne	Monday 18 March 2019 at 1.00pm	Sofitel 25 Collins Street Melbourne VIC
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You are welcome to bring any family and friends who may be interested in attending. No registration is required. We look forward to your attendance.

Yours faithfully



**Bruce Teele**  
 Chairman

25 February 2019

Dear Shareholder,

### **Proposal to Remove the Refundability of Excess Franking Credits**

You may be aware of policy changes proposed by the Federal Labor Party to remove the refundability of excess franking credits for certain investors.

The proposed policy will mean many shareholders who have a marginal tax rate below 30 per cent will no longer receive a cash refund from franking credits. We believe this change will negatively impact many of our shareholders.

We're writing to you to:

- ensure you are aware of the proposed changes;
- explain our position; and
- invite you to share your views on the issue.

We will continue to campaign to highlight our serious concerns on behalf of our shareholders regarding this proposed policy to ensure the adverse impact of these changes is well understood by all members of Parliament and policymakers. We hope to do this with your support.

### **What can you do?**

If this issue is important to you, you can help us advocate on your behalf by:

- completing the enclosed survey and returning it to us via the reply paid envelope included with this letter; and
- sending through a more detailed example of what the proposed change will mean to you in the space provided on the survey form.

We are aiming to collect and review all responses by **8 March 2019**

### **Keeping you informed**

If you have not already done so, we strongly encourage you to share your email address with us by adding it to the bottom of your survey response. It will help us to keep you informed about what we are doing and, importantly, what you can do over the ensuing months to ensure your voice is heard.

Thank you for your time and we look forward to receiving your response to the survey.

Yours sincerely,



Bruce Teele  
Chairman

## **Further Information**

### ***Why are franking credits beneficial to you?***

Franking credits are effectively a credit to investors for the corporate tax that has already been paid by the Australian companies they are invested in. The current system avoids double taxation of your dividend income.

We pass franking credits from the dividends Amcil receives from its investments directly to you, as our shareholder. The dividend amount, as well as the amount of franking credits you are eligible for, is outlined in each dividend statement we provide to you.

Under the current policy, if your marginal tax rate is below the company tax rate of 30 per cent you may receive a cash refund for some or all the franking credits received, depending on your individual circumstances. This refund is received once you complete your tax return.

### ***What will the proposed changes to franking credits mean?***

The proposed policy will mean many shareholders who have a marginal tax rate below 30 per cent will no longer receive a cash refund from franking credits. This could negatively impact any income you might rely on from investing in Australian shares that pay fully franked income.

We're concerned low income earners and retirees will be hit especially hard by the proposed changes, particularly those who have self-managed super funds (SMSFs) in pension phase. An SMSF with an annual fully franked income of \$35,000 could realistically receive an additional \$15,000 from the refund of the franking credits (producing an annual income of \$50,000). Labor's proposed changes would mean the loss of the \$15,000 refund received from the ATO, a reduction of 30 per cent in annual income.

### ***What are we doing to fight the proposed removal of franking credits?***

We believe the proposed policy is an attack on one of the cornerstones of Australia's retirement systems – that of voluntary savings for retirement. The inequitable structure of the policy will have a negative financial impact on many of our shareholders and, as such, we've taken proactive steps to support you.

Since Labor proposed the changes in March 2018, we've worked hard to communicate with our shareholders via our shareholder meetings and our website, and we've encouraged and supported you in voicing your opinions to your Federal parliamentary representative by providing you with a template letter on our website.

We have joined the public debate in opposition to the change, raising the profile of the impact to investors via significant media commentary. Additionally, we have lobbied on your behalf with various industry groups and provided a submission and briefing to the House of Representatives Economics Committee Inquiry regarding this policy.