



ECOFIBRE

CORPORATE
GOVERNANCE
REPORT
2021

2021 CORPORATE GOVERNANCE STATEMENT

Introduction

Ecofibre Limited ('Ecofibre' or the 'Company') is pleased to present the Company's Corporate Governance Statement for 2021.

Our businesses operate in diverse product and customer markets across the hemp industry, with offices in five principal locations – three in the United States and two in Australia.

Our operating environments may be diverse and yet our teams share a common purpose and clear values that help guide everyday behaviours.

As we continue to grow, the Board remains committed to maximising value for shareholders, responsibly taking into account the legitimate interests of all our stakeholders. Central to the Board's governance approach is a determination to keep building Ecofibre's culture of acting lawfully, ethically, sustainably and responsibly.

The fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('4th Edition') came into effect for Ecofibre from 1 July 2020. With one exception, as at the date of this statement, Ecofibre complies with the recommendations set out in the 4th Edition.

The Board reviews Ecofibre's governance framework and practices each year. We believe Ecofibre's governance framework is robust and fit for purpose, promoting timely and effective decision-making, strong risk management and active shareholder engagement.

This Corporate Governance Statement is current as of 19 August 2021 and has been approved by Ecofibre's Board.

Yours sincerely



Barry Lambert
Chairman

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

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ASX Recommendations

This Corporate Governance Statement outlines Ecofibre's compliance with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('4th Edition') during the reporting period between 1 July 2020 – 30 June 2021.

The Board will continue to review Ecofibre's corporate governance practices in response to changes in market conditions, ASX Listing Rules or recognised best practices to ensure that Ecofibre's corporate governance arrangements remain appropriate.

1. The Board of Directors

Relevant Governance Documents

Board Charter

Role of the Board

The Board is responsible for ensuring appropriate corporate governance arrangements are in place for the Company. The Board develops strategic objectives for the Company, reviews and approves strategies and monitors performance against those objectives.

The Board's responsibilities also include approving the Company's Statement of Values and Code of Conduct to underpin the desired culture of the Company. The Board oversees and assesses management's performance in instilling and reinforcing the Company's values, which are on prominent display at every work site and also set out in the Company's Employee Handbook which is available on the Company's internal website.

The Board has a formal charter documenting its membership, operating procedures and the allocation of responsibilities between the Board and management. The Board charter is available on Ecofibre's website located at <https://ecofibre.com/investors/corporate/>.

The Board has delegated the day-to-day management of Ecofibre, and the implementation of approved business plans and strategies, to the Chief Executive Officer and Managing Director ('Managing Director'), who in turn may further delegate to senior management. In addition, a delegations policy sets out the decision powers which may be exercised at various levels of management.

The Board had previously established the Audit, Risk and Compliance Committee ('ARCC'), and in late June 2021 the Board established the following additional Board committees:

- Remuneration and Nomination Committee ('RNC')
- Health and Government Relations Committee.

Copies of the charters of each of the above committees setting out their roles, responsibilities and delegated authorities are available on Ecofibre's website.

Ecofibre has entered into a written agreement with each director and senior executive setting out the terms of their appointment and their respective roles and responsibilities.

Ecofibre has appointed two Company Secretaries being Mr Jonathan Brown and Ms Robin Sheldon (appointed 22 January 2021). The responsibilities of the Company Secretaries are set out in the Board charter. The Company Secretaries are primarily responsible for monitoring Board and committee policies and procedures are adhered to and advising the Board and its committees on governance matters. The Company Secretaries are accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All directors have access to the Company Secretaries for advice and services. The Board approves any appointment or removal of the Company Secretaries.

Mr Brown and Ms Sheldon also hold the roles of Chief Financial Officer and General Counsel (respectively) and report directly to the Managing Director in respect of these roles.

Directors are entitled to access independent professional advice at Ecofibre’s expense to assist them in fulfilling their responsibilities.

Details of Board meetings held during the year and individual director’s attendance at these meetings can be found in our 2021 Directors’ Report contained in the 2021 Annual Report.

Board Composition

As at the date of this corporate governance statement, there are six (6) directors on the Board. Each director, their length of service and their status as an independent or non-independent director is set out in the following table.

Director	Length of service	Status
Barry Lambert	3 years, 10 months	Non-independent, non-executive
Eric Wang	5 years, 9 months	Executive
Jon Meadmore	3 years, 10 months	Independent, non-executive
Kristi Woolrych	10 months	Independent, non-executive
Bruce Robinson	6 months	Independent, non-executive
Vanessa Wallace	<2 months	Independent, non-executive

Director Independence

The Board considers an independent director to be independent of management and free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on the issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Information about any such interests or relationships, including any related financial or other details, is assessed by the Board regularly to determine whether the interest, position or relationship might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement. As part of this process, the Board takes into account each of the factors relevant to assessing the independence of a director set out in the ASX Corporate Governance Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The recently established Remuneration and Nomination Committee will assist the Board in this regard moving forward, as described in the RNC charter.

In determining whether an interest or relationship is considered to interfere with a director’s independence, the Board assesses the materiality of the interest or relationship.

The Board assesses the independence of new directors upon appointment which includes confirmation of any declared conflicts by the Chairman during their first Board meetings. The Board with the assistance of the RNC also makes an annual assessment of each non-executive director to determine whether it considers the director to be independent. Each of Ms Kristi Woolrych, Ms Vanessa Wallace and Mr Bruce Robinson who were recently appointed to the Board, are considered to be independent.

The Board has also determined that Mr Jon Meadmore is and was independent for the duration of the reporting period.

Mr Meadmore and his associated entities have a relatively small shareholding in the Company. He is a director of Colin Biggers & Paisley Lawyers (CBP). CBP is the legal counsel for the Company, and Mr Meadmore's partners at the firm undertake periodic work in relation to the legal affairs of the Company in Australia. The legal fees for this work are not material to CBP's practice and represent an immaterial proportion of CBP's revenue. Mr Meadmore is considered to be independent based on the shareholding and professional service provider role being immaterial which are not considered to interfere with Mr Meadmore's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.

The Chairman of the Board, Mr Barry Lambert, is a non-independent director. Mr Lambert and his associated entities are major security holders and a lender to the Company, which are factors to be considered when assessing his independence (ASX Corporate Governance Council Principles and Recommendations, Box 2.3). The Board has noted that Mr Lambert's interests in his securities were acquired prior to him becoming a director, and none of the other examples cited in Box 2.3 apply.

Ms Wallace has been appointed as Deputy Chairman and is able to fulfil the role as Chairman whenever Mr Lambert is conflicted, assist in the performance review of the Chairman.

The responsibilities of the Chairman are described in the Board Charter. The roles of the Chairman and the Managing Director are exercised by separate individuals.

Fixed tenure limits for directors have not been set. Tenure remains a matter for the Board's discretion on a case-by-case basis and according to the needs of the Company.

Nomination and Appointment of Directors

The Company's Constitution requires that, at the close of each annual general meeting, one-third of the directors (excluding the Managing Director) must retire. Directors are to retire by rotation depending on who has been longest in office since their last election.

At the November 2020 Annual General Meeting, Mr Lambert retired by rotation and was re-elected as director. Ms Woolrych was also elected as a director at the 2020 Annual General Meeting. Material details relating to Mr Lambert's re-election and Ms Woolrych's election, to assist shareholders in making a relevant to a decision on whether or not to elect or re-elect a director, were set out in the Company's 2020 Notice of Annual General Meeting,

The Company ensures that appropriate checks are undertaken before the appointment of a director. Background checks were undertaken for Ms Woolrych, Ms Wallace and Mr Robinson, with no adverse findings.

As the Company's activities develop in size, nature and scope, the size and composition of the Board and the implementation of additional corporate governance policies and structures continue to be reviewed. As a result, prior to the end of the financial year 2021, Ecofibre's Board resolved to establish the RNC to assist it in overseeing the nominations process and procedures.

Skills, Experience and On-going Development

Upon appointment, new directors undertake an induction program to enable them to gain an understanding of the Company's operations, industry sectors, culture and values strategic objectives amongst other things.

Directors are able to access ongoing professional development and education opportunities designed to give directors further insight into the operation of Ecofibre's business, and to provide opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively. The Company Secretaries assist in the organisation and facilitation of induction and professional development of the directors.

As part of this program, directors visit Ecofibre’s facilities, including all major operating sites in the United States and Australia. Due to the global pandemic, however, the newly appointed directors were not able to visit Ecofibre’s facilities. Therefore, the new directors were given access to upper management for educational purposes remotely.

The Board maintains an appropriate mix of skills and diversity in its membership. This includes a range of skills, experience and background in the industry, international business, finance and accounting and management.

The following Board Skills Matrix describes the combined capabilities of the Board across a range of general and specialist areas. The Board, with the assistance of the RNC, assesses the collective skillset of the Board and considers that collectively the directors have the appropriate range of skills and experience necessary to direct Ecofibre’s businesses, achieve Ecofibre’s strategic objectives and address existing and emerging business and governance issues relevant to the Company.

Board Skills Matrix	Board Representation
General Experience	
<i>Managing and Leading</i> – success in a rapidly growing, medium sized business at a senior level	Yes
<i>Global Experience</i> – senior executive or similar exposure to a range of political, cultural, regulatory and business environments	Yes
<i>Strategy</i> – track record or developing and implementing successful strategies	Yes
<i>Governance</i> – commitment to high standards of governance, including experience with medium and large business enterprises which are subject to rigorous governance standards	Yes
Industry and Technical Experience	
<i>Industry-specific knowledge</i> – senior executive experience in the hemp industry across food, nutraceuticals and fibre technologies	Yes
<i>Finance/Legal/Risk Management</i> – experience in financial accounting and reporting, corporate finance, internal financial controls or the provision of legal services to medium and large businesses	Yes
<i>Marketing</i> – senior executive experience in branding, channel strategy and positioning	Yes
<i>Health, Safety and Environment</i> – experience related to health, safety, environment and social responsibility with medium and large businesses	Yes
<i>Human Resources and Remuneration</i> – experience relating to human resource management and remuneration, including incentive programs	Yes
<i>Government Affairs</i> – experience liaising with government and experience with public and regulatory policy	Yes
<i>Research and Development / Product Development</i> – experience in managing the development and delivery of innovative, customer-centric products	Yes
<i>Manufacturing / Quality</i> – experience in manufacturing and quality operations in food or health related industries	Yes

2. Operation of the Board

Relevant Governance Documents

Board Charter
ARCC Charter
RNC Charter

As previously described, Ecofibre has established an Audit, Risk & Compliance Committee and a Remuneration and Nomination Committee. The role and responsibilities of the ARCC and RNC are set out in their relevant charters which are available on the Company's website at <https://ecofibre.com/investors/corporate/>.

During the reporting period, the ARCC comprised two members being Mr Lambert and Mr Meadmore, who is also the independent chair of the committee. During August 2021, Ms Wallace was also appointed as a member of the ARCC. Qualifications of the members, the number of committee meeting held during the year and individual director's attendance can be found in our 2021 Directors' Report contained in the 2021 Annual Report. The composition of the ARCC will be reviewed as required from time to time but is currently considered to be appropriate given the current size of the Company and the Board.

The RNC is comprised of three directors, a majority being independent directors. The members are Barry Lambert, Vanessa Wallace and Bruce Robinson. The Chairman of the Board is the Chair of the RNC. Qualifications of the members can be found in our 2021 Directors' Report contained in the 2021 Annual Report.

Having only been established in June 2021, the RNC did not convene during the 2021 financial year, therefore, the Board itself periodically reviewed succession issues, and considered the appropriate balance of skills, knowledge, experience, independence and diversity (having regard to its Board Capability Matrix) necessary to enable it to discharge its duties and responsibilities effectively. Going forward, the RNC will assist the Board in this regard. As set out in the RNC charter, the RNC is also responsible for reviewing and recommending to the Board non-executive director remuneration, to ensure that it is appropriate and not excessive.

Remuneration of Directors and key Executives

Ecofibre offers competitive remuneration and human resources practices that offer appropriate and fair rewards and incentives to directors and employees in the countries in which they are employed. Ecofibre also seeks to align the interests of management, staff and shareholders.

Non-executive directors receive fees paid out of the remuneration fee pool approved by shareholders in the general meeting.

Executive directors and senior executives receive fixed remuneration and are eligible to participate in Ecofibre's short-term and long-term incentive plans.

Further details of Ecofibre's remuneration policies and practices for executive and non-executive directors, key management personnel, including an overview of the Company's Employee Share Scheme are set out in the Remuneration Report in the 2021 Directors' Report contained in the 2021 Annual Report.

Performance Evaluation

The Board, with the assistance of the RNC annually reviews its performance, the performance of the committees and individual directors. The effectiveness of the Board and committees are assessed against the roles and responsibilities set out in each relevant charter. The performance of individual directors is assessed against their individual contracts and in the context of the overall skills matrix for the Board.

The Board, with the assistance of the RNC is responsible for periodically evaluating the performance of the Managing Director, who in turn evaluates the performance of all other senior executives and determines their remuneration. These evaluations are based on specific criteria, including Ecofibre's overall business performance, whether the Company's long term strategic objectives are being achieved, and the achievement of individual performance objectives. Ongoing feedback is provided, and annual performance evaluations were conducted in the 2021 financial year.

Performance reviews for the Board, committees, individual directors and senior executives were conducted during the reporting period as described above.

3. Corporate Responsibility

Relevant Governance Documents

Ecofibre Group Values
Code of Conduct
Anti-Bribery and Anti-Corruption Policy
Whistleblower Policy
Diversity Policy

Ecofibre's approach to corporate responsibility is guided by the Ecofibre Group Values, Code of Conduct, Anti Bribery & Corruption Policy, Whistleblower Policy and other policies. These are available on the Company's website at <https://ecofibre.com/investors/corporate/>.

Ecofibre has developed a set of values (Group Values) common to the diverse business units that form the Ecofibre Group. The Group Values serve as the foundation for everyday decision-making and are centred on each of the Company's key stakeholder groups.

Our values re-enforce the high standard of behaviour expected from all staff

“ A GREAT COMPANY HAS ACCOUNTABLE INDIVIDUALS. You should always be the most responsible person in the room. There is a simple rule to follow - if it doesn't feel right, it isn't. We don't need to define right and wrong with a long set of rules - everyone we hire knows right from wrong. ”





Ecofibre's Code of Conduct outlines the Company's commitment to responsible business practices and ethical standards. The Code sets out the obligation of all directors, executives and employees to act honestly and with integrity, appropriately manage conflicts of interest, gifts benefits and entertainment. It also addresses confidentiality, fair dealing, protection and proper use of assets, community environment and politics, legal compliance, safety and other matters.

Ecofibre is committed to ensuring that employees, contractors, suppliers and partners are able to raise concerns regarding any illegal conduct or malpractice and to have such concerns properly investigated. This commitment is implemented through Ecofibre's Whistleblower Policy, which sets out the mechanism by which employees, contractors, suppliers and partners can confidently, and anonymously if they wish, voice such concerns in a responsible manner without being subject to victimisation, harassment or discriminatory treatment.

Ecofibre's Whistleblower Policy complies with the requirements of ASIC Regulatory Guide 270 which was released in November 2019.

The Board has also adopted an Anti-Bribery and Corruption Policy. This policy builds on the Code of Conduct and supports the Board's broader focus that Ecofibre's directors, employees, contractors, consultants and agents conduct business in an ethical and honest way. The Board has a 'zero tolerance' approach to bribery and corrupt business practices at any level within Ecofibre's operations.

Material breaches of the Code of Conduct and Anti Bribery & Corruption Policy, as well as material incidents reported under the Whistleblower Policy are preferred to be reported to the Whistleblower Investigation Officer but can be reported to any Eligible Recipient, as that term is defined in the Whistleblower Policy. Material incidents are reported to the Chairman of the ARCC or the Board as appropriate.

4. Diversity

Relevant Governance Documents

Diversity Policy

At Ecofibre, diversity refers to the unique backgrounds, beliefs and experiences that our people possess. We define diversity in the broadest of terms, including gender, nationality, ethnicity, disability, sexual orientation, generation/age, socioeconomic status, religious beliefs, professional and educational background, and global and cultural experiences.

Ecofibre is committed to building a workplace where employees can fulfil their career aspirations, realise their potential and be part of a purpose-driven company with a values-based culture. This goal requires us to have a culture of inclusion where all employees are respected, valued and able to freely share their perspectives, experiences and ideas.

We believe diversity and inclusion are crucial to strong business growth and performance. Specifically, diversity and inclusion help us to better understand and connect with our customers, attract, develop, retain and engage the talent needed to sustain our long-term success, foster creativity and innovation, and improve the quality of our decisions.

Given the current stage of the Company's operations, and the number of its employees, Ecofibre does not currently set and report on measurable diversity objectives. Ecofibre will re-assess this as the Company grows.

A copy of Ecofibre's Diversity Policy is available on our website at <https://ecofibre.com/investors/corporate/>.

5. Risk Management and Financial Reporting

Relevant Governance Documents

ARCC Charter

Risk Management Policy

Risk Appetite Statement

The ARCC is focussed on overseeing the integrity of financial reporting, the effectiveness of risk management and compliance systems and internal control framework, and the external audit function.

The role and responsibilities of the ARCC are set out within its charter. Details of membership of the ARCC are described earlier under section 2 of this corporate governance statement.

The ARCC chair holds regular meetings with the external auditors.

Risk Framework

Ecofibre has adopted and follows a structured Risk Framework to ensure that risks in the Ecofibre Group are identified, evaluated, monitored and managed. As set out in its charter, the ARCC is responsible for reviewing Group risk and the risk management framework at least annually to satisfy itself that it continues to be sound.

During the reporting period, the ARCC reviewed the Risk Management Framework and is satisfied that it continues to be sound and that the entity is operating within - and with due regard to - the risk appetite set by the Board.

The Risk Management Framework sets out the risk management processes and internal compliance and control systems, a matrix of risk impact and likelihood for assessing risk, and risk management reporting requirements.

Ecofibre's assessment and management of risk includes monitoring environmental and social risks. Subject to residual risk the commentary below, the Company does not consider that it has a material exposure to residual environmental or social risks.

In the 2020/21 financial year, Ecofibre's business was impacted by a number of issues, including industry oversupply, the continuation of COVID-19, strains on pharmacy infrastructure and social instability in the United States. The Board considers that these are continuing risks, although the impact of some such as COVID-19 appear to be beginning to abate in the US.

One of the ways in which the Board manages risks, including environmental and social risks, is to continue to diversify the Company's business and sources of income. In the Ananda Health business, the Company has established programs to help re-engage customers, has developed a direct online sales portal for pharmacies, has introduced new products and formats, and has undertaken a re-pricing initiative on specific SKU's.

During the year, the Company has also published its first separate Sustainability Report, which covers a number of its social and environmental practices.

The overall risk management processes, and internal compliance and control systems are made up of various Ecofibre policies, processes, practices and procedures that have been established by management and/or the Board to provide reasonable assurance that:

- established corporate and business strategies are implemented, and objectives are achieved;
- any material exposure to risk is identified and adequately monitored and managed;
- significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- there is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

Due to the size and stage of development of the Company, Ecofibre does not have an internal audit function. The ARCC is responsible for monitoring the need for an internal audit function, assessing the performance and objectivity of any internal audit procedures, reviewing risk management and internal compliance procedures and monitoring the quality of the accounting function.

Ecofibre's Board has adopted an internal, Risk Appetite Statement, which is implemented throughout the Ecofibre Group. Ecofibre's risk appetite is integral to the Company's overall risk management process. The Risk Appetite Statement sets forth the types and extent of risk that Ecofibre is willing to accept in pursuit of its global strategic objectives, while adhering to Ecofibre's core values and reinforcing its commitment to corporate responsibility.

Auditor

One of the primary functions of the ARCC is to review and monitor the appointment, performance and independence of the external auditor. Ecofibre's external auditor for the financial year was William Buck, who was appointed by shareholders at the 2018 Annual General Meeting. The auditor attended the Company's 2020 Annual General Meeting (AGM) and was available to answer questions relevant to the audit.

Integrity in Financial Reporting and Regulatory Compliance

The Board is committed to ensure the integrity and quality of its financial reporting, risk management and compliance and control systems.

Prior to giving their directors' declaration in respect of the annual and half-year financial statements, the Board requires the Managing Director and the Chief Financial Officer to each sign a written declaration to the Board that, in their opinion:

- Ecofibre's financial records for the relevant period have been properly maintained in accordance with the Corporations Act 2001 (Ch) (Corporations Act);
- the financial statements and associated notes comply with the International Financial Reporting Standards (IFRS) Accounting Standards as required by the Corporations Act, the Corporations Regulations and the Company's accounting policies;
- the financial statements and associated notes give a true and fair view of the financial position as at the relevant balance date and performance of Ecofibre for the relevant period then ended as required by the Corporations Act; and
- they have established and maintained an adequate risk management and internal compliance and control system to facilitate the preparation of a reliable financial report and the maintenance of the financial records, which, in all material respects, implements the policies adopted by the Board, and the statements made above are based on that system, which is operating effectively.

This written declaration was received by the Board prior to its approval of the financial statements for the financial year ended 30 June 2020, half year ended 31 December 2020 and the financial year ended 30 June 2021.

A similar declaration is made by the Managing Director and the Chief Financial Officer in relation to quarterly cashflow reports, stating that in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound operating system of risk management and internal control which is operating effectively.

The Board has also engaged the Company's auditors to review the Appendix 4C Quarterly Cash Flow Report for Entities subject to Listing Rule 4.7B.

Verification of periodic corporate reports

Ecofibre prepares periodic corporate reports which are not audited or reviewed by its external auditor. These include the full year and half year Directors' Report, the investor presentations, Corporate Governance Statement and the Company's Sustainability Report. These corporate reports are drafted by the Managing Director, Chief Financial Officer and General Counsel with input from relevant information owners and staff with direct knowledge of the matter. Drafts of the reports are reviewed by the Board.

6. Market Disclosure

Relevant Governance Documents

Continuous Disclosure Policy
Shareholder Communications Policy

Ecofibre's Continuous Disclosure Policy and Shareholder Communications Policy are designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules and the Corporations Act by:

- providing guidance as to the types of information that may require disclosure, including examples of practical application of the rules;

- providing practical guidance for dealing with market analysts and the media;
- identifying the correct channels to pass on potentially market-sensitive information as soon as it comes to hand;
- establishing regular occasions at which senior executives and directors are actively prompted to consider whether there is any potentially market-sensitive information which may require disclosure; and
- allocating responsibility for approving the substance and form of any public disclosure and communications with investors.

In addition to its formal disclosure obligations under the ASX Listing Rules and the Corporations Act, the Board uses several additional means of communicating with shareholders and investors. These include:

- Appendix 4C Quarterly Cash Flow Report for Entities subject to Listing Rule 4.7B
- the half-year and annual reports, and associated investor presentations. Where a new and substantive investor or analyst presentation is made, Ecofibre ensures that a copy is released to ASX ahead of giving the presentation;
- posting media releases, public announcements, notices of general meetings and other investor related information on <https://ecofibre.com>; and
- annual general meetings.

The Board receives copies of all material market announcements either prior to release or promptly after they have been made.

Ecofibre has a dedicated Investor page on <https://ecofibre.com>, which supplements the communication to shareholders in the annual report regarding the Company's corporate governance policies and practices.

The Continuous Disclosure Policy and Shareholder Communications Policy are available on our website at <https://ecofibre.com/investors/corporate/>.

Shareholder Meetings

Ecofibre's AGM is usually convened in November each year. Relevant information setting out the details of the meeting, resolutions to be considered, explanatory notes on the resolutions and all other information relevant to the general meeting are included within the notice of meeting. The notice of meeting is lodged with the ASX and sent to all shareholders in accordance with their nominated communication instructions that the share registry has on record.

To encourage shareholder engagement and participation at the AGM, shareholders have the opportunity to attend the AGM, ask questions, participate in voting and meet the Board and executive team in person (where possible). Ecofibre will ensure that substantive resolutions put to a shareholder meeting will be decided on a poll rather than a show of hands, as was the practice at Ecofibre's 2020 AGM.

Due to the unprecedented COVID-19 pandemic, Ecofibre will carefully monitor legal and regulatory requirements and recommendations and consider the best place and method to hold the 2021 AGM so that:

- shareholders may exercise their right to vote and ask questions; and
- the health, safety and wellbeing of shareholders and employees is protected.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed resolutions by appointing a proxy via the proxy form accompanying the notice of meeting or online through the share registry's website. Shareholders also have the opportunity to submit written questions to Ecofibre and the external auditor or make comments on the management of the Company.

A copy of any investor presentation and speeches by the Chairman and Managing Director is released to the ASX before the commencement of the AGM and the outcome of voting on resolutions at the meeting is released to the market after the conclusion of the meeting.

Electronic communication with shareholders

Ecofibre's shareholders are able to receive communications from, and send communications to, its share registry electronically.

The Company encourages stakeholders to make contact with the Company or its share register via the details provided on our website at <https://ecofibre.com/investors/shareholder-services/>.

Shareholders are encouraged to elect to receive communications, including the annual report, notice of meetings and other Company information, electronically from the share registry. By choosing to receive communications from the Company electronically, shareholders help the Company to save on costs, contribute to caring for the environment and reduce delays that may be incurred sending materials via post. This election can be made by contacting the Company's share registry directly.

7. Securities Trading

Relevant Governance Documents

Securities Trading Policy

By promoting director and employee ownership of shares, the Board hopes to encourage directors and employees to become long-term holders of Ecofibre securities, aligning their interests with those of Ecofibre.

Ecofibre has a comprehensive Securities Trading Policy which applies to all directors and employees. The policy aims to inform directors and employees of the law relating to insider trading and provide them with practical guidance for avoiding unlawful transactions in Ecofibre securities.

In accordance with the Securities Trading Policy, Designated Personnel (being directors, senior executives and any other persons identified by the Board or Company Secretary from time to time) are prohibited from dealing in any financial products issued or created over Ecofibre securities by third parties or dealing in associated products. In addition, Designated Personnel may not enter into a transaction that operates to limit the economic risk of their security holding in Ecofibre.

A copy of Ecofibre's Securities Trading Policy has been lodged with the ASX in accordance with Listing Rule 12.9 and is also available on the Company's website at <https://ecofibre.com/investors/corporate/>.





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ECOFIBRE



APPENDIX 4G

KEY TO DISCLOSURES

CORPORATE GOVERNMENT PRINCIPLES AND RECOMMENDATIONS



Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Ecofibre Limited

ABN/ARBN

27 140 245 263

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://ecofibre.com/investors/corporate/>

The Corporate Governance Statement is accurate and up to date as at 18 August 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 1J August 2021

Name of authorised officer authorising lodgement: Jonathan Brown, Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: ... https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>Ecofibre has adopted a Diversity Policy which is available at https://ecofibre.com/investors/corporate/.</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in: our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://ecofibre.com/investors/corporate/.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://ecofibre.com/investors/corporate/.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: ... in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/ . and, where applicable, the information referred to in paragraph (b) at: https://ecofibre.com/investors/corporate/ . and the length of service of each director at: in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/ .	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> an explanation why that is so is set out in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/ OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> and we have disclosed our program in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: We have disclosed our values at: https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://ecofibre.com/investors/corporate/ .	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
<p>4.1</p>	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p> <p>A copy of the Audit, Risk and Compliance Committee Charter is available at https://ecofibre.com/investors/corporate/</p>
<p>4.2</p>	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>4.3</p>	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so is set out in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p> <p>A copy of the Audit, Risk and Compliance Committee Charter is available at https://ecofibre.com/investors/corporate/</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity’s risk management framework was undertaken during the reporting period at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>in our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>at our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/n</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>our Corporate Governance Statement which is available at https://ecofibre.com/investors/corporate/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	<input type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement