

ECOFIBRE

CORPORATE GOVERNANCE REPORT **2022**



2022 CORPORATE GOVERNANCE STATEMENT

Introduction

Ecofibre Limited ('Ecofibre' or the 'Company') is pleased to present the Company's 2022 Corporate Governance Statement.

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

Our operating environments may be diverse, but our teams are unified. Moreover, the teams all 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 over the long term, 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 report, 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 23 September 2022 and has been approved by Ecofibre's Board.

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition)

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ASX Recommendations

This Corporate Governance Statement outlines the extent to which Ecofibre followed the recommendations of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations during the reporting period between 1 July 2021 – 30 June 2022.

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 overseeing the strategic, operational and financial position of the Company, which includes but is not limited to ensuring that 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, are set out in the Company's Employee Handbook, and are available on our website located at <https://ecofibre.com/our-values/>. The Board also fulfills its duties in overseeing and assessing management by conducting site visits of the Company's various facilities and conducts regular "fireside chats" with management.

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 Managing Director and Chief Executive Officer ('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 has established the following Board committees, each chaired by an Independent Director:

- Audit, Risk and Compliance Committee ('ARCC');
- People and Nominations Committee ('PNC')¹; and
- Health and Government Relations Committee ('HGRC').

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. 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, ensuring the same 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.

¹ Previously the Remuneration and Nomination Committee

Mr. Brown and Ms. Sheldon also hold the roles of Chief Financial Officer ('CFO') 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 and committee meetings held during the reporting period and individual Director's attendance at these meetings can be found in our 2022 Directors' Report contained in the 2022 Annual Report which is available on our website.

Board Composition

As at the date of this corporate governance statement, there are six (6) Directors on the Board.

During the reporting period there were a number of changes to the Board. Ms. Wallace joined the Board as Deputy Chairman in July 2021 and became Chairman upon the retirement of Mr. Lambert at the AGM in November 2021. Ms. Anderson joined the Board in February 2022 and Ms. Woolrych retired from the Board in May 2022.

Each Director that had held the position of Director as of the date of this corporate governance statement has their status as an independent or non-independent Director and the length of service set out in the following table.

Director	Length of service	Status
Current:		
Vanessa Wallace	1 year, 3 months	Independent, non-executive Chairman
Eric Wang	6 years, 10 months	Managing Director and CEO
Jon Meadmore	4 years, 11 months	Independent, non-executive
Prof. Bruce Robinson	1 year, 7 months	Independent, non-executive
Michelle Anderson	6 months	Independent, non-executive
Mark Bayliss	1 month	Independent, non-executive
Retired:		
Barry Lambert	4 years	Chairman (Retired at AGM, November 2021)
Kristi Woolrych	1 year, 7 months	Independent, non-executive (Retired 31 May 2022)

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 Council's Corporate Governance Principles and Recommendations (4th Edition), and other facts, information and circumstances that the Board considers relevant. The People and Nominations Committee assists the Board in this regard, as described in the PNC 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 on an ongoing basis.

The Board assesses the independence of new Directors upon appointment which includes confirmation of any declared conflicts during their first Board meetings. The Board with the assistance of the PNC undertakes an annual assessment of each non-executive Director to determine whether it considers the Director to be independent. At each Board meeting, the Chairman also seeks any declared conflicts having regard to the agenda of the meeting.

The Board has determined that each of Mr. Meadmore, Ms. Wallace, Prof. Robinson and Ms. Anderson, and Ms. Kristi Woolrych until her retirement, were independent for the duration of the reporting period. The Board does not consider Mr. Wang to be independent as he is the Managing Director.

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 by the Board to be independent as it considers the shareholding and professional service provider role to be immaterial and is not considered to interfere with Mr. Meadmore's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.

At the 2021 AGM, the shareholders approved the issue of options for shares of the Company to each Director. Each Director's options amount to less than 0.15% of the securities of the Company. The options, combined with their other shareholdings in the Company, are not considered to interfere with each of the Director's capacity to bring independent judgement to bear on issues before the Board, or impair their ability to act in the best interests of the Company as a whole. With the retirement of the previous Chairman, Barry Lambert, who was not considered independent given his significant shareholding in the Company, all current non-executive Directors of the Board are considered to be independent.

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.

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 2021 Annual General Meeting, Mr. Meadmore retired by rotation and was re-elected as Director. Ms. Wallace and Prof. Robinson were also elected as Directors at the 2021 Annual General Meeting. Material details relating to Mr. Meadmore's re-election and Ms. Wallace's and Prof. Robinson's election, to assist shareholders in making a relevant decision on whether or not to elect or re-elect a Director, were set out in the Company's 2021 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. Anderson prior to her appointment, 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.

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.

Skills, Experience and On-going Development

The Board considers that it 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 PNC, 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.

During the year the addition of a US based Director, Ms. Anderson, augmented the exposure of the Board to Ecofibre's largest market, the US market.

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

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, and strategic objectives amongst other things.

As part of this program, Directors visit Ecofibre's facilities, including major operating sites in the United States and Australia. Due to the global pandemic, however, most Directors were not able to visit Ecofibre's facilities in the US during the reporting period. Remote access to upper management has been readily available and regular fireside chats have been included in the Board agenda.

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. Professional development is assessed through the annual board evaluation, special meetings of the board, and/ or informal and formal agenda items at board meetings. The Company Secretaries assist in the organisation and facilitation of induction and professional development of the Directors.

2. Operation of the Board

Relevant Governance Documents

ARCC Charter
PNC Charter
HGRC Charter

As previously described, Ecofibre has established an Audit, Risk and Compliance Committee, a People and Nominations Committee and a Health and Government Relations Committee. The role and responsibilities of the each of these committees 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 three members, being Mr. Jon Meadmore (Chairman), Ms. Wallace and Mr. Lambert (until his retirement). Mr. Wang replaced Mr. Lambert as a member following Mr. Lambert's retirement. In July of 2022, the Board resolved that all Directors would be members of the ARCC. Mr. Meadmore continued as Chairman of the ARCC, until September when Mr. Bayliss became Chairman of the ARCC. Qualifications of the members, the number of committee meetings held during the year and individual Director's attendance can be found in the 2022 Directors' Report contained in the 2022 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 PNC continued its focus in this reporting period on Leadership Team development and succession. As such the committee changed its name from Remuneration and Nomination to People and Nominations Committee (PNC). The PNC is comprised of three Directors, a majority being independent Directors. The current PNC members are Ms. Wallace (Chairman), Ms. Anderson and Prof. Robinson. Mr. Lambert was a member and Chairman of the PNC during the reporting period until his retirement in November 2021. To maintain continuity during the reporting period Ms. Wallace became Chairman of the PNC following Mr. Lambert's retirement. Pursuant to its revised Charter, the Chairman of the PNC is an independent Director. Qualifications of the members, the number of committee meetings held during the reporting period and individual Director's attendance can be found in the 2022 Directors' Report contained in the 2022 Annual Report.

The PNC periodically reviews management talent and succession, KMP performance and remuneration and Board Director nomination considering the appropriate balance of skills, knowledge, experience, independence and diversity (having regard to its Board Capability Matrix) necessary to enable the Board to discharge its duties and responsibilities effectively. As set out in the PNC charter, the PNC is also responsible for reviewing and recommending to the Board non-executive Director remuneration, to ensure that it is appropriate and not excessive.

The HGRC comprises three members, being Prof. Robinson (Chairman), Ms. Wallace and the Managing Director, Mr. Wang. The committee periodically reviews the Company's clinical and research programs and helps to navigate the registration of Company products with governmental regulatory agencies. As set out in the HGRC charter, the HGRC also assists in providing information on the health and wellness space to the Board and Senior Management. Qualifications of the members, the number of committee meetings held during the reporting period and individual Director's attendance can be found in the 2022 Directors' Report contained in the 2022 Annual Report.

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. At the 2021 AGM, the proposal to reduce Directors fees and issue 3 year, at market, options on shares to Directors was approved by shareholders.

Executive, non-executive Directors and senior executives receive fixed remuneration and are eligible to participate in Ecofibre's 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 2022 Directors' Report contained in the 2022 Annual Report.

Performance Evaluation

The Board with the assistance of the PNC annually reviews its performance, the performance of the committees and individual Director's contributions. 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. Performance reviews for the Board, committees, and individual Directors were conducted during the reporting period as described above.

The Board, with the assistance of the PNC, 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 during the reporting period.

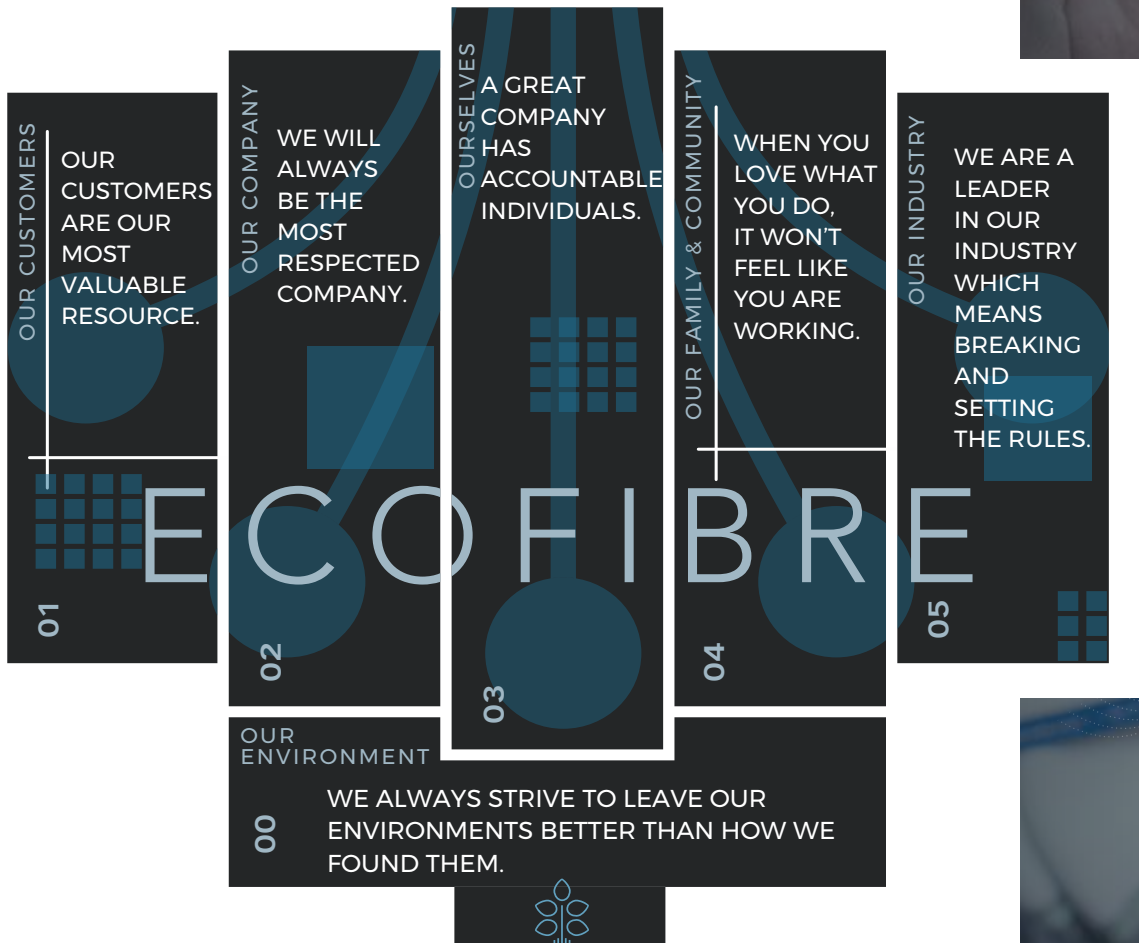
3. Corporate Responsibility

Relevant Governance Documents

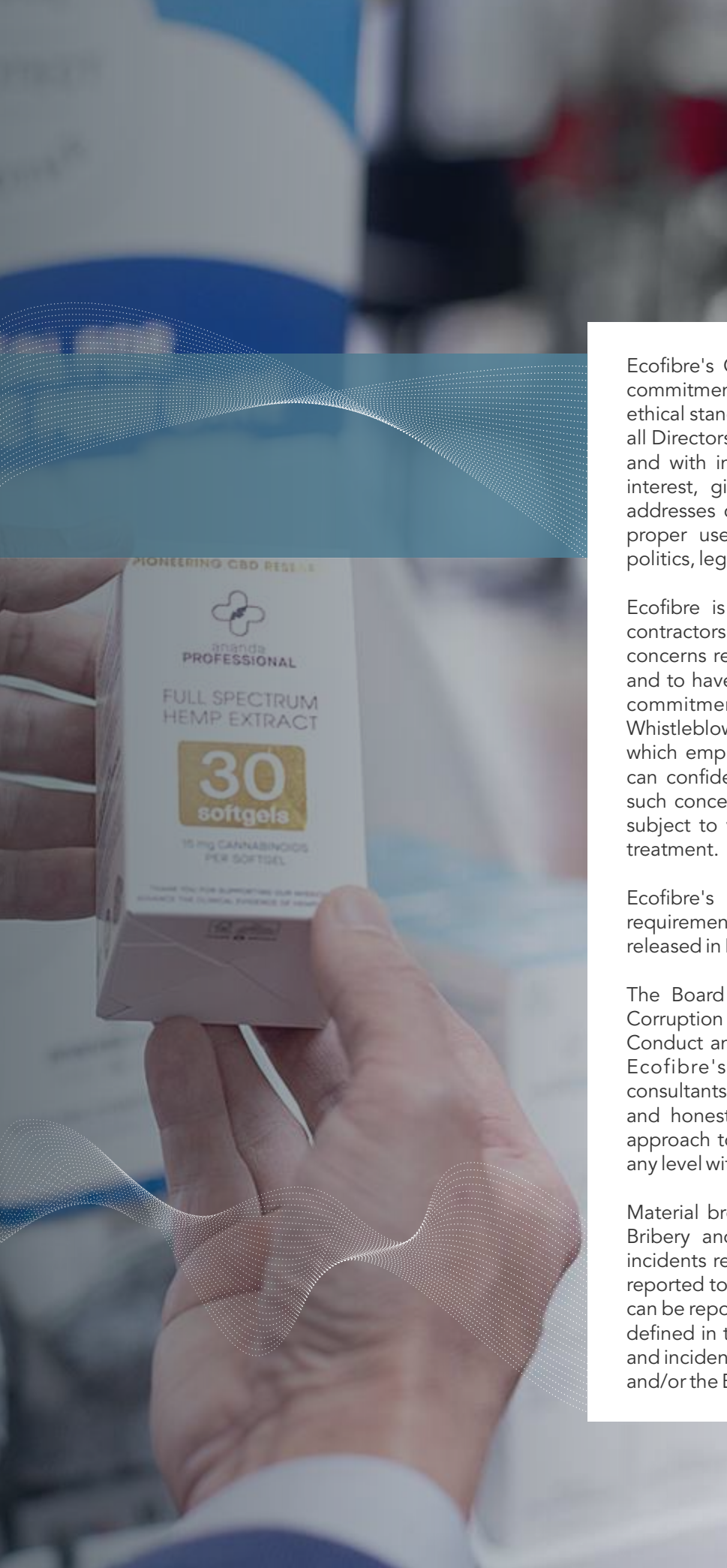
- Ecofibre Group Values
- Code of Conduct
- Anti-Bribery and -Corruption Policy
- Whistleblower Policy
- Diversity Policy

Ecofibre's approach to corporate responsibility is guided by the Ecofibre Group Values, Code of Conduct, Anti-Bribery and -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



Ecofibre's Code of Conduct outlines the Company's commitment to responsible business practices and ethical standards. The Code sets out the expectation 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 and -Corruption Policy, as well as material incidents reported under the Whistleblower Policy are reported to the Whistleblower Investigation Officer but can be reported to any Eligible Recipient, as that term is defined in the Whistleblower Policy. Material breaches and incidents are reported to the Chairman of the ARCC and/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

Sustainability Report

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, member qualifications and meetings are described earlier under section 2 of this corporate governance statement.

The ARCC Chairman 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, and that the entity is operating with due regard to the risk appetite set by the Board.

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.

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. Risks are also assessed in accordance with the Company's overall risk appetite.

Ecofibre's assessment and management of risk includes monitoring environmental and social risks.

In the 2022 financial year, Ecofibre's business continued to be impacted by a number of issues, including industry oversupply, the continuation of COVID-19, and strains on pharmacy infrastructure. 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 and Australia.

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. An assessment of our risks.

During the year, the Company has also published its second separate Sustainability Report, which covers a number of its social and environmental practices and is available on our website. Ecofibre has sustainability as a foundation and that is reflected in our core values: "We strive to leave our environments better than how we found them." All of our business lines are focused on improving the wellness of people and the planet.

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.

Internal Audit

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.

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 with due regard to the risk appetite set by the Board.

External Audit

One of the chief 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 2021 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 setting out 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 2021, half year ended 31 December 2021 and the financial year ended 30 June 2022.

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 external auditors to review the Appendix 4C 'Quarterly Cash Flow Report' prepared by Ecofibre pursuant 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 Corporate Governance Statement, the Company's Sustainability Report and Quarterly Activity Reports. 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, who also conduct the internal verification. Drafts of the reports are reviewed and approved 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 and Activity reporting
- 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 ecofibre.com; and
- annual general meetings.

The Board receives copies of all material market announcements either prior to release

Ecofibre has a dedicated Investor page on 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 on 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. All resolutions put to the 2021 AGM were conducted by poll.

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 2022 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 are 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. 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 shareholders.

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/>.

ECOFIBRE

CORPORATE GOVERNANCE REPORT 2022





ECOFIBRE

APPENDIX 4G
CORPORATE GOVERNANCE
PRINCIPLES AND
RECOMMENDATIONS
2022

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 2022

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 26 August 2022 and has been approved by the board.

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

Date: 26 August 2022

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 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 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/	
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"/>	
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"/>	
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"/>	

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 (e.g. “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 (e.g. “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 checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> <p>Ecofibre has adopted a Diversity Policy which is available at https://ecofibre.com/investors/corporate/.</p> <p>The Board has not set measurable objectives given the size of the company.</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:</p> <p>https://ecofibre.com/investors/corporate/</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement which is available at:</p> <p>https://ecofibre.com/investors/corporate/</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
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:</p> <p>https://ecofibre.com/investors/corporate/</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement which is available at:</p> <p>https://ecofibre.com/investors/corporate/</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"/> set out in our Corporate Governance Statement</p> <p>We have disclosed a copy of the People & Nominations Committee charter at: https://ecofibre.com/investors/corporate/</p> <p>The information in 4 and 5 is set out on in the section entitled "Directors' Report" of our 2022 Annual Report which is available at: https://ecofibre.com/investors/corporate/annual-reports/</p> <p>As of November 2021, the chair of the People & Nominations Committee is chaired by an independent director.</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 in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/</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	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/</p> <p>and, where applicable, the information referred to in paragraph (b) is set out in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/</p> <p>and the length of service of each director is set out in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/.</p>	
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	
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.		<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>For the whole period the CEO and Chair of the Board were not the same person. The retired Chair (as of Nov 2021) was a significant shareholder, the new Chair, as of November 2021 is independent.</p>
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"/>	

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: https://ecofibre.com/investos/our-values/	
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/investos/corporate/	
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/	
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/	

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			
4.1	<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 checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the Audit, Risk and Compliance Committee (ARCC) charter at:</p> <p>https://ecofibre.com/investors/corporate/</p> <p>and the information referred to in paragraphs (4) and (5) in the section entitled "Directors' Reports" of our 2022 Annual Report which is available at:</p> <p>https://ecofibre.com/investors/annual-reports/</p>	
4.2	<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>	
4.3	<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>	

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: https://ecofibre.com/investors/corporate/	
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"/>	
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"/>	
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 in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
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 in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/	
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"/>	
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"/>	

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 checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the Audit, Risk and Compliance Committee (ARCC) charter is available at: https://ecofibre.com/investors/corporate/ <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) in the section entitled "Directors' Report" of our 2022 Annual Report which is available at: https://ecofibre.com/investors/corporate/annual-reports/</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 in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/</p>	
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 (b):]</i> 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 in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/</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
7.4	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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/ and, if we do, how we manage or intend to manage those risks in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/	

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"/> set out in our Corporate Governance Statement</p> <p>We have disclosed a copy of the People & Nominations Committee charter at: https://ecofibre.com/investors/corporate/</p> <p>The information in 4 and 5 is set out on in the section entitled “Directors’ Report” of our 2022 Annual Report which is available at: https://ecofibre.com/investors/corporate/annual-reports/</p> <p>As of November 2021, the chair of the People & Nominations Committee is chaired by an independent director.</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 in our Corporate Governance Statement which is available at: https://ecofibre.com/investors/corporate/ and in the section entitled “Remuneration Report” contained in our 2022 annual report which is available at: https://ecofibre.com/investors/corporate/annual-reports/</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 in our Corporate Governance Statement and on page 4 of our Securities Trading Policy both of which are available at: https://ecofibre.com/investors/corporate/</p>

